



INVESTOR COMPENSATION FUND POLICY

November 2025

1. Introduction

In2Markets Ltd (hereinafter, the “Company”) is authorized and regulated as a Cyprus Investment Firm (CIF) by the Cyprus Securities and Exchange Commission (“CySEC”) under License No. 263/14 and is a member of the Investor Compensation Fund for CIF Clients (hereinafter, the “Fund” or the “ICF”). The ICF was established pursuant to Article 59 of Law 87(I)/2017, which transposes the provisions of Directive 2014/65/EU (MiFID II) into national law and operates under the regulatory framework established by Directive DI87-07 of CySEC.

The primary objective of the Fund is to offer a safety mechanism for Retail Clients in the event that a CIF becomes unable to fulfil its obligations arising from the provision of covered investment services. The Fund seeks to ensure that Retail Clients are compensated for any verified claims resulting from the failure of a member of the Fund to return client funds or financial instruments due to financial insolvency or similar inability.

This Investor Compensation Fund Policy (hereinafter, the “Policy”) outlines the conditions under which the Fund may provide compensation, defines eligible and ineligible clients, and sets out the formal procedures for submission, evaluation, and payment of compensation.

2. Scope of Coverage

Pursuant to the provisions of the Law and Directive DI87-07, the Fund covers only natural or legal persons who are classified by the Company as Retail Clients under the Company’s Client Categorisation Policy and in accordance with MiFID II guidelines.

The Fund does not cover Professional Clients and Eligible Counterparties, as these clients are presumed to possess the necessary experience, knowledge, and financial capacity to assume investment risk without requiring the protection of the ICF.

Additionally, the following categories of persons or entities are explicitly excluded from coverage:

- Investment Firms and other financial institutions;
- Legal entities affiliated with the Company or forming part of the same group;
- Banks and cooperative credit institutions;
- Insurance undertakings and collective investment schemes, including their management companies;
- Governmental, municipal, or supranational organisations;
- Directors, shareholders with qualifying holdings (≥5%), and auditors of the Company;
- Relatives of the aforementioned persons and individuals acting on their behalf;
- Clients who contributed to the financial difficulties of the Company through fraudulent or unlawful actions.

In cases where eligibility is unclear, the Fund may suspend compensation payments pending further investigation.

3. Covered Investment Services and Financial Instruments

The Investor Compensation Fund provides coverage for specific investment services offered by the Company to its Retail Clients, provided such services are performed in accordance with the provisions of Law 87(I)/2017 and within the scope of the Company’s CySEC license.

The Company offers the following investment services, which fall under the scope of coverage by the ICF:

- 1) Reception and transmission of orders in relation to one or more financial instruments;
- 2) Execution of orders on behalf of Clients;
- 3) Portfolio management.

The Company also provides the following ancillary services, which are considered covered only insofar as they are directly related to an investment service provided to the Client:

- 1) Safekeeping and administration of financial instruments, including custodianship and related services;
- 2) Granting of credits or loans to Clients to carry out transactions in financial instruments, where the Company is involved in the underlying transaction;
- 3) Foreign exchange services, where such services are connected to the provision of investment services.

The only category of financial instruments currently offered by the Company in the course of providing the above investment services is: Contracts for Difference (CFDs).

CFDs are derivative financial instruments that allow Clients to speculate on price movements in underlying assets without taking physical ownership of those assets. These instruments are considered complex financial products and are subject to strict regulatory oversight. The ICF coverage applies to CFDs only where such instruments have been acquired or transacted through the Company as part of a covered investment service.

4. Compensation Mechanism

The Fund's obligation to compensate arises when it is determined, by a competent court or by CySEC, or through a declaration by the Company, that the Company is unable to meet its obligations to its clients for reasons directly related to its financial condition and where no foreseeable prospect of improvement exists.

Specifically, the failure may include the inability to:

- Return client funds that are held in connection with the provision of investment services;
- Transfer to clients financial instruments that belong to them and are held by the Company.

The maximum amount of compensation that the Fund may pay to a covered client is EUR 20,000, or 90% of the total eligible claim, whichever is lower. This amount applies to the aggregate claims of each individual client, regardless of the number of accounts or the currency of the transactions.

5. Activation of the Compensation Process

The compensation process is activated when at least one of the following conditions is satisfied:

A court ruling suspends the rights of clients to take legal action against the Company due to its financial situation;

- CySEC determines that the Company is unable to meet its obligations and there is no prospect of recovery;
- The Company declares in writing its inability to fulfil its obligations;
- The Company files for liquidation;
- CySEC revokes or suspends the Company's authorisation due to financial inability to meet its obligations.

Once the process is activated, the Fund publishes an invitation for submission of claims in at least two daily newspapers with nationwide circulation. The publication includes instructions for the submission of claims, applicable deadlines (between five and nine months), and the relevant contact details.

6. Submission and Evaluation of Claims

Eligible clients must submit their compensation claims using the form provided by the Fund. The claim must include supporting documentation such as identification details, client code, copies of relevant account statements, agreements, and a description of the services and amounts involved.

The Fund may appoint independent experts in financial and legal matters to assist in the evaluation of claims.

These experts may request clarifications and documents from the Company and have full access to client records, subject to confidentiality obligations.

The Administrative Committee of the Fund reviews the recommendations of the experts and issues decisions regarding the admissibility and amount of each claim. Claims may be denied if they are found to be fraudulent or where the client contributed to the losses through gross negligence or unlawful conduct.

If the Fund subsequently determines that a claim was unjustified, it reserves the right to recover the amount paid from the claimant.

7. Valuation and Payment

Claims are valued on the basis of available evidence and market values as at the date on which the compensation process was initiated. If financial instruments are denominated in foreign currencies, conversion into euros is carried out using the European Central Bank's reference rate on that date.

The Fund notifies the claimant of the approved compensation amount. Clients who disagree with the determination may submit a justified objection to CySEC within one month of receiving the Fund's decision.

The payment of compensation is executed within three months from the date of notification to the client, by transfer to the bank account specified in the claim application. In exceptional cases, this deadline may be extended by up to three months, with the approval of CySEC.

8. Legal Effect of Compensation

The payment of compensation by the Fund results in the automatic subrogation of the Fund to the rights of the claimant in relation to the Company. This means that the Fund is entitled to recover the paid amount from the

Company through legal or other means, up to the amount of compensation paid.

9. Review and Disclosure

This Policy shall be reviewed on an annual basis or following any material change in applicable legislation or regulatory guidance. The latest version of this Policy is made available to Retail Clients via the Company's website www.In2Markets.com.

10. Further Information

For more details regarding the Investor Compensation Fund and the compensation process, clients can contact the Company's support or visit the official website of CySEC:

Email: support@in2markets.com

Investor Compensation Fund (I.C.F) / Information, CySEC
Website: <https://www.cysec.gov.cy/en-GB/investor-protection/tae/information/>

IN2MARKETS LTD

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