

# Risk disclosure

Effective Date

01.02.2017

All Clients and potential Clients must carefully study this risk disclosure before completing registration on the Website or on the trading terminal and before they start making trades.

The purpose of this Risk Disclosure (hereinafter Disclosure) is to disclose to the Client information about the risks associated with transactions on financial markets in general and with options in particular and to warn the Client about possible financial losses and related risks. The list of risks given in this Disclosure is not exhaustive because of the variety of possible situations that arise during transactions. This disclosure is for information purposes. It is meant to provide a general explanation of the risks associated with options.

1. The Client acknowledges that option transactions are speculative and extremely risky investments and are suitable only for those investors who:

- understand and are prepared to assume economic, legal and other risks,
- taking into account their financial position, financial resources and obligations, can afford the risk of losing what they invest,
- have sufficient knowledge to understand what option trades are. The Company does not provide a Client with any recommendations or advice regarding options and does not give investment recommendations of any kind. The Client himself/herself make the decision on a trading strategy and on specific actions based either on his/her understanding of the market or on consultations with independent financial advisers not affiliated with the Company. Options are derivative financial instruments, the price of which is derived from the prices of the underlying assets/markets to which they are linked (e.g., currency, stock indices, stocks, metals, futures, etc.). For this reason it is extremely important that the client understand the risks associated with trading in the appropriate underlying asset/market. Some of these risks are: -Volatility– movements in the underlying asset/market price can be unstable and unpredictable. This fact has a direct impact on the Client's financial results. Understanding market volatility allows the Client to analyze potential profits and work out a trading strategy. - Market fluctuations – a sudden change in the price of the underlying asset from one level to another. Various factors may cause abrupt changes (e.g., economic events or market announcements). These factors may occur both when the market is open or when it is closed. When these factors exist at the market close, the price for the underlying asset affected by that factor at the market opening may considerably differ from the price for the underlying asset at the market close. It may be impossible to close an open position at a beneficial price. This may result both in considerable losses and in considerable profit.
- Liquidity: the value of options may depend on a number of factors, including, but not limited to, a change in ratio of supply-and-demand; government, agricultural, commercial and trading programs and strategies; national and international political

and economic events; and the prevailing psychological mood in the relevant market. Market conditions may change considerably within a very short period of time and, consequently, in some markets it may be impossible for the Client to make the anticipated profit.

2. The Client assumes the risks of financial losses related to failures, interruptions, disconnection or malicious attacks of third persons with respect to information, communication, electric, electronic and other systems used to perform transactions. Among other risks, the Client assumes the following risks of losses caused by:

- power and/or equipment failure on the part of the Client or the Client's communication service provider (in particular voice communication);
- physical damage (or destruction) of communication channels used for communication of the Client's provider and supplier (communication service provider) and the Client's server;
- failure (extremely low quality) of the transfer via channels used by the Client or channels used by the supplier or communication service provider (in particular voice communication) used by the Client;
- use of communication channels, equipment and software that does not ensure receipt or timely receipt of messages (in particular text messages) from the Company by the Client;
- failure (extremely low quality) of communication via channels used by the Company, in particular physical damage (destruction) of communication channels by third persons.

3. The Client realizes that his/her trading activities may be exposed to risks associated with networks, including failures of hardware, software, servers, communication lines and the internet. Any such failure may result in non-fulfillment of the Client's order in accordance with his/her orders. The Company will not be liable in case of such failure.

4. The Client understands that the internet may be subject to events affecting his/her access to the Company's website and the trading terminal, including, but not limited to, interruptions or failures of software and hardware, internet outage, power outage or hacker attacks. The Company assumes no liability for any damages or losses resulting from events that are beyond its control or for any other damages, expenses, liabilities (including, but not limited to, lost profit) that may result from Client's inability to access the Company's website or a delay in or failure to send orders.

5. When trading via the trading terminal, the Client assumes the risks of financial losses that may arise as a result of: - hardware and software failures, device failures, and poor quality of telecommunication services on the part of the Client; - malfunctioning of the Client's equipment.

6. The Client acknowledges that in abnormal market conditions the processing time for clients' orders may increase.

7. The Client acknowledges that only one request or order may be in the queue of requests/orders on the server. Any attempt to send a new request or order will be rejected.

8. The Client acknowledges that the only reliable source of information about asset prices is the Company Server. Asset prices on the Client's trading terminal cannot be used as a reliable source of price information because, if the connection between the Client's trading terminal and the Company Server becomes unstable, some asset quotes may not reach the Client's trading terminal.
9. The Client acknowledges that closing a web browser window will not cancel an order or a request that has already been received by the Company for processing.
10. The Client assumes the risk of making unplanned trades if he/she re-sends an order before receiving information about the result of processing of the previous order.
11. The Client assumes the risk of any financial losses caused by his/her failure to receive or delayed receipt of any message from the Company.
12. The Client acknowledges that information sent via unencrypted e-mail is not protected against unauthorized access.
13. The Client assumes fully responsibility for maintaining the confidentiality of information received by him/her from the Company and assumes the risk of any financial losses caused by unauthorized third party access to his/her trading account. The Company assumes no liability for unauthorized third party access to information, including e-mails, electronic communications, personal data, and access data that occurred at the time of transmission between the Company or any other party via the Internet or other communication networks, telephone or any other electronic means.
14. The Client assumes the risk of financial losses (damages) caused by force majeure events, which are defined as any action, event or phenomenon, including, but not limited to:
- strikes, mass rioting or civil unrest, terrorist attacks, wars, natural disasters, accidents, fires, floods, storms, hurricanes, blackouts, communication, software or electronic equipment failures that, in the reasonable opinion of the Company, resulted in destabilization of the market or markets of one or several instruments;
  - suspension, liquidation or closure of any market or absence of any event on which price quotations were based by the Company, or imposition of restrictions or special or non-standard trade conditions, as well as performing transactions in any market or with respect to any such event.
15. The Client assumes financial and other risks in cases where transactions (and related actions) on financial markets is forbidden or restricted by the legislation of the country of the Client's permanent residence.
16. The Company does not guarantee that the Client's activities related to option trading are not or will not become subject to taxation in the future. The Client assumes responsibility for payment of any taxes and/or any other charges that may accrue with respect to his/her trades. The Company will not give the Client any legal, tax or other recommendations with respect to any trade. If the Client has any doubts as to whether he/she can assume any tax obligations, he/she must consult an independent expert.

17. The Company assumes no liability for any actions or omissions by any third party through which money is sent by the Client to replenish the current Client's Account or withdrawn by the Client from the Website.

18. From time to time, at its sole discretion, the Company may provide the Client with information, recommendations, news, commentary or other information about the market for information purposes.

If this happens:

- the Company will not be responsible for this information;

- the Company gives no guarantees regarding the accuracy, correctness and completeness of such information;

- this information is provided only to enable the Client to make his/her own investment decisions and is not investment advice;

- if a document contains a restriction in relation to the person or the category of persons for whom it is intended or concerns, the Client agrees not to pass this information to such person or category of persons;

- the Company does not guarantee that the Client will receive information before it becomes outdated. The Client decides on the use of this information in decision making on his/her own. Information posted by the Company may be changed or deleted at any time without additional prior notification to the Client.

19. The Company will not advise the Client on the profitability of a transaction or provide investment advice in any form other than providing information on the current state of the financial market. The Trading Signals that the Company provides the Client under the Agreement are not an offer and are not an explicit recommendation that the Client engage in trading transactions and/or make trades, are not objective and reliable information for which the Company is liable to the Client and third parties, and are not professional consulting. The Client himself, at his own risk, will make trades and make appropriate decisions based on his own judgment. By sending an order to the Company to make a trade, the Client acknowledges that he is fully responsible for his own independent assessment and research on the risks of the trade. The Client confirms that he has enough market knowledge, has received, if necessary, professional advice, and has the necessary experience to make his own assessment of the merits and risks of any transaction. Taking into account the aforesaid, the Company recommends that the Client carefully consider whether the risks that arise when making transactions are acceptable, taking into consideration the Client's purposes and financial capabilities. This Disclosure is not intended to dissuade the Client from carrying out transactions (trades with options) but is intended to help the Client assess the risks associated with carrying out those transactions and responsibly approach the selection of a strategy within the context of performing the Agreement with the Company.