



RISK DISCLOSURE NOTICE

1. GENERAL RISK NOTICE

- 1.1. The Client should not engage in any investment directly or indirectly in Financial Instruments unless the Client knows and understands the risks involved for each one of the Financial Instruments. Hence, prior to applying for an account, the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources.
- 1.2. **All prospective Clients should carefully read the following risk warnings contained in this document before deciding to apply for a Trading Account with the Company. However, it is noted that this document cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in Financial Instruments (including derivative financial instruments such as CFDs).**
- 1.3. **The notice was designed to explain in general terms the nature of the risks involved when dealing with Financial Instruments on a fair and non-misleading basis.**
- 1.4. Prospective Clients should study the following risk warnings very carefully. Please note that we do not disclose or explain all the risks and other significant aspects involved when dealing in Financial Contracts for Difference ('the CFDs').
- 1.5. The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments.
- 1.6. The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind. Hence, prior to applying for a Trading Account with the Company, or placing an Order, the Client should consider carefully whether investing in a specific Financial Instrument is suitable for him in the light of his circumstances and financial resources.
- 1.7. If the Client does not understand the risks involved, he should seek advice and consultation from an independent professional advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, he should not trade at all.
- 1.8. This notice is designed, inter alia, to explain in general terms the nature of the risks particular to our Products and the trading CFDs. The Company provide this warning to help you to take investment decisions on an informed basis. However, please note that each trade will carry its own unique risks which cannot be explained on a general note of this nature.
- 1.9. **CFDs are complex Instruments and come with a high risk of losing money due to leverage. Most retail Investors accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money. For many members of the public trading in our Products is not suitable. It is very important that you should not engage in trading in our Products unless you know, understand and are able to manage the features and risks associated with such**

trading and are also satisfied that trading in our Products is suitable for you considering your circumstances and financial resources.

- 1.10. Purchasing and selling Financial Instruments comes with a significant risk of losses and damage, and each Client must understand that the investment value can both increase and decrease. Clients will be held liable for losses and damages, which could result in the loss of all of the Clients' invested capital, once they make the decision to trade.
- 1.11. A Bank or Broker through whom the Company deals or the Company itself may act in the same market as you, its own account involvement could be contrary to your interests.
- 1.12. **Country/Political risk:** This is the risk that an international investor bears due to the political conditions of the country the Client has invested in. Typically, the concern here is the actions of governments, but other vectors of political risk include local legal systems, the military, or state-sponsored groups.

Examples of political risks include:

- The imposition or removal of taxes.
 - The imposition or removal of exchange controls or exchange rate management systems.
 - The repudiation or moratorium of government or central bank debt.
 - The confiscation of assets including nationalization.
 - The imposition or removal of trade quotas or tariffs or both.
 - The passage of legislation making previously acceptable business practices or ownership structures now illegal or subject to censure.
- 1.13. **Liquidity risk:** Liquidity risk arises in situations where a party interested in trading a Financial Instrument cannot do so because nobody in the market wants to trade that Financial Instrument. In such a case an investor may not be able to sell a Financial Instrument or close out a position at the market price at any given time.
- 1.14. **Credit risk:** Credit risk refers to the capability of the counterparty to fulfill its contracted financial obligations like dividend payments, interest payments, repayment of principal when due, etc.
- 1.15. **Interest rate risk:** Interest rate risk is the probability of an adverse impact on profitability or asset value because of changes in interest rates. Fluctuations of market interest affect the prices of securities. Usually, the price of shares increases if the interest rate falls and vice versa. Factors that influence the level of market interest rates include:
- Expected levels of inflation.
 - General economic conditions.
 - Monetary policy and the stance of the central bank.

- Foreign exchange market activity.
- Foreign investor demand for debt securities.
- Levels of sovereign debt outstanding.
- Financial and political stability.

1.16. **Operational risk:** Operational risk can be defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems or from external events. This is the risk that the internal organizational systems of the Company may run due to system malfunctions or human errors.

1.17. **Market risk:** This reflects the extent to which the return of a Financial Instrument varies in response to, or in association with, variations in the overall market returns.

1.18. **Regulatory and Taxation Changes Risk:** Changes in taxation and other laws, government, fiscal, monetary, and regulatory policies may have an adverse effect on the value of your CFDs or Shares, the tax you pay on your CFDs or Shares, and the total return on the products.

2. TECHNICAL RISKS

2.1. The Client shall be responsible for any financial losses caused by the failure of information, communication, electronic, internet, telephone, public electricity network and other systems caused by the client's systems.

The result of any system failure may be that his Order is either:

- Order not executed according to his instructions.
- Order is not executed at all.
- Might cause prices to change between the price when the order was placed and the price when the order has been received.

The Company does not accept any liability in the case of such a failure.

2.2. While trading the Client and not the Company shall be responsible for the financial losses caused by (but not limited to):

2.2.1. Clients hardware or software failure, malfunction or misuse; b) Poor Internet connection either on the side of the Client or the Company or both, or interruptions or transmission blackouts or public electricity network failures or internet connection failures or hacker attacks, or overload of connection; c) The wrong settings in the Client Terminal; d) Delayed Client Terminal updates; e) The Client disregarding the applicable rules on the Client Terminal; f) Delays or other errors caused during the transmission of Orders and/or messages via computer or other communication devices; g) Information received via computer or via other communication devices is inaccurate.

2.3. Trading on-line, no matter how convenient or efficient, does not necessarily reduce risks associated with currency trading.

2.4. The Client acknowledges that under Abnormal Market Conditions the period during which the Instructions and Requests are executed may be extended.

2.5. Electronic trading systems use computer devices for routing orders, balancing operations, registering, and clearing.

These may be subject to temporary failure and faulty operation. On executing transactions using an electronic trading system, the Client bears the risks specific to such a system, including the risk of a failure in the operation of the hardware or software. Therefore, the Client's order may not be carried out in accordance with his instructions or may not be executed at all. It may be impossible to continually receive information on the positions or to meet margin requirements. This notice cannot and does not disclose or explain all the risks and other significant aspects involved in dealing with all Financial Instrument and investment services. Please refer to the Risk Disclosure for Financial Instruments if the Client is considering trading with the Company in Derivative Financial Instruments.

2.6. The Client shall accept the risk of any financial losses caused by the fact that the Client has received with a delay or has not received at all any notice from the Company.

2.7. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access of third parties.

2.8. The Company has no responsibility if authorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, telephone, any other electronic means, fax or post.

2.9. The Client is wholly responsible for keeping the privacy of all the information sent by the Company and accepts the risk of any financial losses caused by the unauthorized access of the third party to the Client's Account.

2.10. The Client is fully responsible for the risks in respect of undelivered Company Online Trading System internal mail messages sent to the Client by the Company.

3. ABNORMAL MARKET CONDITIONS RISKS

3.1. The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or executed at all.

4. TRADING PLATFORMS

4.1. Orders may be executed one at a time while being in the queue. Multiple Orders from the same Client Account at the same time may not be executed.

4.2. In case the Client has not received the result of the execution of the previously sent Instruction but decides to repeat the Instruction, the Client shall accept the risk of making two Transactions instead of one.

- 4.3. The Client acknowledges that if the Pending Order has already been executed but the Client sends the Instruction to modify its level, the only Instruction, which will be executed, is the Instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

5. FORCE MAJEURE EVENTS

- 5.1. Force Majeure means unforeseeable circumstances that prevent someone from fulfilling a contract.
- 5.2. In case of a Force Majeure Event, the Client accepts the risk of financial losses, example of force majeure event is:
- 5.2.1. Government actions, the outbreak of war or hostilities, the threat of war, acts of terrorism, national emergency, riot, civil disturbance, sabotage, requisition, or any other international calamity, economic or political crisis.
 - 5.2.2. Act of God, earthquake, tsunami, hurricane, typhoon, accident, storm, flood, fire, epidemic or other natural disaster.
 - 5.2.3. Labor disputes and lock-out
 - 5.2.4. Suspension of trading on a Market, or the fixing of minimum or maximum prices for trading on a Market, a regulatory ban on the activities of any party (unless the Company has caused that ban),
 - 5.2.5. decisions of state authorities, governing bodies of self-regulating organizations, decisions of governing bodies of organized trading platforms.
 - 5.2.6. A financial services moratorium has been declared by appropriate regulatory authorities or any other acts or regulations of any regulatory, governmental, or supranational body or authority.
 - 5.2.7. Breakdown, failure or malfunction of any electronic, network and communication lines (not due to the bad faith or willful default of the company);
 - 5.2.8. Any event, act or circumstances not reasonably within the Company's control and the effect of that event(s) is such that the Company is not in a position to take any reasonable action to cure the default.
 - 5.2.9. The suspension, liquidation or closure of any market or the abandonment or failure of any event to which the Company relates its Quotes, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event;

6. CLIENT FUNDS RISKS

- 6.1. The third party to whom the Company will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with claims in respect of the relevant

account. The Company does not accept any liability or responsibility for any resulting losses.

6.2. The Company may deposit Client money with a depository who may have a security interest, lien or right of setoff in relation to that money.

6.3. A Bank or Broker through whom the Company deals could have interests' contrary to the Client's interests.

7. RISK DISCLOSURES FOR FINANCIAL INSTRUMENTS

CONTRACT FOR DIFFERENCE (CFD)

This notice cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in Financial Instruments and CFDs (contracts for difference) and was designed to explain in general terms the nature of the risks particular to dealing in the Financial Instruments and CFDs provided by the Company and to help the Client to take investment decisions on an informed basis. Prior to applying for an account, the Client should consider carefully whether trading in Derivative Financial Instruments and CFDs is suitable for him in the light of his circumstances and financial resources. Trading in derivative financial instruments and CFDs entails the use of "gearing" or "leverage". In considering whether to engage in this form of trading, the Client should be aware of the following:

A. GENERAL

- a. The Client should acknowledge that, regardless of any information which may be offered by the Company, the value of any investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- b. the Client should acknowledge that the Client runs a great risk of incurring losses and damages because of the purchase and/or sale of any Financial Instrument and accepts that the Client is willing to undertake this risk.
- c. Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- d. The Client is hereby advised that the transactions undertaken through the dealing services of the Company may be of a speculative nature. Large losses may occur in a short period of time, equaling the total of funds deposited with the Execution Venue.
- e. Some Financial Instruments may not become liquid immediately as a result, e.g., of reduced demand and the Client may not be able to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.

- f. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price, and performance.
- g. A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- h. A Derivative Financial Instrument (i.e., option, future, forward, swap, contract for difference) may be a non-delivery spot transaction giving an opportunity to make a profit on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument.
- i. The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.
- j. The Client must not purchase a Derivative Financial Instrument unless the Client is willing to undertake the risks of losing entirely all the money which the Client has invested, and any additional commissions and other expenses incurred.
- k. Under certain market conditions, it may be difficult or impossible to execute an order.
- l. Placing Stop Loss Orders serves to limit your losses. However, under certain market conditions, the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.
- m. Should the Equity of the Client be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so within the time required may result in the liquidation of positions at a loss and the Client will be liable for any resulting deficit.
- n. The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be always quoted or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counterparty.
- o. Investing in some Financial Instruments entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, the Client should be aware that the high degree of "gearing" or "leverage" is a particular feature of Derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favor, the client may achieve a good profit, but an equally small adverse market movement cannot only quickly result in the loss of the Clients' entire deposit but may also expose the Client to a

large additional loss. Regarding transactions in Derivative Financial Instruments with the Execution Venues, a derivative Financial Instrument is a non-delivery spot transaction giving an opportunity to make a profit.

- p. Transactions may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the Execution Venue. The Client may only be able to close an open position of any given contract during the opening hours of the Execution Venue. The Client may also have to close any position with the same counterparty with whom it was originally entered. Regarding transactions with Financial Instruments with the Company, the Company is using a Trading Platform for transactions in Financial Instruments which does not fall into the definition of a recognized exchange as this is not a Multilateral Trading Facility.
- q. Profits and losses of transactions with contracts denominated in a foreign currency that differs from the currency of the Client's account are affected by the exchange rate fluctuations when converted from the contract currency to the account currency.

Risks Associated with transactions in derivative financial instruments and CFDs.

- a. The Client agrees and understands that when trading in CFDs the Client is trading on the outcome of the price of an Underlying Asset and that trading does not occur on a Regulated Market but Over The Counter (OTC);
- b. The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the Financial Instruments and CFDs provided by the Company may fluctuate downwards or upwards and it is even probable that the investment may become of no value.
- c. The Client should unreservedly acknowledge and accept that the Client runs a great risk of incurring losses and damage because of the dealing in Financial Instruments and CFDs and accepts and declares that the Client is willing to take this risk. For many members of the public dealings in Financial Instruments and CFDs will not be suitable.

Volatility of price and limitation on the available market

- a. The Client should not engage in any dealings directly or indirectly with Financial Instruments and CFDs unless the Client knows and understands the features risks involved in them.
- b. Transactions in CFDs provided by the Company are not undertaken on a recognized exchange, rather they are undertaken on the Company's Trading Platform through the Execution Venue and, accordingly, they may expose the Client to greater risks than regulated exchange transactions.
- c. The terms and conditions and trading rules are established solely by the counterparty, which in this case is the Company's Execution Venue. The

Client can only close an open position of any given Financial Instrument and CFD during the opening hours of the Company's Trading Platform.

- d. The markets (and prices) offered are derived from related underlying. The Company has no control over movements in the underlying; movements in the underlying may be volatile and unpredictable. Those movements will affect the Company prices, whether it is possible for the Client to open and close a trade and the price at which it can be done. Under certain trading conditions, it may be difficult or impossible to close an open position. This may occur, for example, if the price of the underlying rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted.
- e. A feature of volatile markets is 'Gapping', the situation where there is a significant change to Our Price between consecutive quotes. Gapping may occur in fast and falling markets or if price sensitive information is released prior to Market opening. The price at which we execute your Orders may be adversely affected if Gapping occurs in the relevant Market. Guaranteed Stop Loss Orders will always be executed at your specified Order price, but all other types of Orders will be executed when Our Price meets or exceeds your specified Order price. If Gapping occurs, the price at which your Order is executed may significantly exceed your specified Order price.
- f. At this point it is significant to refer to Slippage, which usually happens during periods of high volatility - This is when a trader has executed an order at a price which is different to the price, they expected the trade to be executed at. There are two kinds of slippage, positive and negative. Positive slippage occurs when the price is executed at a better level than the one requested; a negative slippage is exactly the opposite situation; therefore, the Client should consider the possible risks and/or hazardous situation that they might be placed in. Slippage can occur in all account and order types offered, and under all execution methods.

Foreign Currency

- a. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price, and performance, and may lead to losses for the Client.

Liquidity Risk

- a. Liquidity risk affects your ability to trade. It is the risk that your CFD or asset cannot be traded at the time the Client wants to trade (to prevent a loss, or to make a profit).
- b. Before the Client begins to trade, the Client should obtain details of all commissions and other charges for which the Client will be liable, and which may be found on the Company's Website. If any charges are not expressed in money terms (but for example as a spread).
- c. The Client should take the risk that his trades in Financial Instruments and CFDs may be or become subject to tax and/or any other duty for example

because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Collateral (Professionals and Eligible Counterparties)

- a. When Clients enter into the Collateral Agreement with the Company, it is agreed to take security over the assets in the Account in place of cash for payment of margin on their linked CFD Account.
- b. The value of CFDs will rise and fall. If the collateral value of the assets in Clients Account, together with any cash on Client's linked CFD Account, falls below the amount required to maintain the open positions, Client may be closed out of the CFD positions on that linked account, and the Company will have the right to sell the assets in the Client's Share Account to pay for any resulting deficit.
- c. As the value of the assets in the Clients Account fluctuates the value of the collateral that the Client can utilize as margin will also fluctuate. The Client will need to monitor his/her CFD Account to ensure that the collateral value and any cash he/she has deposited on his/her linked CFD Account is sufficient to fund his/her open positions on that account.
- d. The Client will only be able to use his/her collateral services to cover margin requirements on open positions on his/her linked CFD Account and he/she will need to cover any running losses using the available cash in his/her linked CFD Account.

Suspension of Trading

- a. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a Stop Loss will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.
- b. The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop - these orders will be closed. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients' price.

Therefore, these orders may not always limit Client losses in the event of highly volatile trading conditions, for example, in an underlying asset or reference price. In this case the Company has the right to execute the order at the first available price. This may occur, as already stated, at times of rapid

price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted. This may also occur at the opening of a trading session. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under Contract Specifications in the Company's trading platforms. The Company does not, however, guarantee that its' quoted prices will be at a price which is as good, or better, than one might have been available elsewhere.

CFDs Do Not Give You Any Rights in The Underlying Product

A CFD is to secure a profit or avoid a loss by reference to fluctuations in the price of the Underlying Product, rather than by taking delivery of any Underlying Product. No CFD transaction shall confer on you any right, voting right, title or interest in any Underlying Product or entitle or oblige you to acquire, receive, hold, vote, deliver, dispose of or participate directly in any corporate action of any Underlying Product.

Our rights to adjust, modify and/or Close-Out CFD transactions in the event of a corporate action affecting the Underlying Product

In the event of a Corporate Action affecting the Underlying Product of a CFD (e.g. splits, spin-offs, rights offerings, mergers and acquisitions, etc.): i) We may at our sole discretion, determine the appropriate adjustment or modification or action to take if any, and when, with respect to the CFD to preserve the economic equivalent of the rights and obligations of the parties; ii) As an addition or alternative to the foregoing, we reserve the right at our sole discretion, to close out your open CFD position in the Underlying Product prior to the Corporate Action.

8. CONFLICTS OF INTERESTS

The Company takes all reasonable steps to identify and prevent or manage the conflicts of interest arising in relation to its business lines and its general activities.

9. PERFORMANCE CALCULATION

All financial instruments involve an element of risk. The value of any investment the client makes through the trading platform may fall as well rise and the client may get back less than his/her initial capital investment. Past performance is not an indication of future performance.