

Disclosure on Investor Compensation Scheme

Investors' funds, financial instruments and their portfolios held with Fuxion Access are covered by the investor compensation scheme. Investor compensation schemes in EU Member States and North America are established in accordance with Directive 97/9/EC and apply to investment firms within the respective Member State. Fuxion Access is a participant in the Latvian investor compensation scheme. This scheme protects investors using the Fuxion Access platform, irrespective of their country of residence.

What is the Investor Compensation Scheme?

The investor compensation scheme is a mechanism designed to protect investors' interests, ensuring that investors are entitled to compensation under specific circumstances.

In which cases is compensation paid?

Investors are entitled to compensation if Fuxion Access is unable to meet its obligations to investors in full and on time. Such inability must be confirmed by the Bank of Latvia or must result from a final and binding court decision declaring insolvency or liquidation of the investment firm, thereby preventing it from meeting investors' claims.

Fuxion Access maintains records in its accounting system of all investments eligible for compensation in the event of its inability to fulfill obligations.

How is compensation and its amount determined?

The amount of compensation is determined by the Bank of Latvia, based on the total outstanding obligations of the scheme member towards the investor, but not exceeding EUR 20,000, regardless of the number of financial instruments or accounts held by the investor.

When and how is compensation paid?

To receive compensation, the investor must submit a claim. The Bank of Latvia publishes the procedures and deadlines for submitting claims in the official gazette Latvijas Vēstnesis and on its official website.

The investor must submit the claim within two years from the date the Bank of Latvia has published information about compensation payments or from the end of the circumstances that caused a delay in compensation payment. Failure to submit the claim within the prescribed period results in the loss of the right to compensation.

The payment of compensation commences within three months from the date the Bank of Latvia establishes the inability of the scheme member to meet its obligations or from the effective date of a court ruling declaring the insolvency or liquidation of the investment firm which prevents it from fulfilment of obligations towards the investors. In exceptional cases and under extraordinary circumstances, the Bank of Latvia may extend the commencement period for compensation payments by up to three months. In certain cases, compensation payments may be temporarily suspended.

Compensation is paid out through the Bank of Latvia or a credit institution designated by the Bank of Latvia.

When will compensation not be paid?

No compensation is payable:

- 1) to a person for transactions in respect to which a criminal conviction has been passed for money laundering, terrorism or proliferation financing
- 2) to investor compensation scheme members, insurance or reinsurance companies, investment firms, or other investors which have informed of the fact that they are professional investors;
- 3) to persons which belong to the same group of companies as the scheme member;
- 4) to pension funds;
- 5) to state institutions or municipalities;
- 6) to members of the scheme member's board, council, head of the audit committee and its members, head of the internal audit department and its members, other employees of the scheme member who authorized to plan, manage and control the activities of the scheme member and are responsible for it, as well as to persons directly or indirectly holding at least 5% of the scheme member's capital;
- 7) to persons responsible for audit of the statutory accounting documents of the scheme members;
- 8) to first-degree relatives and spouses of the persons mentioned in points 6 and 7;
- 9) to persons acting on behalf of those mentioned in point 7;
- 10) to persons regarding whom Latvijas Banka has established that, under special provisions of a contract concluded individually, they have received high interest rates or financial concessions, or have caused or have taken advantage of circumstances which have resulted in financial difficulties or have led to deterioration in the financial situation of a scheme member;
- 11) to credit institutions.
- 12) to financial institutions within the meaning of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

What cases are not covered by the investor compensation scheme?

The investor compensation scheme does not cover investor losses arising from fluctuations in the value of financial instruments or their illiquidity.

Investor compensation scheme does not apply to investments in loans made on the Fuxion Access platform via assignment agreements.

Contact Information of the Scheme Administrator

The administrator of the scheme is the Bank of Latvia with the following contact details:
Address: K. Valdemāra iela 4B, Riga, Latvia, LV-1051; Telephone: +371 67022301

The Investor Protection Law is available online:

<https://likumi.lv/ta/id/55829-iegulditaju-aizsardzibas-likums>

Further information on the investor compensation scheme is available on the Bank of Latvia's website:

<https://www.bank.lv/darbibas-jomas/klientu-aizsardziba/kompensaciju-izmaksas-sistemas/finansu-instrumentu-tirgus-klientu-iegulditaju-aizsardziba>.