



**RISK DISCLOSURE**

**FOR**

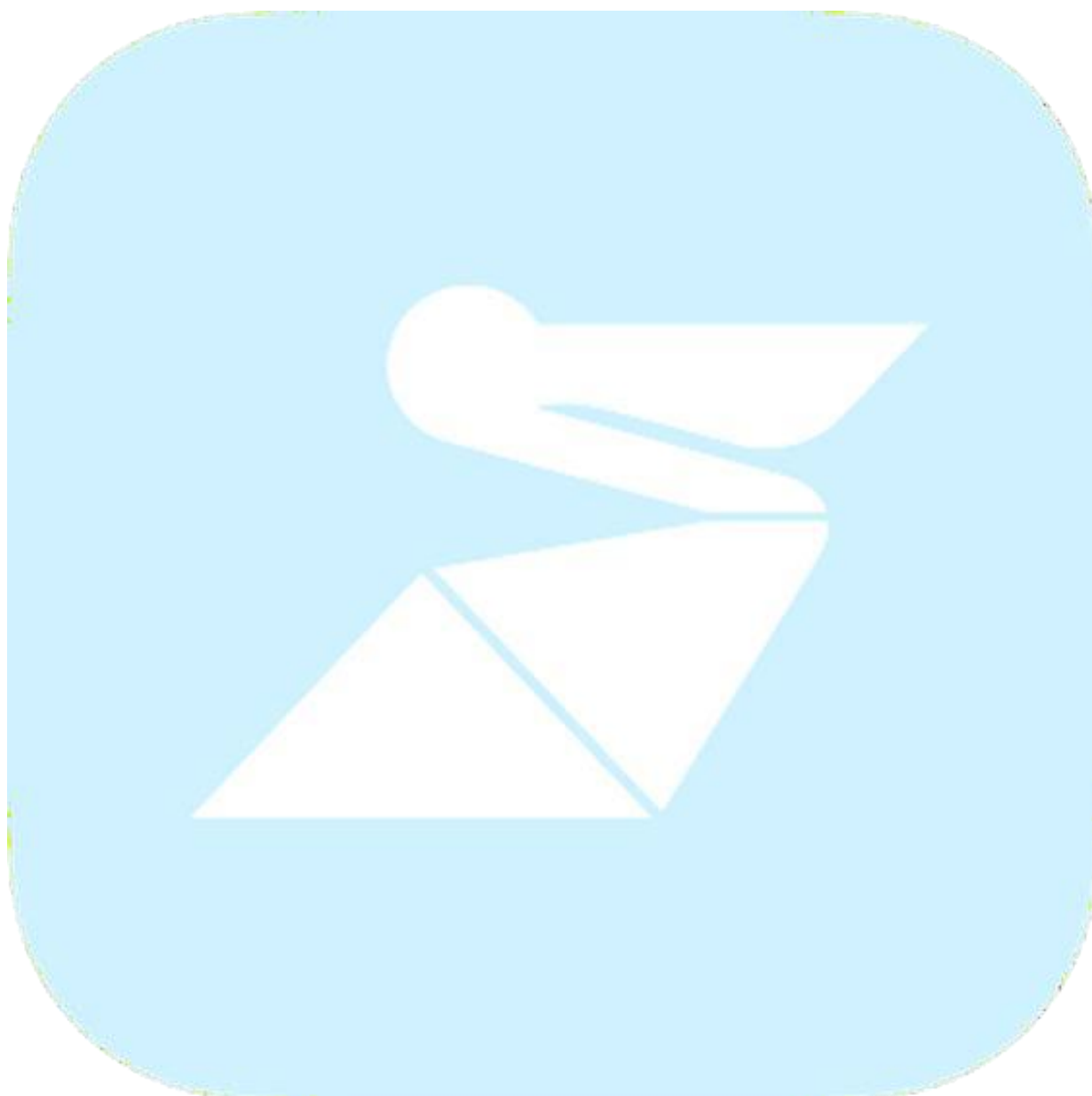
**PELICAN EXCHANGE EUROPE (CY) LTD**

## Revision History

Policy Name	Risk Disclosure Policy
Version Number	2.0
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## RISK DISCLOSURE

THIS RISK DISCLOSURE NOTICE DOES NOT DISCLOSE OR EXPLAIN ALL OF THE RISKS AND OTHER SIGNIFICANT ASPECTS INVOLVED IN TRADING IN CONTRACT FOR DIFFERENCES (CFDs) AND OTHER FINANCIAL DERIVATIVE PRODUCTS.

TRADING IN LEVERAGED DERIVATIVE PRODUCTS SUCH AS CFDs IS HIGH RISK AND PLACES YOUR CAPITAL AT RISK. YOU CAN LOSE ALL OF YOUR INVESTED CAPITAL.

THE VALUE OF YOUR INVESTMENTS MAY FALL AND RISE AND YOU MAY NOT GET BACK THE AMOUNT YOU INITIALLY INVESTED. YOU MAY ALSO NEED TO DEPOSIT FURTHER FUNDS WITH LITTLE OR NO NOTICE.

WE DO NOT PROVIDE INVESTMENT ADVICE. IF YOU ARE UNSURE THIS FORM OF INVESTING IS APPROPRIATE FOR YOU, YOU SHOULD SEEK ADVICE FROM AN INDEPENDENT & AUTHORISED FINANCIAL ADVISOR.

PELICAN EXCHANGE EUROPE (CY) LTD ("the Company", "Pelican", "we", "us", "our") is authorized and regulated by the Cyprus Securities and Exchange Commission (CySEC) under license number 441/24 and registration number HE426432.

Our license details can be found on the CySEC website. The physical address of PELICAN EXCHANGE EUROPE (CY) LTD is 50 Agias Zonis Street, Arianthi Court, 2nd Floor, 3090, Limassol, Cyprus.

**PLEASE READ THE BELOW BEFORE UNDERTAKING ANY TRADES WITH US**

### 1. INTRODUCTION

This Risk Disclosure and Warning Notice ("Notice") is provided to you (our Client and prospective Client) in accordance with the Investment Services and Activities and Regulated Markets Law of 2017 87(I)/2017, as subsequently amended from time to time ("the Law"), which is applicable to Pelican Exchange Europe (CY) Ltd ("the Company", "we"). The purpose of this document is to help you understand the associated risks of trading Contracts for Differences (CFDs), which you may invest in through the services provided to you by the Company. Each Client should ensure that their decision to trade CFDs or Forex is made on an informed basis and that they are aware of and understand the risks involved in trading CFDs.

All Clients and prospective Clients should read carefully the following risk disclosures and warnings contained in this Notice, before applying to the Company for an Account and before they begin to accept any services from the Company. However, it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in the Financial Instruments offered by the Company. This 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.

The Company transmits Client Orders in relation to the financial instruments offered from each Broker. . The above products and services are intended for the client target market of Small to large scale retail, professional and eligible counterparties with knowledge and experience of the industry who feel comfortable trading 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 of the entire invested capital.

In regard to any references to agreements and/or policies of the Company in this Notice, these shall be available to the Client by the Company upon his/her request in a durable medium and/or paper.

Before deciding to participate in the leveraged derivative market, you should carefully consider your level of knowledge and experience. You should ensure to have sufficient knowledge and experience of trading in leveraged derivative products such as CFDs and Forex.

You should also consider your investment objectives and risk appetite are in line with the speculative and high-risk nature of the CFD product.

Trading CFDs carries a high level of risk to your capital, and you can lose all your invested capital. The degree of risk of trading CFDs compared to other financial products is significantly higher. Do not invest money you cannot afford to lose.

The effect of leverage is that a small price movement can cause both gains and losses to be magnified. The high degree of leverage can work against you as well as for you and the speeds which profits and losses can occur, means that clients should monitor positions closely – it is the clients' sole responsibility to monitor open trades. You may need to deposit further funds with little or no notice to keep your positions open. Trading CFDs and Forex may not be suitable for all investors. Please seek independent professional financial advice if you do not understand the risks involved in trading CFDs.

Our Company's investment products are classified under Article 6 of the Regulation 2019/2088 - Sustainable Finance Disclosure Regulation ("SFDR"). This means our financial products do not promote among other characteristics, environmental or social characteristics, or a combination of those characteristics and do not have a sustainable investment objective, unlike Article 8 or Article 9 products. In other words, we do not pursue sustainable investments, and we do not offer "sustainable/ESG" financial products under SFDR. Since Contracts for Difference (CFDs) are speculative, short-term derivative instruments – our offerings focus solely on financial returns and are Article 6 products.

Should you have any complaint (i.e. any expression of dissatisfaction) about the service you have been provided, you must immediately contact Pelican exchange Europe (CY) Ltd on [complianceeu@pelicantrading.io](mailto:complianceeu@pelicantrading.io). Such complaint will be dealt with in accordance with the complaints policy details of which can be found on the website: [www.pelican.eu.com](http://www.pelican.eu.com).

The Client acknowledges and without any reservation accepts the existence of a substantial risk of incurring losses and damages as a result of buying or selling any Financial Instrument and acknowledges his willingness to take such risk. Set out below is an outline of the major risks and other significant aspects of CFDs trading:

## 2. CFDs IN GENERAL

CFDs are a type of transaction, the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an underlying financial instrument. Types of CFDs include but are not limited to, Foreign Exchange (Forex) CFDs, Futures CFDs, Option CFDs, Share CFDs, Stock Index CFDs, Commodity CFDs and Cryptocurrency CFDs. CFDs can only be settled in Cash.

A CFD (Contract for Difference) is an agreement to exchange the difference between the opening and closing value of a contract at its close. Trading CFDs is a way of trading on the upward or downward price movements of traditional financial markets without buying or selling the underlying asset directly.

Leveraged Derivative products such as CFDs are known as 'complex financial instruments'. A 'complex financial instrument' is a high-risk investment and requires a greater level of experience and knowledge of the underlying risks involved. Complex financial instruments include instruments such as derivatives, which are not considered to be 'readily realisable' (potentially difficult to sell when you want to). Examples of complex financial instruments are as follow:

- Contract for Differences (CFDs)

CFDs are complex financial products function such that they generally only close when a client chooses to close an existing open position, and therefore they have no set maturity date.

CFDs can be linked to futures which can be entered into in relation to certain indexes, precious metals, oil, commodities, or financial instruments. However, unlike other futures, these contracts can only be settled in cash. Investing in a CFD carries risks similar to investing in the future 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 9 below. All CFD trades are contracts for difference which means that clients do not have any ownership, reference share or voting rights on the underlying instrument or the rights which are attached unless specifically stated in the CFD.

Investing in CFDs, where the underlying is rolling spot forex, indices, precious metals, oil and commodities, carries similar risks as investing in futures and you should be aware of these risks. Margined transactions in rolling forex, indexes, precious metals, oil and commodities may also have a contingent liability and you should be aware of the implications of this as set out in paragraph 9.

In addition to risk disclosures contained in this document, you should be aware that trading in CFDs where the underlying instruments are rolling forex, indexes, precious metals, oil and commodities, is one of the riskiest forms of investments available in the financial markets. Given the possibility of losing an entire investment, speculation in the precious metals, indexes, oil, commodities, or foreign exchange markets should only be conducted with extreme caution and with the certainty that should you lose all of your invested capital, your health, wellbeing financial commitments will not be affected.

Information of the previous performance of CFDs, the Underlying Assets and Markets 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 CFDs to which the said information refers.

### 3. MARGIN

Margin is the amount of money you need to open a position, defined by the margin rate. Margin trading is a high-risk trading strategy that allows you to trade more than the capital or 'margin' that a firm holds for you. This is also known as 'leverage' or 'leverage trading', which means that you can place trades that are greater than the relatively small amount of money that you have deposited as margin. With margin trading you can make significant gains if the price moves in your favour however, even a small movement in price against you, this can also lead to significant losses.

If this happens, you may be required to deposit additional margin with us immediately to keep these trades open, this is referred to as a 'Margin Call'. You are liable for ensuring that you always deposit enough margin and for any losses that you may incur when your positions are closed. There is no limit on the potential losses or profits when you carry out margin trading and you should always consider this when making trading decisions. We may also change our rates of initial margin and/or notional trading requirements at any time, which may also result in a change to the margin you are required to maintain. If you do not maintain sufficient margin on your account at all times and/or provide such additional funds within the time required, your open positions may be closed at a loss and you can lose your entire investments.

As there is no limit to the losses that you may incur, you should ensure that you have sufficient resources available to you to cover any adverse movement in the price of the margined product, any margin requirement or loss.

You acknowledge and accept 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 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.

#### 4. FOREIGN MARKETS RISKS

Foreign markets involve different risks from the client's native 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 market, which may substantially and permanently alter the conditions, term marketability or price of a foreign currency.

#### 5. EXCHANGE RISK

CFDs are exposed to 'exchange risk'. Exchange risk also known as "currency risk", which is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other). There is a risk that you 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 where you purchase securities in a currency different to your domestic currency.

#### 6. LIQUIDITY RISK

CFDs are exposed to 'liquidity risk'. Liquidity risk arises from situations in which an investor interested in trading a security cannot do so because no one in the market wants to trade that security. It is the inability to find buyers on the terms desired. It is also 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 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 unit's 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 are temporarily incorrect to return to normal.

#### 7. Sustainability Risks

Sustainability risks are defined in SFDR as "an environmental, social or governance event or condition that, if it occurs, could cause a material negative impact on the value of an investment". Even though we do not specifically pursue ESG objectives, we acknowledge that sustainability risks could still affect the underlying markets of the CFDs we offer. For example, significant events related to climate change, social unrest, or governance failures might influence market prices, which in turn can impact CFD valuations. However, given the short-term, high-risk, derivative nature of CFD trading, we do not actively integrate sustainability risks into our investment decision-making or risk management process. We have assessed that such sustainability risks are not directly relevant to CFDs and are not likely to materially affect the returns of our CFD products in the near term. If any sustainability risk were to materially impact an underlying asset or market, it could indirectly affect CFD prices. To that effect, we continuously monitor overall market risks (including economic and geopolitical events), but ESG-related factors are not expressly incorporated at this time due to the speculative scope of our products.

#### 7. Market Volatility

Financial markets are subject to rapid fluctuations, and the prices of our products will reflect these

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movements. The spreads—meaning the difference between the bid and ask prices—can change just as exchange rates do. During periods of increased market activity, such as major economic or political news announcements or elections, markets often experience heightened volatility. In these times, spreads may become significantly wider than usual.

Wider spreads can impact your trading account in several ways. Primarily, when spreads are wide, the cost to close a position is higher. This increased cost is reflected as a loss to your equity and raises the likelihood of breaching your margin requirement.

Extreme volatility can cause your profit and loss to fluctuate more dramatically than under normal market conditions. As a result, you may reach a margin close-out more quickly, which significantly increases the risk of your account entering into negative equity. For accounts that use high leverage, market spikes, crashes, or gaps can lead to substantial losses.

A specific risk associated with market volatility is known as "gapping." Gapping occurs when the price of our products suddenly moves from one level to another due to volatile market conditions. During such moves, there may not be an opportunity for you to place an order or for the trading platform to execute an order at any price between the two levels. Consequently, stop-loss orders may be executed at prices that are less favorable than you anticipated, either higher or lower, depending on the direction of your trades.

## **8. RISK MANAGEMENT STRATEGIES**

The placing of certain orders (e.g. "stop loss" or "stop limits" orders) that are intended to limit losses to certain amounts are not guaranteed and may not always work because market conditions or technological limitations may make it impossible to execute such orders. Should clients trade using risk management strategies, they do so accept this risk involved and understand that there is no guarantee of the reduction in risk when using any risk management strategies. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions. Therefore, Stop Limit and Stop Loss Orders cannot guarantee the limit of loss. Trailing Stops and Expert Advisors cannot guarantee the limit of loss.

## **9. CONTINGENT LIABILITY TRANSACTIONS**

### **Margin Requirements and Associated Risks**

CFDs (Contracts for Difference) and Forex are margined transactions. This means that, instead of paying the entire value of the contract upfront, you are required to make a series of payments—referred to as margin—against the contract value. The margin you deposit with Pelican to open and/or maintain a position is at risk, and you may sustain a total loss of this amount.

Pelican, as the primary counterparty to your transactions, continuously revalues your open positions throughout each business day. Any resulting profit or loss is immediately reflected in your trading account. Should your positions incur losses, Pelican may notify you at short notice, requiring you to deposit additional margin to maintain your open positions; this is known as a 'Margin Call.'

If you fail to maintain sufficient margin in your account at all times, or do not provide the required additional funds within the specified timeframe, your open positions may be closed at a substantial loss. In such cases, you will be liable for any resulting deficit in your account.

### **Obligations and Liquidation Risks**

If you trade in futures or Contracts for Difference, you risk losing all the funds deposited to open and maintain your positions. If the market moves against you, you may be required to pay substantial additional funds on short notice to keep the position open. Failure to provide these funds within the required timeframe can result in your position being liquidated at a loss, and you will be responsible for any resulting deficit.

It is important to note that the Company is not obligated to notify you of a Margin Call needed to sustain a loss-making position. Even if a transaction is not margined, you may still have an obligation to make further payments under certain circumstances, in addition to any amount paid when entering into the contract.

### **Contingent Liability Transactions**

Contingent liability investment transactions that are not traded on or governed by the rules of a recognized or designated investment exchange may expose you to significantly greater risks. These transactions can result in obligations to make further payments beyond your initial deposit, increasing potential exposure.



## 8. Leverage and gearing

Transactions that involve high levels of leverage, also known as gearing, can be extremely sensitive to even small shifts in the price of the underlying financial instrument or related market factors. This means that a minor movement in the underlying market can lead to disproportionately large effects on your trade. In some cases, even a slight fluctuation may result in the loss of your entire margin and leave you responsible for additional losses incurred on the position. For this reason, it is crucial that you only speculate with funds you can afford to lose.

Foreign exchange trades and derivative financial instruments are inherently risky due to leverage. The initial margin required to enter into these contracts is typically small compared to the overall value of the contract, making such transactions highly leveraged or geared. As a result, small changes in the market can have a much larger impact—either positive or negative—on the money you have deposited or may be required to deposit as margin. This leverage effect can work in your favor or against you. It is possible for clients to lose not only the entire amount of their initial margin but also any additional funds deposited with the company to maintain their positions. If the market moves unfavorably and/or if margin requirements are increased, you may be required to quickly deposit additional funds to keep your position open. Failure to promptly provide these additional funds may result in the company closing your position(s) on your behalf, and you will be responsible for any resulting losses or deficits.

## 10. CLIENT MONEY

Pelican Exchange Europe Ltd does not hold Clients' funds.

## Transmissions-Only Basis

When you conduct copy trading activities with us, all transactions are carried out strictly on an transmission -only basis. This means that we will not offer investment advice regarding specific investments or potential transactions in investments. Any decision to engage in copy trading must be made solely by you.

## 11. ELECTRONIC TRADING

Trading in OTC contracts through the Platform may differ from trading on other electronic trading systems as well as from trading in a conventional or open market. You will be exposed to risks associated with the electronic trading system including the failure of hardware and software and system down time, with respect to the Platform, your systems and the communications infrastructure (for example the internet) connecting the Platform with you.

## 12. Charges and Taxes

The Provision of Services by the Company to the Client may be subject to fees, in accordance with the Cost and Charges Policy. Before the Client begins to trade, he should obtain details of all fees, commissions, charges for which the Client may be liable. It is the Client's responsibility to check for any changes in the charges.

If any charges are not expressed in monetary terms (but, for example, as a percentage or formula), the Client should ensure that he understands what such charges are likely to amount to. The Company may change its costs and associated charges at any time, according to the provisions of the Client Agreement.

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There is a risk that the Client's trades in any financial instruments 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 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 in respect of his trades. It is noted that taxes are subject to change without notice.

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 its financial instruments are set/quoted in accordance to the Company's Act in the Client's Best Interest Policy. 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 Act in the Client's Best Interest 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 financial instrument occurs or reflect the prices of third party brokers/providers.

### 13. TRADING SUSPENSIONS

Under certain conditions it may be difficult or impossible to liquidate a position. This can occur, for example, at times of rapid price movement where the price of an underlying financial instrument rises or falls during one trading session to such an extent that trading in the underlying is restricted or suspended. Where this occurs, the client accepts any associated risk and that they will be liable for any resulting deficit. The client should also be aware that under certain circumstances the Company may be required to close positions due to regulatory or exchange instructions and as such neither the Company nor the Service Provider are responsible for any losses that may result.

### 14. COMMUNICATION

The Company accepts no responsibility for any losses that arise as a result of delayed or unreceived communication sent to a client from us by any form. The client further accepts that any losses arising because of unauthorized access of a third party to the clients' trading platform is not the responsibility of the Company except in the case of gross negligence on behalf of the company or its staff. The client is responsible for keeping all login details safe and the Company strongly recommends that user details are not written down or saved.

The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

The Company has no responsibility if unauthorized 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, or any other electronic means. 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.

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## 15. NON-ADVICE

Pelican does not provide investment advice. Whilst we may under our license make general assessments of the markets, such assessments are not individual investment advice and do not take into consideration your individual circumstances. Any decision to trade is made by the Client alone.

Under Markets in Financial Directive (MFID II) we are required to assess the appropriateness of this type of product for you in accordance with the level of your knowledge and experience of the product to understand the risks involved in trading the product. This does not mean that by allowing you to open an account we are providing individual investment advice, or that this product is appropriate for you in your individual circumstances. Rather we are indicating that it may be appropriate for someone who demonstrates to have knowledge and experience to understand the risks involved in trading such high-risk product. To do this we will ask you information regarding your experience with the products such as the number of years you have traded, frequency of trading, volume traded, types of leveraged derivatives traded, and in relation to your knowledge of the product. We also ask you questions about your financial situation, your source of funds and earnings. The information you provide will be confidential and secure in accordance with our Privacy Policy available on our website. In accordance with regulatory requirements, we must hold all your information for an additional 5 years from the end of your relationship with us. You are permitted to obtain from us any information we hold about you. You are responsible for ensuring we are updated with any relevant information that may affect the appropriateness of the product.

## 16. POSITION MONITORING

It is the clients' responsibility to monitor at all times the positions they have opened, and you should always be in a position to do so.

This document should be read in conjunction with: The Order Execution Policy, the Terms & Conditions, the Conflicts of Interest Policy, Privacy Policy and any other document supplied or otherwise made available to the client.

It should be noted that the information contained in this document does not disclose or explain all of the risks and other aspects involved in dealing in Cryptocurrency CFDs and you should seek advice from an independent professional financial advisor if you have any doubts. If you do not understand the risks involved in trading in cryptocurrency CFDs, you should not trade at all. Please make sure that you have carefully read and understood the clauses related to cryptocurrencies in our Terms & Condition Policy on our Pelican Legal Documents webpage [www.pelican.eu.com](http://www.pelican.eu.com) documents and make sure that you fully understand the risks associated to trading CFDs on cryptocurrencies.

## 17. Insolvency

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.

## 18. Investor Compensation Fund

The Company participates in the Investor Compensation Fund for Clients of Investment Firms regulated in the Republic of Cyprus. Investor Compensation shall not exceed twenty thousand Euros (EUR 20.000) for each entitled Client. For more details please refer to the "Investor Compensation Fund Notice".

## 19. Technical Risks

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 wilful 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 his Order is either not executed according to 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 get in contact over the phone and/or via email and/or via fax with the Company especially in fast Market (for example, when key macroeconomic indicators or news are released). The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Websites, 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 reasonable 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 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 other risks in which cases the Company has no liability of any resulting loss:

- (a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client.
- (b) 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.
- (c) Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company.
- (d) Wrong or inconsistent with requirements settings of the Client Terminal.
- (e) Untimely update of the Client Terminal.
- (f) 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 Company due to communication quality issues and communication channel loads.
- (g) 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.
- (h) Trading over the phone might be impeded by overload of connection;
- (i) Malfunction or non-operability of the Trading Platform, which also includes the Client Terminal.

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

## 20. Trading Platform

The Client is warned that when trading in an electronic Trading 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/ deleting window or the position opening/closing window, an Instruction, 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/Instructions from the same Trading 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 as a result of Force Majeure Events 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 a 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.

## 21. Force Majeure Events

In case of a Force Majeure Event the Company may not be in a position to arrange for the transmission of Client Orders or fulfil its obligations under the Client Agreement with the Client. As a result the Client may suffer financial loss. The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure Event.

## 22. Abnormal Market Conditions

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.

## 23. 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 decision reached by a judicial body can increase business operational costs, 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.

## 24. No Guarantees of Profit

The Company provides no guarantees of profit nor of avoiding losses when trading in Financial Instruments. The Company cannot guarantee the future performance of the Client's Trading Account, promise any specific level of performance or promise that Client's investment decisions, strategies, will be successful/profitable. Customer has received no such guarantees from the Company or from any of its representatives. Customer is aware of the risks inherent in trading in Financial Instruments and is financially able to bear such risks and withstand any losses incurred. The Client acknowledges and accepts that there may be other additional risks apart from those mentioned above.

