JFD GROUP LTD

(Regulated by the Cyprus Securities & Exchange Commission with registration number 150/11)

INVESTOR COMPENSATION FUND

OCTOBER 2026

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APPENDIX III. INVESTOR COMPENSATION FUND

1. WHAT IS THE INVESTOR COMPENSATION FUND?

The Investor Compensation Fund ("ICF"), which JFD Group Ltd (the "Company" or "member") is a member, is the Fund established pursuant to Article 15 of Law 87(I)/2017 which provides for the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and other Related Matters ("the Law") as an investor compensation fund for CIF clients other than credit institutions and its powers and functions are regulated by the provisions of the Law and of the Directive DI87-07 of 2019 and Directive DI87-07(A) of 2020 of the Cyprus Securities and Exchange Commission ("CySEC") for the Continuance of the Operation and the Operation of the IF Investor Compensation Fund ("the Directive").

2. WHAT IS THE PURPOSE OF THE ICF AND WHO MAY SUBMIT AN APPLICATION FOR COMPENSATION?

The purpose of the ICF is to secure the claims of covered clients against JFD Group Ltd through the payment of compensation, if the following preconditions mentioned in Question 5 (i) and (ii) below are fulfilled.

All retail clients of JFD Group Ltd are covered by the ICF for claims against JFD Group Ltd, arising out of the covered services provided by the member, and they may apply for compensation. It does not cover Professional clients or Eligible Counterparties.

3. WHEN CAN APPLICATIONS BE LODGED?

In all cases and provided one of the preconditions mentioned in sub-paragraph (1) of Paragraph 3 of the Directive is fulfilled, the claims must arise out of the investment services provided by JFD Group Ltd or the ancillary service of paragraph (1) of Part II of the Third Schedule of the Law, including the clients of branches of JFD Group Ltd established in other Member States.

The ICF may also compensate clients to whom investment services or the ancillary service of paragraph (1) of Part II of the Third Schedule of the Law are provided, either through a branch of JFD Group Ltd.

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The ICF does not cover the applicants set out in the Second Schedule of the Directive, as well as applicants who may be covered but who apply to the ICF for compensation, in respect of claims against JFD Group Ltd in relation to the covered services, after one year from the loss of membership status has elapsed.

Furthermore, the ICF pays no compensation in respect of claims arising out of transactions involving individuals, convicted of a criminal offence for the said transactions, pursuant to the Prevention and Suppression of Money Laundering Activities Law.

4. WHAT IS THE AMOUNT OF COMPENSATION PAID TO INVESTORS?

The maximum amount of compensation paid to applicants, who will be deemed as eligible for compensation, is twenty thousand EUR (€20.000,00).

The said coverage applies to the total amount of claims by an applicant against JFD Group Ltd, irrespective of the number of accounts, the currency and the place of provision of the service.

The amount of compensation payable to each client is calculated in accordance with the legal and contractual terms governing the relation of the Client with the Company, subject to any set-off rules applied for the calculation of the claim between the Client and the Company.

The payable compensation derives from the sum of all established claims of the covered client against JFD Group Ltd, arising out of all covered services provided by JFD Group Ltd and irrespective of the number of accounts of which the applicant is a beneficiary, the currency and place of provision of these services.

Insofar as the amount of the claim exceeds twenty thousand EUR (€20.000,00), the applicant receives as compensation the lump sum of twenty thousand EUR (€20.000,00).

In cases whereby beneficiaries of a joint account are in their majority covered clients, the maximum amount payable to all co-beneficiaries of the joint account amounts to twenty thousand euro (€20.000) and the compensation is fixed on the whole for all co-beneficiaries of the joint account and shall be divided between them in accordance with any agreement between them and the company, and/or in the absence of such an agreement, the amount shall be divided equally amongst them.

5. WHEN IS THE COMPENSATION PAYMENT PROCESS INITIATED AND WHAT IS

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THE PROCEDURE FOLLOWED?

The ICF will secure the claims of covered clients provided that one of the following pre-conditions is fulfilled:

i. CySEC has determined by resolution that the Company is unable to meet any duties that arise from a client's claim in connection to investment or ancillary services and there is no foreseeable realistic prospect of improvement in the near future; or

ii. A court has on reasonable grounds directly related to the financial circumstances of the Company, issued a ruling which has the effect of suspending the clients' ability to lodge claims against the investment firm.

Before reaching such decision, CySEC may invite JFD Group Ltd to set out its view within a short deadline, which cannot be less than three working days from such invitation.

CySEC may, on certain conditions, extend by up to three months the issue of the decision to initiate the compensation payment process by the ICF.

CySEC publishes the information relating to its decision in the Official Gazette of the Republic and on its website. Following the decision to initiate the compensation payment process, the ICF publishes, in at least three newspapers of national coverage, an invitation to covered clients to submit their claims against JFD Group Ltd in respect of the covered services, designating the procedure for submitting the relevant applications, the deadline for the submission (being not less than five months and not greater than nine months from the publications) and their content, as provided in more detail in Part V of the Directive.

In exceptional cases, followed by an announcement published in at least three newspapers of national coverage, the ICF may extend the deadline for the submission of compensation applications by up to three months.

Each respective covered client who is willing to submit a claim against the Company, shall submit its claim in writing to the ICF. Each claim shall include the following, amongst others:

- name, address, telephone and fax numbers, and email address, if any;
- the client's number with JFD Group Ltd;
- the particulars of the covered services agreement between JFD Group Ltd and the client;

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- the type and amount of the alleged claims; and
- evidence/documentation giving rise to the alleged claims and their amount.

The ICF may request additional information through a relevant publication in at least three newspapers of national coverage and the Official Gazette of the Republic.

The ICF is obliged to pay the compensation to each covered client-applicant within three months from sending to the CySEC the minutes listing the compensation beneficiaries.

6. SERVICES PROVIDED BY THE BRANCHES OF JFD GROUP LTD

Insofar, JFD Group Ltd as a member of the ICF provides services to its clients through a branch in another Member State, the amount of the maximum compensation payable to the clients of the said branch is equal, per client, to the lump sum paid by any investor compensation scheme in operation within the Member State, however, such amount cannot, exceed the fixed maximum amount of twenty thousand EUR (€20,000) payable by the ICF.

7. HOW TO SUBMIT AN APPLICATION

An application to the ICF may be submitted in one of the following two ways:

a) By filling in the online application form which can be found on the website of CySEC; (https://www.cysec.gov.cy/en-GB/complaints/tae/application/)

b) By submitting a simple letter to the offices of the ICF, accompanied by all supporting evidence as described above in question 5.

8. ARE PHYSICAL STOCKS COVERED BY THE INVESTOR COMPENSATION FUND?

The physical shares are kept on behalf of the client in a separate omnibus account with the Liquidity Provider of the Company. However, in case the company fraudulently take advantage of them and sell them and then enters into liquidation for any reason, then the client is protected by the ICF up to EUR 20,000 based on the shares' current market value.

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