



RISK DISCLOSURE STATEMENT

1. Introduction

Vstar& Soho Markets Limited (hereinafter "the Company"), is authorized and regulated by the Cyprus Securities and Exchange Commission ("CySEC") to act as a Cyprus Investment Firm ("CIF") with License Number

The Company operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 87(I)/2017, as amended from time to time.

All Clients and prospective Clients should read carefully the following risk disclosure and warnings contained in this Notice before applying to the Company for a trading account and before they begin to trade with the Company. However, it is noted that this document cannot and does not disclose or explain all of the possible risks and other significant aspects involved in dealing in Contracts for Difference ("CFDs"), and as such the Client needs to ensure that his decision is made on an informed basis. The notice was designed to explain in general terms the nature of the risks involved when dealing in CFDs on a fair and non-misleading basis.

The Company executes Client Orders in relation to Contracts for Differences ("CFDs") in commodities, indices and currency pairs (FX), etc. The above products and services are intended for the client target market of Small to large scale retail and professional investors with knowledge and experience of the industry who feel comfortable trading complex financial markets and who want to trade with money they can afford to lose and have high risk tolerance. Prospective clients will understand the impact of and risks associated with margin trading, its key concepts along with leverage and the potential to bear losses.

"Financial Instruments" shall mean Forex, Contracts for Difference (CFD) or any other derivative product. This policy was designed to explain in general terms and nature of the risks involved when dealing in Financial instruments on a fair and non-misleading basis. The clients should know that transactions in the financial Instruments involve a high risk of loss as price movements are influenced by the amount of leverage the clients is using.

2. Description of Contract for Difference (CFD)

A CFD (Contract for Difference) is an agreement to exchange the difference between the opening and closing value of a contract at its close. Rather than buying or selling the underlying instrument on which your contract is based, you simply place a trade with a CFD provider. The price of your CFD will then replicate the price of the underlying asset (without actually owning the underlying product) giving you a profit (or a loss) as the price of the underlying moves, so that the amount of any profit or loss made on a CFD will be equal to the difference between the price of the underlying instrument when the CFD is opened and the price of the underlying instrument when the CFD is closed, multiplied by the number of underlying instruments.

The types of CFD include, but are not limited to Foreign Exchange CFDs, Futures CFDs, Option CFDs, Share CFDs and Stock Index CFDs.

CFDs are a way of trading on the upward or downward price movements of traditional financial markets without buying or selling the underlying asset directly. The potential losses associated with the price movements can exceed the total value of the initial margin (and any additional margin funds) the Client has deposited with the Company, and the Client may be obliged to close his positions at the worst possible time.

When trading CFDs, the Client will be charged an interest rate which mirrors the financing rate of actually borrowing the funds to invest. This means that if the Client purchases a CFD, the Client will be required to pay financing costs (SWAP) for the period during which the Client holds the position. However, the Client will not pay any financing costs if he opens and closes a CFD position on the same day. This means that if the Client holds a long position for a certain period of time, the financing costs might become substantial. As a seller of CFDs, the Client will not receive any interest. Details of financing fees applied are available on the Company's website and/or provided to the client during the account opening process.

3. Risks & Warnings associated with transactions in Forex, CFDs or any other derivative product

- Forex, CFDs or any other financial derivative product are highly speculative and are suitable only for those Customers who (a) understand and are willing to assume the economic, legal

and other risks involved, (b) are financially able to assume losses significantly in excess of margin or deposits and (c) have the knowledge to understand CFDs trading and the Underlying assets and Markets.

- The Client should unreservedly acknowledge and accept that, regardless of any information which may be offered by the Company, the value of Forex, CFDs or any other financial derivative product may fluctuate downwards or upwards and it is even probable that the investment may become of no value. As with any high-risk financial product, you should not risk any funds that you cannot afford to lose, such as your retirement savings, medical and other emergency funds, funds set aside for purposes such as education or home ownership, proceeds from student loans or mortgages, or funds required to meet your living expenses.
- The Client should unreservedly acknowledge and accept that he runs a great risk of incurring losses and damages as a result of the dealing in Forex, CFDs or any other financial derivative product and accepts and declares that he is willing to undertake this risk.
- The Client should take the risk that his trades in Forex, CFDs or any other financial derivative product 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.
- The high degree of “gearing” or “leverage” is a particular feature of Forex, CFDs or any other financial derivative product meaning a relatively small movement in the underlying market can have a disproportionately effect on the Client’s trade.
- Customer understands that CFD’s can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.
- You have no rights or obligations in respect of the underlying instruments or assets relating to your CFDs or FX Contracts. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities.
- If the market moves against the client’s position, the client may be called upon to deposit substantial additional margin (funds), at short notice, to maintain his position. If the client fails to comply with a request for additional funds within the time prescribed, his position

may be closed at a loss and he will be liable for any resulting deficit. You will be deemed to have received a notice requiring the payment of such funds, even if you are not at home or do not receive the messages, if the notices are delivered to your nominated contact points.

- A loss (which may or may not result in a margin call) may require the Client to immediately provide additional funds to the Company to maintain the open positions. The Company may also change its rates of initial margin and/or notional trading requirements at any time, which may result in a change to the margin the Client is required to maintain.
- When trading Forex, CFDs or any other financial derivative product the Client will be charged an interest rate which mirrors the financing rate of actually borrowing the funds to invest. This means that if the Client purchases a Forex, CFDs or any other financial derivative product, the Client will be required to pay financing costs (SWAP) for the period during which the Client holds the position. However, the Client will not pay any financing costs if he opens and closes Forex, CFDs or any other financial derivative product position on the same day. This means that if the Client holds a long position for a certain period of time, the financing costs might become substantial. As a seller of Forex, CFDs or any other financial derivative product, the Client will not receive any interest. Details of financing fees applied are available on the Company's website and/or provided to the client during the account opening process.
- Forex, CFDs or any other financial derivative product are not suitable for 'buy and forget' trading or long-term positions. Each day the client maintains the position it costs money (if you are long), so there is a time when Forex, CFDs or any other financial derivative product become too expensive.
- Transactions in Forex, CFDs or any other financial derivative product are not undertaken on a recognized stock exchange or on a Multilateral Trading facility (MTF), rather they are undertaken through the Company's Trading Platform and, accordingly, they may expose the client to greater risks than regulated stock exchange transactions. The Trading Platform does not fall into the definition of a recognized stock exchange or of a Multilateral Trading facility (MTF) because the Company is always the counterparty in every client transaction. The terms and conditions and trading rules are established solely by the counterparty which in this case is the Company. The Client is obliged to close an open position of any given Forex, CFDs or

any other financial derivative product during the opening hours of the Company's Trading Platform. The Client also has to close any position with the same counterparty with whom it was originally entered into, thus the Company.

- The Company may be required to hold client's money in an account that is segregated from other clients and the Company's money in compliance with current regulations, but this may not afford complete protection.
- You have no rights or obligations in respect of the underlying instruments relating to your Forex, CFDs or any other financial derivative product. There is no delivery of the underlying asset.
- Where the Forex, CFDs or any other financial derivative product is settled in a currency other than your base currency, the value of your return may be affected by its conversion.
- Where the Company provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell. Each decision, by the Client, to enter into a Forex, CFDs or any other financial derivative product transaction with the Company and each decision as to whether a transaction is appropriate or proper for the Client is an independent decision by Client. The Company is not acting as an advisor. Client agrees that the Company has no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Client following Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided.
- There are no guarantees of profit nor of avoiding losses when trading Forex, CFDs or any other financial derivative product. Client has received no such guarantees from the Company or from any of its representatives. Client is aware of the risks inherent in trading Forex, CFDs or any other financial derivative product and is financially able to bear such risks and withstand any losses incurred.
- In case of any quoting error occur (including responses to Client requests, typing errors, etc), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant account.

- The Company requires the Client to pass through an appropriateness test during the application process and warns the Client if, on the basis of information provided, the trading on Forex and CFDs is not appropriate based on his profile.
- The client is obligated to keep passwords secret and ensure that third parties do not obtain access to client's online account. The client will be liable for trades executed by means of his password even if such use may be wrongful.
- Before the Client begins to trade, he should obtain details of all commissions and other charges for which the Client will be liable. If any charges are not expressed in money terms (but for example as a dealing spread), it is the Client's responsibility to request and obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- All relevant cost and charges will be provided by the Company or set out in the Company's website. Clients should be aware of such costs that may influence his profitability.
- The Client declares and warrants that he/she has read, understood and accepts the following:
 - (a) 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.
 - (b) Some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Instruments or the extent of the associated risks.
 - (c) 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 the Client's 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.

- (d) When a Financial Instrument is traded in a currency other than the currency of the Client's country, any changes in the exchange rates may have a negative effect on its value.
 - (e) 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.
 - (f) 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 profit on changes in currency rates, commodity or indices.
 - (g) The value of the derivative financial instrument may be directly affected by the price of the security or any other underlying asset which the object of the acquisition is.
 - (h) The Client must not purchase a derivative financial instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.
 - (i) In case of a Force Majeure Event the Customer shall accept the risk of financial losses.
- The Client acknowledges and accepts that there may be other risks which are not contained above.

4. Volatility of price and limitation on the available market

- The prices of Forex, CFDs, or any other derivative product may fluctuate rapidly and over wide ranges, none of which can be controlled by the Client or the Company. It is important for the Client to understand that his profitability might be affected by these changes.
- Under specific market conditions (illiquidity, economic announcement, political events, 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, etc) it can be impossible to execute any type of Clients order at declared price. Under these conditions the prices of Forex, CFDs, or any other derivative product may not maintain their customary or anticipated relationships to the prices of the underlying asset. Therefore, placing contingent orders, such as "stop-loss" or "stop-limit" orders, may not necessarily limit

your losses to the intended amounts, since market conditions, which can become extraordinarily volatile, may make it impossible to execute such orders. The Client should also be aware of gaps and windows into the price of an instrument that occur sometimes at the opening or closing of the market where the underlying instrument is traded, affecting Client's profitability.

- All Forex, CFDs, or any other derivative product involves risk, and there is no trading strategy that can eliminate it. Strategies using combinations of positions, such as spreads and "straddle" positions may be as risky as taking simple long or short positions. Trading in Forex, CFDs, Forex or any other derivative product requires knowledge of all relevant markets and available types of orders.
- The prices of Forex, CFDs, or any other derivative product will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

5. General Investment Risks

The classification of risks is based on general as well as on product-specific risks. We mentioned above the product-specific risks for Forex, CFDs or any other financial derivative product. The general risks which should also be taken into account are described briefly below. Please note that some of the below risks may or may not be applicable in Forex, CFDs or any other financial derivative product.

5.1. Cost and charges

The Provision of Services by the Company to the Client is subject to fees, which are available on the Company's website www.sohomarkets.eu. Before the Client begins to trade, he should obtain details and be informed of all fees, commissions and charges for which the Client will be liable. It is the Client's responsibility to check and be updated for any changes in the charges.

The Client should ensure that he understands the true monetary value of the charges for any charges that are not expressed in monetary terms (e.g. as a percentage of contract value, dealing spread, etc.).

The Company may amend the applicable charges at any time, according to the provisions of the Client Agreement found on the Company's website at www.sohomarkets.eu.

There is a possibility that a trade in any CFD by a Client be or become subject to tax and/or any other duty, depending on the tax legislation/regime applicable to each Client. The Company does not offer tax advice and does not warrant that no tax and/or any other stamp duty will be payable. The Company does not offer tax advice and recommends that the Client seek advice from a competent tax professional if the Client has any questions.

The Client is responsible for any taxes and/or any other duty which may accrue regarding his trading activity, and should seek independent advice if necessary.

It is noted that taxes are subject to change and without notice, based upon the relevant tax legislations applicable in Cyprus and/or the Client's country of residence for tax purposes.

If required by applicable Law, the Company shall deduct at source from any payments due to the Client such amounts as are required by the tax authorities to be deducted in accordance with applicable Law.

It is possible that other costs, including taxes, relating to Transactions carried out on the Trading Platform may arise for which the Client is liable and which are neither paid via us nor imposed by the Company. Although it is the Client's sole and entire responsibility to account for tax due and without derogating from this, the Client agrees that the Company may deduct tax, as may be required by the applicable law, with respect to his trading activity on the Trading Platform. The Client is aware that the Company has a right of set-off against any amounts in the Client's Trading Account with respect to such tax deductions.

It is noted that the Company's prices in relation to CFD trading are set/quoted in accordance to the Company's Best Interest and Order Execution Policy which is available on the Company's website at [\(Click here\)](#). It is noted that Company's prices may be different from prices reported elsewhere. The prices displayed on the Company's Trading Platform reflects the last known available price at the moment prior to placing any Order, however, the actual execution price

of the Order may differ, in accordance with the Company's Best Interest and Order Execution Policy and Client Agreement. As such, the price that the Client receives when he opens or closes a position may not directly correspond to real time market levels at the point in time at which the sale of the CFD occurs or reflect the prices of third party brokers/providers.

The Company's insolvency or default, or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers), may lead to positions being liquidated or closed out without the Client's consent and as result the Client may suffer losses. In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund as stated below.

The value of open positions in CFDs is subject to overnight Premium. Overnight Premium will cover the benefit/cost of the associated funding. Details of daily financing fees applied are available in the Company's website.

The Company participates in the Investors Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Certain clients will be entitled to compensation under the Investors Compensation Fund where the Company becomes insolvent or is unable to pay. Compensation shall not exceed twenty thousand Euro (EUR 20.000) or 90% of the claimed amount, whichever is lower for each entitled Client. For more details please refer to the "Investors Compensation Fund" which can be found on our website at www.sohomarkets.eu

5.2. Counterparty risk

When trading Forex, CFDs or any other financial derivative product, the Client is effectively entering into an over-the counter ("OTC") transaction, that is, the position opened with the Company cannot be closed with any other entity. OTC transactions may involve greater risk compared to transactions occurring on regulated markets. This is due to the fact that in OTC transactions there is no central counterparty and either party to the transaction bears the risk.

5.3. Inflation Risk

Inflation is the general increase in the prices of goods and services calculated as the percentage change in a price index. Inflation risk is the possibility that the inflation will rise above the expected rate. Inflation erodes the purchasing power of the currency and/or investment, since positive rate of inflation indicates that prices on average are increasing. For example, 3.0% inflation means that prices rose by 3.0%, on average. As the rate of inflation increases the purchase power decreases. The purchasing power of the invested capital declines if the rate of inflation is higher than the return generated by the securities.

Inflation can have as an effect the reduction of purchasing power, disruptions to stock and bond markets (which may cause volatility), devaluation of income on interest-bearing securities, squeezing of the profit margins of certain types of stocks.

5.4. Market risk

Market risk also referred as “systematic risk” or “non-diversifiable risk” reflects the extent to which the return of the security varies in response to, or in association with, variations in the overall market returns. Market risks are uncertain events that affect the entire securities market and the entire economy. It is the risk inherent in an investment related to movements in the overall market that cannot be diversified away. If the market value of an investment declines, assets are reduced. Credit risk, exchange risk, country risk and interest-rate risk in particular have an impact in the form of price fluctuations. All investments are exposed to this risk.

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 may not be executed at all.

Abnormal Market Conditions include but not limited to times of rapid price fluctuations of 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, or there is lack of liquidity, or this may occur at the opening of trading sessions.

5.5. Unsystematic Risk

Unsystematic Risk also referred as “specific risk” or “diversifiable risk” or “residual risk” is the company or industry specific risk that is inherent in each investment. It is the risk of price change due to the unique circumstances of a specific security, as opposed to the overall market, such as financial results, losses caused by labor problems (i.e. strike), weather conditions, poor management decisions etc. This type of risk can be reduced by assembling a portfolio with significant diversification so that a single event affects only a limited number of the assets

5.6. Country risk

Country risk also called “political risk” is the specific risk that an international investor bears because of the political or economic conditions of the country he/she invested. Thus, for investors, country risk can simply be defined as the risk of losing money due to changes that occur in a country’s government or regulatory environment. For example, financial factors such as currency controls, 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 are some examples of country risk.

Slippage - There are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of limited liquidity. The volatility in the market may create conditions where orders are difficult to execute at the quoted price of the market order, and in such cases would be filled at the next price available for that order.

5.7. Liquidity risk

Liquidity risk arises from situations in which an investor interested in trading a security cannot do it because nobody in the market wants to trade that security. It is the inability to find buyers

on the terms desired. It is the risk stemming from the lack of marketability of an investment that cannot be bought or sold quickly enough to prevent or minimize a loss. Non-highly traded securities bear higher liquidity risk (trading related liquidity risk) since there is a risk of having difficulty in liquidating an investment position without taking a significant discount from current market value. The liquidity risk is usually reflected in a wide bid-ask spread and large price movements and can take the following three forms:

- Bid-ask spread: how much a trader can lose by selling an asset and buying it back right away
- Market depth: how many units traders can sell or buy at the current bid or ask price without moving the price
- Market resiliency: how long it takes for prices that have fallen to bounce back.

Liquidity risk can be of significant consideration when investing in some emerging markets, in certain lightly traded securities such as unlisted options etc. In illiquid markets, you may find it difficult to enter or exit positions at your requested price, experience delays in execution, and receive a price at execution that may be significantly different from your requested rate

5.8. Exchange risk

Exchange risk also known as “currency risk” is associated with international transactions and is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). It is the risk that an investor will have to close out a long or short position in a foreign currency at a loss due to an adverse movement in exchange rates. It can also be described as the uncertainty of returns to an investor who purchases securities denominated in a currency different from his/her domestic currency. The exchange risk associated with foreign denominated financial instruments is a key element in foreign investment.

5.9. Interest-rate risk

Fluctuations in interest-rate levels on the money and capital markets have a direct impact on the prices of fixed-interest securities. Rising interest rates usually have a negative impact on the market prices of equities and bonds. By contrast, falling interest rates have a positive impact on

prices of equities and bonds. Therefore, interest rates are a key component in many market prices and an important economic barometer.

5.10. Operational Risk

Operational risk is the risk of loss arising from inadequacies in, or failures of system and controls for, monitoring and quantifying the risks and contractual obligations associated with financial instruments transactions, for recording and valuing financial instruments and related transactions, or for detecting human error or systems failures. In general, operational risk loss can be categorized under the following (overlapping) categories:

- 1) Internal and External fraud,
- 2) Employment practices and workplace safety,
- 3) Clients, products and business practice,
- 4) Business disruption and systems failures,
- 5) Execution, delivery and process management.

5.11. Regulatory and Legal Risk

A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decisions reached by a judicial body can increase business operational cost, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment, this risk is unpredictable and may vary from market to market.

5.12. Leverage Risk

Transactions in foreign exchange and derivative Financial Instruments carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract so that transactions are "leveraged" or "geared".

The client should unreservedly acknowledge and accept that he runs a great risk of incurring losses and damages as a result of the dealings in some financial instruments and accepts and declares that he is willing to undertake this risk.

A relatively small market movement will have a proportionately larger impact on the funds the Client has deposited or will have to deposit; this may work against or in favor of the Client. The Client may sustain a total loss of initial Margin funds and any additional funds deposited with the Company to maintain his position. If the market moves against the Client's position and/or Margin requirements are increased, the Client may be called upon to deposit additional funds on short notice to maintain his position. Failing to comply with a request for a deposit of additional Funds, may result in closure of his position(s) by the Company on his behalf and he will be liable for any resulting loss or deficit.

5.13. Off-Exchange

CFDs offered by the Company are off-exchange transactions. The trading conditions are set by us (in line with the trading conditions received by our liquidity providers), subject to any obligations we have to provide best execution, to act reasonably and in accordance with our Client Agreement and with our Best Interest and Order Execution Policy. Each CFD order that the Client opens through our Trading Platform results in the entering of an Order with the Company; such Orders can only be closed with the Company and are not transferable to any other person.

While some off-exchange markets are highly liquid, transactions in off-exchange or nontransferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.

The Company is using an Online Trading System for transactions in CFDs which does not fall into the definition of a recognized exchange or Multilateral Trading Facility and so do not have the same protection.

In regards to transactions in CFDs the Company uses an Online Trading Systems for transactions in CFDs which does not fall into the definition of a recognized exchange as this is not a Multilateral Trading Facility, thus it does not have the same protection.

5.14. Margin Requirements

The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Derivative Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value. This is owed to 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 favour, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit, but may also expose the Client to a large additional loss.

5.15. Communication Risks

- The Company bears no responsibility for any loss that arises as a result of delayed or unreceived communication sent to the Client by the Company.
- The Company bears no responsibility for any loss that arises as a result of unencrypted information sent to the Client by the Company that has been accessed via unauthorized means.
- The Company bears no responsibility for any unreceived or unread internal message sent to the Client through the trading platform(s). In case a message is not received or read within seven (7) calendar days the message gets automatically deleted.
- The Client is solely responsible for the privacy of any information contained within the communication received by the Company.
- The Client accepts that any loss that arises as a result of unauthorized access of a third party to the client's trading account is not the responsibility of the Company.

- Telephone conversations may be recorded, and you will accept such recordings as conclusive and binding evidence of the instructions

5.16. Risks on active trading (Day Trading)

You should carefully consider the following points before engaging in an active trading strategy or what is sometimes called “day trading.” Active trading or day trading may be described as engaging in frequent purchase and sale transactions (at least several per week and, for some active traders, often numerous transactions per day) using systematic or strategic approaches.

Active trading has a very high level of risk: Active trading generally is not appropriate for someone of limited resources or limited investment or trading experience or low-risk tolerance. You should be prepared to lose all of your funds that you invest in your trades. In particular, you should not fund this type of trading with retirement savings, student loans, second mortgages, emergency funds, funds set aside for purposes such as education or home ownership, or funds required to meet your living expenses.

Be cautious of claims of large profits from active trading: You should be wary of advertisements or other statements that emphasize the potential for large profits from active trading. Active trading may result in few or no profits, and worse, may lead to large financial losses very quickly.

Active trading requires sophisticated knowledge of securities markets: Active trading requires in-depth knowledge of the securities markets and of sophisticated and disciplined trading techniques and strategies. Also, you must compete with professional, licensed traders employed by securities firms and other knowledgeable, experienced and well-trained traders. You should have appropriate knowledge and experience before engaging in active trading.

Active trading requires in-depth knowledge of your broker’s operations: An important part of executing active trading strategies is the quality and consistency of the order execution systems and procedures. Whether you use the services of professional brokers or electronic systems, your success will be affected by their strengths and weaknesses and the methods and practices

of the brokerage firm in executing trades. You should develop an intimate knowledge of these matters before you engage in active trading.

Active trading may result in you paying large commissions: You pay commissions on each trade you make. The more actively you trade, the more commissions will increase your losses or reduce your profits.

Active trading on margin or short selling may result in losses beyond your initial investment account amount: When you actively trade with borrowed funds, you can lose more than you originally placed at risk. A decline in the value of the securities that are purchased may require you to provide additional funds to avoid the forced sale of those securities or other securities or collateral in or for your account. Short selling as part of your trading strategy also may lead to large losses, because you may have to purchase a stock at a very high price in order to cover a short position.

In summary, active trading is not a game. It is not recommended for inexperienced traders or for persons who do not have sufficient resources and time to devote to their trading activities. Active trading is a serious commitment that should not be undertaken unless you are able to handle high risk and high stress well and are willing to consistently adhere to objective and disciplined trading strategies and approaches.

5.17. Extended trading hours risks

Risk of Lower Liquidity: Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities and, as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your order may only be partially executed, if at all.

Risk of Higher Volatility: Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed or not executed at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.

Risk of Changing Prices: The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a price in extended hours trading that is inferior to the one you would receive during regular market hours.

Risk of Unlinked Markets: Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive a price in one extended hours trading system that is inferior to the one you would in another extended hours trading system.

Risk of News Announcements: Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity or higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.

Risk of Wider Spreads: The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower liquidity and higher volatility in extended hours trading may result in wider than normal spreads for a particular security.

Electronic Trading and order routing systems risks

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules

and regulations of the Companies and/or exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the Companies and/or exchange(s) offering the system and/or listing contracts you intend to trade.

5.18. Technical risk

The Client and not the Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems, which are not the result of gross negligence or willful default of the Company.

If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system, including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that the order is either not executed according to the Client's instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

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

At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's Platform(s)/system(s), especially in fast Market (for example, when key macroeconomic indicators are released).

The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Website and/or the Company's trading

Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to

access the Company's Website and/or Trading System or delay or failure in sending orders or Transactions.

In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst others, in which cases the Company has no liability of any resulting loss caused by:

- Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
- Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), and the trading or information server of the Client;
- Outage (unacceptably low quality) of communication via the channels used by the Client, the Company, the provider, or the communication operator (including voice communication);
- Wrong or inconsistent settings of the Client Terminal;
- When carrying out transactions via the telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing, when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel loads;
- The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company;
- Trading over the phone might be impeded by overload of connection;
- Malfunction or non-operability of the Platform, which also includes the Client Terminal.

The Client may suffer financial losses caused by the materialization of the above risks and shall be responsible for all related losses he may suffer. The Company accepts no responsibility or liability in the case if such a risk materializing and the Client shall be responsible for all related losses he may suffer.

5.19. Internet Trading Risks

There are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, hardware malfunction, software failure, and Internet connection

problems. Because we do not control signal power, reception or routing via Internet, the configuration of your equipment or the reliability of its connection, we shall not be responsible and liable for communication failures, distortions or delays you may experience while trading via the Internet. In addition, we are not responsible for the breach of any Internet security with respect to your Account. We have no liability or duty of indemnification related to unusable data, lost or corrupt Customer transactions or data, by whatever means, in whatever form, resulting in part or in whole from third-party software or networking goods or services or from internet related problems or from actions or events outside of our control.

The Company has no responsibility for any loss that arises as a result of a system failure, including but not limited to:

- Hardware or software failure, malfunction or misuse either on the client's side or the Company's or both
- Poor internet connection either on the client's side or the Company's or both
- Incorrect settings or misuse of the Client terminal
- Delayed updates of the Client terminal

5.20. Prices, Margin and Valuations are set by the Company and may be different from prices reported elsewhere

The Company will provide prices to be used in trading, valuation of Customer positions and determination of Margin requirements. The performance of your CFD or FX Contract will depend on the prices set by the Company and market fluctuations in the underlying asset to which your contract relates. Each underlying asset therefore carries specific risks that affect the result of the CFD concerned.

5.21. Trading platform

The Client is warned that when trading in an electronic Trading Platform he assumes a risk of financial loss when trading through an electronic platform, which may be a consequence of, amongst other, the following:

- Failure of Client's devices, software and poor quality of connection;

- Failure, malfunction or misuse of the Company's hardware or software by the Client;
- Failure, malfunction or misuse of the Client's hardware or software;
- Improper work of Client's equipment;
- Wrong setting of Client's Terminal;
- The Company's or Client's hardware or software failure, malfunction or misuse.
- Delayed updates of Client's Terminal.

The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, any further Instructions sent by the Client are ignored and the "order is locked" message appears until the first Instruction is executed.

The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base because the Customer acknowledges that the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the Client Terminal.

The Client acknowledges that when the Client closes the order placing/ deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.

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

The Client acknowledges that the Order shall not be cancelled when the Client closes the Order.

If the Client decides to repeat an Order in cases where he has not received the result of the execution of the previously sent Order, the Client shall accept the risk of making two similar Transactions instead of one.

The Client acknowledges that if the Pending Order has already been executed but the Client sends an 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.

The Company's online trading system provides immediate transmission of Customer's order once Customer enters the notional amount and clicks "Buy/Sell." This means that there is no opportunity to review the order after clicking "Buy/Sell" and Market Orders cannot be cancelled or modified. This feature may be different from other trading systems you have used. Customer should utilize the Demo Trading System to become familiar with the Online Trading System before actually trading online with the Company. Customer acknowledges and agrees that by using the Company's online trading system, Customer agrees to the one-click system and accepts the risk of this immediate transmission/execution