

# INVESTOR COMPENSATION FUND POLICY

**Version 1 – April 2024**

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**AXON SECURITIES S.A.**

Authorised and Regulated by the Hellenic Capital Market Commission under license No. 32/315/26.10.2004

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## 1. INTRODUCTION

This is the Investor Compensation Fund Policy (hereafter referred to as the “**ICF**”) of Axon Securities S.A. (hereinafter referred to as “**Axon**” and/or the “**Company**” and/or “**we**”), a company incorporated in Greece with registration number 000708201000, authorized and regulated by the Hellenic Capital Market Commission (hereafter referred to as “**HCMC**”) as a Greek Investment Firm with license number 32/315/26.10.2004 to offer certain investment and ancillary services subject to the provisions of the Law of 3606/2007 regarding the Provision of Investment Services, the Exercise of Investment Activities and the Operation of Regulated Markets, Article 9 of Law 3606/2007.

The Company’s registered address is at 48 Stadiou Street, 105 64 Athens, Greece.

**NAGA.eu** is the Company’s domain/website, which is owned by Naga Technology GmbH, however, is independently and exclusively operated by Axon Securities S.A.

**NAGA** is a trade name and trademark under the NAGA Group AG, a German based FinTech company publicly listed on the Frankfurt Stock Exchange. Exclusive rights for the use of the said trade name and trademark, in the territory of Greece, are exclusively granted to Axon Securities S.A.

The Company is a member of the Investor Compensation Fund (hereinafter, the “**ICF**”). Depending on the Client Categorization, the Client may be entitled to compensation from the ICF for Investment Services in the event that the Company is unable to meet its obligations.

The information included herein is disclosed with the objective to provide basic information regarding the ICF. The recipient of this document is encouraged to seek more information or consult the ICF’s website, <http://www.syneggiitiko.gr>, in order to obtain additional information.

## 2. OBJECTIVE

The purpose of the “Investor Compensation Fund” is to compensate clients of Investment Services Firms. It operates under the provisions of L. 2533/1997, as in force, reflecting the harmonization of the Greek laws with the provisions in Directive 97/9/EC of the European Parliament and of the Council of 3 March 1997 on investor-compensation schemes.

The Investor Compensation Fund shall cover clients’ claims arising out of transactions within or outside regulated markets relating to the covered principal and ancillary services provided by the Company and authorised by the Hellenic Capital Market Commission.

In the event of Company’s failure confirmed by decision of the Hellenic Capital Market Commission and subsequent special clearing obligation process upon a court decision on bankruptcy:

- a) to give back the capital payable to the Company’s clients; or
- b) the capital owned by the Company’s clients, and which is held by the Company on the clients’ behalf; or
- c) to return any financial instruments owned by the client and which are held or managed by the Company on the clients’ behalf.

The Investor Compensation Fund shall also cover clients’ compensation arising out of the provision of investment services for financial instruments within the framework of cross-border Investment Services Firm activity by means of passporting as well.

The objective of the ICF is to secure any claims of covered clients against members of the fund, and the main essence of the fund is to compensate covered clients for any claims arising from the malfunction by a member of the ICF (i.e. the company) to fulfil its obligations despite whether that obligation arises from legislation, the client agreement or from wrongdoing on the part of the member of the ICF (i.e. the company).

### 3. AMOUNT OF COMPENSATION

In the unlikely event that the company is bankrupt and/or is unable to return financial instruments or funds owed to a covered client, the Investor Compensation Fund covers losses up to Thirty Thousand Euros (€30,000) per client, irrespective of the number of accounts held, currency and place of offering the investment service.

The total payable compensation to each covered Client of the Company may not exceed 90 % (ninety per cent) of the cumulative covered claims of the covered client, or the amount of Thirty Thousand Euros (€30,000), whichever is lowest, irrespective of the number of accounts held, currency and place of offering the investment service.

In the case whereby beneficiaries of a joint account of the Company are in their majority covered Clients:

- a) the maximum amount payable to all co-beneficiaries of the account comes up to the amount Thirty Thousand Euros (€30,000);
- b) the compensation is fixed on the whole for all co-beneficiaries of the joint account and is divided amongst them, in the way determined in the agreement between the co-beneficiaries and the Company;
- c) otherwise, in the absence of such agreement, it is divided equally amongst them.

### 4. COVERED SERVICES

The Investor Compensation Fund shall cover the below investment services:

- reception and transmission of orders on behalf of the clients for transactions in financial instruments;
- execution of orders on behalf of clients, namely, concluding agreements to buy or sell one or more financial instruments on behalf of clients;
- dealing on own account, namely, dealing on Investment Services Undertaking's own equity in one or more financial instruments for transactions in such instruments;
- portfolio management of client portfolios at the Investment Services Undertaking's discretion, following client orders in one or more financial instruments;
- underwriting of financial instruments or placing of financial instruments on or without a firm commitment basis and,
- placing of financial instrument without a firm commitment basis

and the ancillary service of:

- safekeeping and administration of financial instruments on behalf of clients, including custodianship and related services, such as cash/collateral management.

Any other type of investment not falling within the above-covered investment services, shall not be covered by the Investor Compensation Fund.

## 5. COVERED CLIENTS

The ICF covers Retail Clients of the Company. It does not cover Professional Clients and Eligible Counterparties.

## 6. NON-COVERED CLIENTS

The ICF shall pay no compensation to individuals against whom criminal proceedings under the provisions of the Prevention and Suppression of the Legalisation of Proceeds of Crime and Terrorist Financing Law 4557/2018, as amended or replaced, are pending.

The ICF does not compensate the following investor categories:

- a) The following categories of institutional and professional investors:
  - i. Investment Firms.
  - ii. Legal entities associated with the Company and, in general, belonging to the same group of companies.
  - iii. Banks.
  - iv. Cooperative credit institutions.
  - v. Insurance companies.
  - vi. Collective investment organizations in transferable securities and their management companies.
  - vii. Social insurance institutions and funds.
  - viii. Investors characterized by the Company as professionals, upon their request.
- b) States and supranational organizations.
- c) Central, federal, confederate, regional and local administrative authorities.
- d) Enterprises associated with the Company.
- e) Managerial and administrative staff of the Company.
- f) Shareholders of the Company whose participation directly or indirectly in the capital of the Company amounts to at least 5% of its share capital, or its partners who are

personally liable for the obligations of the Company, as well as persons responsible for the carrying out of the financial audit of the Company as provided by the Law, such as qualified auditors.

- g) Investors having in enterprises connected with the Company and, in general, of the group of companies, to which the Company belongs, positions or duties corresponding to the ones listed in sub-paragraphs (e) and (f) of this paragraph.
- h) Second-degree relatives and spouses of the persons listed in sub-paragraphs (e), (f) and (g) of this paragraph as well as third parties acting for the account of these persons.
- i) Apart from investors convicted of a criminal offence pursuant to the Prevention and Suppression of the Legalisation of Proceeds of Crime and Terrorist Financing Law of 2018, as amended or replaced, investors-Clients of the Company responsible for facts pertaining to the Company that have caused its financial difficulties or have contributed to the worsening of its financial situation or which have profited from these facts.
- j) Investors in the form of a company which, due to its size, is not allowed to draw a summary balance sheet in accordance with the Companies Law or a corresponding law of a Member State of the European Union.

In the cases of sub-paragraphs (e), (f), (g) and (g) above, the ICF suspends the payment of compensation informing the interested parties accordingly, until it reaches a final decision as to whether such cases apply.

## **7. COMPENSATION PAYMENT PROCESS**

The ICF compensates the covered Clients for claims arising from the covered services provided by the Company, when failure by the Company to fulfil its obligations has been ascertained.

The following constitutes failure by the Company to fulfil its obligations:

- a) Either to return Client fund to its covered Clients which are held by the Company indirectly in the framework of the provision by the Company to the said Clients of covered services, and which the latter requested the Company to return, in exercise of their relevant right; or
- b) To return to the covered Clients financial instruments which belong to them and which the Company manages.

The ICF initiates the compensation payment process in one of the following situations:

- a) HCMC has determined by resolution that that the Company is unable to meet such of its duties as arise from its Clients' claims in connection with the investment services it has provided, as long as such inability is directly related to its financial circumstances with respect to which no realistic prospect of improvement in the near future seems foreseeable, and has issued its decision on the commencement of the compensation payment procedure by the ICF as well as has published the said decision in the Official Gazette of the Republic of Greece as well as on its website on the Internet.

HCMC can issue such decision when at least one of the following preconditions is fulfilled:

- i. The Company submits to the ICF or to HCMC a written statement declaring its failure to fulfil its obligations towards its Clients; or
  - ii. The Company files an application for liquidation in accordance with the provisions of the Companies Law of Greece; or
  - iii. HCMC has revoked or suspended the Company's authorization to provide investment services and ascertains that the Company is not expected to be in a position to fulfil its obligations toward its Clients in the near future, for reasons which do not concern a temporary lack of liquidity which can be dealt with immediately.
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- b) A judicial authority has on reasonable grounds directly related to the financial circumstances of the Company, issued a ruling which has the effect of suspending the investors' ability to lodge claims against it.

Upon issuance of a decision to initiate the compensation payment process by a Court or by HCMC, the ICF publishes, in at least three (3) newspapers of national coverage, an invitation to the covered Clients to make their claims against the Company. The invitation outlines the procedure for submission of the relevant compensation applications, including the deadline for submission and the content of such applications.



The compensation applications of covered Clients with which they make their claims against the Company are submitted to the ICF in writing and must include:

- i. The name of the claimant-Client;
- ii. The address, telephone and fax numbers as well as any email address of the claimant Client;
- iii. The Client code that the claimant-Client had with the Company;
- iv. The particulars of the covered services agreement between the ICF and the claimant Client;
- v. The type and amount of the alleged claims of the claimant-Client;
- vi. The exposition of the particulars from which the alleged claims of the claimant-Client and their amount are delivered;
- vii. Any other information the ICF might or will request.

Upon submission of the compensation applications, the Administrative Committee of the ICF has control especially if:

- i. The claimant-Client falls within the category of covered Clients;
- ii. The application was timely submitted;
- iii. The claimant-Client is not convicted of a criminal offence pursuant to the Prevention and Suppression of the Legalisation of Proceeds of Crime and Terrorist Financing Law of 2018, as amended or replaced;
- iv. The conditions for the valid submission of compensation applications are fulfilled.

The Administrative Committee rejects the compensation application in case the claimant Client does not fulfil the conditions referred to in the abovementioned paragraph above, or if at the Administrative Committee's discretion, at least one of the following reasons exists:

- i. The claimant-Client used fraudulent means in order to secure the payment of compensation by the ICF, especially if it knowingly submitted false evidence;

- ii. The damage suffered by the claimant substantially derived from concurrent negligence or offence on its behalf in relation to the damage it suffered and to its underlying cause.

Upon completion of the valuation, the ICF:

- i. Issues minutes listing the Clients of the Company which are compensation beneficiaries along with the amount of money each one of them is entitled to receive, and, communicates it to HCMC and the Company; and
- ii. Communicates to each affected Client its finding.

For more information on non-covered cases, please consult with the ICF (<http://www.syneggiitiko.gr>).