RISK DISCLOSURE NOTICE

The purpose of this Notice is to provide to you ("the Client" and/or "you") the information about risks involved in transactions on financial markets and to warn the Client about possible financial losses related to such risks. Risk in transactions on financial market is a possible occurrence of events resulting in Client's financial losses. This Notice provides you with information about the risks associated with Financial Instruments (including derivative financial instruments such as CFDs), but it cannot explain all the risks nor how such risks relate to your personal circumstances.

If you are in doubt you should seek professional advice. The notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non- misleading basis.

It is important that you fully understand the risks involved before deciding to enter a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

GENERAL RISK WARNINGS

The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows or understands the risks involved for each one of the financial instruments offered by the Company.

The Client should acknowledge that he runs a great risk of incurring losses and damages as a result of the purchase and/ or sale of any financial instrument and accept that he is willing to undertake this risk.

It is noted that this document cannot and do not disclose or explain all of the risks and other significant aspects involved in dealing in Derivative Financial Instruments offered by the Company for (such as CFDs). You should not deal in derivatives unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the contract is appropriate for you in the light of your circumstances and financial position.

SPECIFIC RISKS

- **Technical Risks**

You shall be responsible for any financial losses caused by the failure of information, communication, electronic, internet, telephone, public electricity network and other systems. The result of any system failure may be that your Order is either not executed according to your instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure.

While trading you accept and acknowledge that the Company shall not be responsible for the financial losses caused by (but not limited to):

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

- The Company's or Client's hardware or software failure, malfunction or misuse
- 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), provider, and the trading or information server of the Client;
- Outage (unacceptably low quality) of communication via the channels used by the Client, or the Company or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company;
- Wrong or inconsistent with requirements settings of the Client Terminal;
- Untimely update of the Client Terminal;
- 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;
- Malfunction or non-operability of the Platform, which also includes the Client Terminal.

- **Trading Platform**

The Client is warned that when trading in an electronic platform he assumes risk of financial loss which may be a consequence of amongst other things:

- Failure of Client's devices, software and poor quality of connection.
- The Company's or Client's hardware or software failure, malfunction or misuse.
- Improper work of Client's equipment.
- Wrong setting of Client's Terminal.
- 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, a new Instruction can be given to the Company.

The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow information because 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/modifying/deleting window or the position opening/closing window, the Instruction or Request, which has been sent to the Server, shall not be cancelled.

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

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

In case the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two 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.

SPECIFIC RISK WARNING ON CFDs

Whilst derivatives instruments can be utilised for the management of risk, some investments may not be appropriate for many investors. Different instruments involve different levels of exposure to risk, and in deciding whether to trade in such instruments, you should be aware of the following points:

(a) **Contracts for Difference** can be likened to futures, which can be entered into in relation to an index, a share, as well as currency etc. Investing in a CFD carries risks similar to investing in a future or an option and you should be aware of these.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage.

You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

(b) **Investing in CFDs** carries risks and you should be aware of these. Transactions in CFDs may also have a contingent liability and you should be aware of the implications of this as set out in paragraph (m) below. The CFDs are some of the riskiest forms of investment available in the financial markets and are only appropriate for sophisticated individuals and institutions. Given the possibility of losing an entire investment, any additional funds deposited to maintain your position(s), and/or, unless you are a retail client, incurring a debit balance owed to the Company, speculation in CFDs should only be conducted with risk capital funds that, if lost, will not significantly affect your personal or institution's financial wellbeing.

If you have pursued only conservative forms of investment in the past, you may wish to study CFDs and their underlying instruments further before continuing an investment of this nature. **You must also realise that the risk in buying CFDs means you could lose the entire investment.** If you wish to continue with your investment, you acknowledge that the funds you have committed are purely risk capital and loss of your investment will not jeopardise your style of living nor will it detract from your future retirement program. Additionally, you acknowledge that you fully understand the nature and risks CFDs and their underlying instruments, and your obligations to others will not be neglected should you suffer investment losses.

When trading CFDs, you are not entitled to the physical delivery of the underlying instrument of the CFDs you are trading and you have no rights (including voting rights) in the underlying instrument. This means that you are not entitled to ownership of the underlying asset of such a contract.

(c) **Liquidity Risk.** Some of the CFD underlying assets may not become immediately liquid as a result of reduced demand for the underlying asset. As such, the Client may not be able to obtain the information on the value of these or the extent of the associated risks.

(d) **Foreign markets and Currency Risk**. Foreign markets involve different risks from domestic markets. In some cases, risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign currency will be affected by fluctuations in foreign exchange rates. Such enhanced risks include the risks of political or economic policy charges in a foreign media, which may substantially and permanently alter the conditions terms, marketability or price of a foreign currency.

Investing in FX Contracts and CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD or FX Contract is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency. Any changes in the exchange rates may have a negative effect on the financial instrument's value, price and performance, and may lead to losses for the Client.

(e) **Risk reducing orders or strategies.** The placing of certain orders (e.g. "stop loss" or "stop limits" orders) that are intended to limit losses to certain amounts may not always be effected because market conditions or technological limitations may make it impossible to execute such orders. Strategies using combinations of positions such as "spread" and "straddle" positions, may be just as risky or even riskier than simple "long" or "short" positions.

(f) **Prices.** The prices posted on the Company's Website may not necessarily reflect the broader market. We will select closing prices to be used in determining Margin requirements and in periodically marking to market the positions in customer accounts. Although we expect that these prices will be reasonably related to those available on what is known as the interbank market, prices we use may vary from those available to banks and other participants in the interbank market. Consequently, we may exercise considerable discretion in setting margin requirements and collecting margin funds.

(g) **Performance calculation.** Unlike in the case of direct investment in underlying assets such as shares, bonds or commodity futures, in cases of CFDs you are subject to an exponentiated market risk; market risk is the possibility of a client experiencing losses due to factors that affect the overall performance of the financial markets in which the client is involved. Controlling such risk requires a specific kind of expertise and trading experience. In addition, the margin held by you on your CFD account amounts to just a fraction of the value of the corresponding underlying asset of the CFD when high leverage is applied. The higher the leverage, the smaller the fraction of the underlying asset's value to be put down and the smaller the part of the underlying's price fluctuation range covered by your margin.

(h) **Volatility risk.** Some derivatives such as CFDs trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of derivative financial instruments is derived from the price of the underlying asset in which the derivative financial instruments refer to. Derivative financial instruments and related underlying markets can be highly volatile. The prices of derivative financial instruments and the underlying asset may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company.

Under certain market conditions, it may be impossible for a Client's order to be executed at the declared prices, leading to losses. Due to market conditions which may cause any unusual and rapid market price fluctuations, or other circumstances, the Company may be unable to close out Customer's position at the price specified by Customer and the risk controls imposed by the Company might not work and Customer agrees that the Company will bear no liability for a failure to do so.

Changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic vents, and the prevailing psychological characteristics of the relevant market place are factors which, among other things, influence the prices of derivative financial instruments and the underlying asset.

In times of high volatility or market/economic uncertainty, values may fluctuate significantly. Such fluctuations are even more significant in case of leveraged positions and may adversely affect your positions. In the event of default, your positions may be closed out.

(i) **Client Money and Counterparty Risk.**

The Company may pass money received from the Client to a third party (e.g. an intermediate broker, a bank, a market, a settlement agent, a clearing house or OTC counterparty) to hold or control in order to effect a Transaction through or with that person or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement) in respect of a Transaction. The Company has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.

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

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

(j) **High Leverage and Low Margin Risk**

The high degree of "leverage" is a particular feature of CFD Contracts. Trading risks are magnified by leverage.

The effect of leverage makes investing in CFDs riskier than investing in the underlying asset, due to the margining system applicable to CFDs, which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportionately dramatic effect on your position. This can be both advantageous and disadvantageous.

A small price movement in your favour can provide a high return on the deposit, however, a small price movement against you may result in significant losses. If you are a retail client, your losses will never exceed the balance of your account, which is balanced to zero, if the losses are higher than the amount deposited. Such losses can occur quickly. The greater the leverage, the greater the risk. The size of leverage therefore partly determines the result of the investment.

(k) **Contingent liability transactions**, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. Clients must maintain the minimum margin requirement on their open positions at all times. It is Customer's responsibility to monitor his/her open positions. Retail clients could sustain a total loss of deposited funds but are not subject to subsequent payment obligations, but professional clients and eligible counterparty clients could sustain losses in excess of deposits. If the market moves against you, you may be called upon to pay substantial additional Margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and professional clients and eligible counterparties will be liable for any resulting deficit. Even if the Transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you paid when you entered into the contract. Contingent liability transactions, which are not traded on or under the rules of a recognised or designated investment exchange, may expose you to substantially greater risks.

(l) **Collateral**

If the Client deposits collateral as security with the Company, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of the collateral depending on whether the Client is trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as the Client's property once dealings on the Client's behalf are undertaken. Even if the Client's dealings should ultimately prove profitable, he may not get back the same assets which he deposited and may have to accept payment in cash..

(m) **Conflict of Interest**
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 group's activities under a comprehensive Conflicts of Interest Policy. The disclosure of conflicts of interest by the Company should not exempt it from the obligation to maintain and operate the effective organisational and administrative arrangements. For more information on (potential) conflicts of interest and the mitigation measures taken by the Company, kindly refer to the Company’s Conflicts of Interest policy.

(n) **Commissions and Taxes**. Before you begin to trade, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in money terms (but, for example, as a dealing spread), you should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.

The Client is responsible for any taxes and/or any other duty and/or fee and/or expenses which may accrue in respect of his/her trades. The Client is responsible for managing his/her tax and legal affairs and complying with applicable laws and regulations. The Company does not provide any regulatory, tax or legal advice and if the Client has any doubt regarding the tax treatment or liabilities of investment products which are available through the Company, he/she should seek independent advice.

(o) **Insolvency**. Any insolvency or default may lead to positions being liquidated or closed out without your consent.

(p) **Appropriateness Risk Assessment.** Upon the opening of your account, the Company shall carry out an assessment of your appropriateness to trade CFDs and determines, based on information you provide us with, if you have sufficient knowledge and experience to understand the risks involved in CFD trading. The assessment does not relieve you of the need to carefully consider whether to trade or not CFDs with us. If we warn you that trading these instruments may not be appropriate for you, then you should refrain from trading CFDs until you gain sufficient knowledge and experience. You could, for example, trade CFDs on a Demo Account prior to trading them in a live environment to be sufficiently acquainted with the relevant risks incurred.

RISKS RELATED TO TRADING CFDS IN CRYPTOCURRENCIES

You should be aware that Cryptocurrencies are not a recognized Financial Instrument. On the contrary, CFDs with Cryptocurrencies as the underlying asset are considered a financial instrument.
Cryptocurrencies as an underlying asset are traded on non-regulated decentralized digital exchanges and usually their value is affected by parameters which are outside the scope of influence of regulatory bodies and are based on internal rules of the particular digital exchange they are traded on. For this reason, the value of cryptocurrencies is highly volatile and can

dramatically increase or decrease within a day. When trading CFDs on Cryptocurrencies you should consider the risks involved and that there are numerous parameters which can fluctuate the price of Cryptocurrencies and CFDs of Cryptocurrencies.
CFDs which could potentially lead to partial or whole loss of your investment capital.
You should consider before trading CFDs on Cryptocurrencies whether you can tolerate the significantly higher risk of loss to your investment capital which may occur over a brief time frame resulting from sudden adverse price movements of Cryptocurrencies.

You should only engage in CFD trading if you are prepared to accept a high degree of risk and in particular the risks outlined in this Notice. Retail clients could sustain a total loss of deposited funds but are not subject to subsequent payment obligations but professional clients and eligible counterparty clients could sustain losses in excess of deposits.

For more information, clarifications or queries in relation to the risks associated with CFD trading, please contact us via email at info@mena.evest.com .