Risk Disclosure

Notice: Transactions in the CFD market offer ample opportunities and allow knowledgeable and sophisticated investors ready to take risks, to gain high profit. Customer should understand the risks associated with CFD trading, which may be high enough. This short statement does not contain descriptions of all risks and other material aspects of foreign currency trading. With this in mind, you should carefully analyze whether you should engage in such transactions, taking into account your experience, financial status, resources and objectives, the risk you are ready to take, and other circumstances.

This Risk Disclosure Statement cannot and does not disclose all of the risks of Transactions in CFDs. The purpose of this Risk Disclosure Statement is to describe the major risks of trading spot CFDs.

CFD trading is highly speculative and is suitable only for those customers who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume losses significantly in excess of Margin or deposits. CFD trading is not an appropriate investment for retirement funds. Customer represents, warrants and agrees that Customer understands these risks; that Customer is willing and able, financially and otherwise, to assume the risks of CFD trading and that loss of Customer’s entire Account Balance.

General: You should not engage in spot CFDs Transactions unless you understand the basic aspects of such trading and their risks - for example, how positions are opened and closed, how profits and losses are made and the extent of your exposure to risk and loss.

Trading in spot CFDs is speculative and involves a high degree of risk. In particular, because it will be conducted using Margin (which covers only a small percentage of the value of the Transaction), price changes in the instrument which underlies the Transaction may result in significant losses, which may under some circumstances substantially exceed the funds you originally transferred to the Company as Margin. Therefore, trading in these contracts are appropriate only for persons who (a) understand and are willing to assume the economic, legal and other risks involved in such transactions, and (b) are financially able to withstand losses significantly in excess of their Initial Margin funds and any additional funds transferred to the Company to maintain their positions. Your potential losses, which depend on movements in the price of the underlying instrument, can exceed any deposit, Margin or other amount you have paid to the Company.

You should be satisfied that spot CFD trading is suitable for you in the light of your financial circumstances and attitude to risk.

The market recommendations provided by the Company do not constitute an offer to buy or sell, or the solicitation of an offer to buy or sell, any CFD. Each decision by Customer to enter into a Contract or other transaction with the Company and each decision whether a Contract or other transaction is appropriate or proper for Customer is an independent decision by Customer. The

Company is not acting as an advisor or serving as a fiduciary to Customer. Customer agrees that the Company has no fiduciary duty to Customer and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Customer following the Company's trading recommendations or taking or not taking any action based upon any recommendation or information provided by the Company.

The market recommendations of the Company are based solely on the judgment of the Company's personnel. These market recommendations may or may not be consistent with the market positions or intentions of the Company, its affiliates and employees. The market recommendations of the Company are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such recommendations will reduce or eliminate the risk inherent in CFD trading.

When you engage in spot CFD trading with the Company you are placing an order in relation to movements of prices set by the Company. Prices quoted to you by the Company will include a spread, mark-up, or mark-down when compared to prices that the Company may receive or expect to receive if it were to cover your transactions with, for example, a trade in the Interbank market. Although dealing spreads are common in the markets for certain of the instruments underlying other CFDs you may trade for the Account, you should be aware that the total impact of spreads may be significant in relation to the size of the Margin you post and may make it more difficult for you to realize a profit from your trading. In addition, in connection with the automatic rolling forward of CFD Transactions that you do not close out, the Company may impose an interest charge. You should carefully consider the effect of such interest charges along with spreads, mark-ups, or mark-downs on your ability to profit from trading.

The "gearing" or "leverage" available in CFD Transactions trading (i.e. the funds the Company requires you to provide when a position is opened compared to the notional size of trade you can enter into) means that a small Margin deposit can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the size of any loss or profit which can work against you as well as for you.

You may lose all amounts you deposit with the Company as Margin, and your account could go into deficit. The placing of certain orders (e.g. "stop-loss" or "limit" orders) that are intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to execute such orders. Please also note that for all orders (including Stop Loss Orders) you may sustain the loss (which your order is intended to limit) in a short period of time.

You have to pay to the Company all losses you sustain as well as all other amounts payable under the Customer Agreement such as interest. If you decide to engage in CFD trading, you must accept this degree of risk. You should obtain exhaustive information as to fees, expenses and other payments you will necessarily incur, prior to trades. The amount of such payments may reduce your profit (if any) or increase your loss.

The potential for profit or loss from Transactions on foreign markets or in foreign currency denominated Transactions are affected by fluctuations in foreign exchange rates. CFD

Transactions involving foreign currencies, including indices, commodities, options and other trading instruments, involves risks not present when dealing with investments denominated entirely in your domestic currency. Such enhanced risks include (but are not limited to) the risks of political or economic policy changes in a foreign nation, which may substantially and permanently alter the conditions, terms, marketability or price of a foreign currency. The profit or loss in transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will also be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to another currency.

The Company acts as the market maker or as the broker in accordance with the account type and operating conditions with Customers. The Company is the principal to all CFD Transactions executed by you with the Company. We are not required to continue to make markets in any instrument and may refuse to accept any order in our absolute discretion. The markets the Company offers (and its prices) are derived from underlying prices quoted in the relevant markets. The Company has no control over movements in the underlying prices, which may be volatile and unpredictable. Those movements will affect the Company's prices, whether or not you can open and close a position and the price at which you can do so. During periods of market volatility, it may be difficult or impossible for you to liquidate an existing position, to assess the value of open positions, to determine a fair price or to assess the exposure to risk. These are among the reasons why Transactions in CFD Transactions involve increased risks. CFD trading with the Company is not conducted on a regulated exchange, and there is no clearing house or other central counterparty which guarantees our payment obligations to you under contracts that you enter into. Consequently, engaging in CFD trading may expose you to substantially greater risks than other instruments which are so traded. You can only look to the Company for performance on all CFD Transactions you enter into with us and for return of any Margin. The insolvency or default of the Company could cause you to lose the value of all positions carried in your Account and could cause you to suffer additional losses from open positions.

As a CFD market maker the Company may have access to information that is not available to you, may have acquired trading positions at prices that are not available to you, and may have interests different from your interests. The Company does not undertake any obligation to provide you with market or other information we possess, nor to alter or refrain from our own trading.

Technical and Other Risks: The Customer shall be responsible for the risks of financial losses caused by the failure of information, communication, electronic and other systems.

While trading via the Customer Terminal the Customer shall be responsible for the risks of financial losses caused by:

(a) Customer's or Company's hardware or software failure, malfunction or misuse;

(b) poor Internet connection either on the side of the Customer or the Company or both;

(c) the wrong settings in the Customer Terminal;

(d) delayed Customer Terminal updates;

(e) the Customer disregarding the applicable rules described in the Customer Terminal user guide.

The Customer acknowledges that at times of excessive deal flow the Customer may have some difficulties to be connected over the telephone with a Dealer, especially in a Fast Market (for example, when key macroeconomic indicators are released). The Company is not responsible for disruption, failure or malfunction of telephone lines.

Foreign currencies are legal payment instruments of one or several foreign states, and are not generally securitized by any valuables (e.g. precious metals). Foreign currency transactions, including OTC foreign currency trading, are associated with risks that are not inherent in investments in the currency of Customer's country. Such risks include risks of political and/ or economic changes in the foreign state that may substantially, and for a long period of time, change trading conditions, tradability and/or price of the foreign currency. Profit or loss from CFDs (whether entered into in your country or not) are also affected by exchange rate fluctuations when it is necessary to convert the contract currency in another currency.

This brief review does not help describe all risks related to foreign currency trading. You are required to understand the specifics of foreign currency trading and risks associated with it. You should not make trading transactions until you understand those and determine the risk level. Besides, you should remember that there are additional risks you should consider before you start trading.

Quoting Errors: Should a quoting error occur due to a mistype of a quote or a misquote given by telephone and/or electronic means (including responses to Customer requests), the Company is not liable for any resulting errors in Account Balances and reserves the right to make necessary corrections or adjustments on the Account involved. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by the Company, in its sole discretion, of the relevant Currency at the time such an error occurred. In cases where the prevailing market represents prices different from the prices the Company has posted on our screen, the Company will attempt, on a best efforts basis, to execute trades on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer Statements. This may or may not adversely affect customer realized and unrealized gains and losses.

Abnormal Market Conditions: The Customer acknowledges that under Abnormal Market Conditions the period during which the Instructions and Requests are executed may be extended. In case of a Force Majeure Event the Customer shall accept the risk of financial losses.

Trading Platform: The Customer acknowledges that only one Request or Instruction is allowed to be in the queue at one time. Once the Customer has sent a Request or an Instruction, any further Requests or Instructions sent by the Customer are ignored and the "Trade flow is busy" message appears until the first Request or Instruction is executed.

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

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

The Customer acknowledges that if the Pending Order has already been executed but the Customer sends the Instruction to modify its level and the levels of If-Done Orders at the same time, 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.

Leverage Function: Transactions in the CFD market involve a high amount of risk. Risks inherent in CFD trading get substantially higher when you use a high degree of leverage securitized by a warranty deposit. The use of leverage may result in loss as well as profit. You should not engage in CFD trading unless you understand the specifics of transactions you will conduct, and the level of risks associated. Besides, it is highly recommended that all prospective Customers download the demo trading system and practice with that unless they feel they have studied the trading platform well enough, as well as the terms and conditions of CFD trading. The amount of the initial warranty contribution is low enough as compared to the amount of positions you open; this is why "leverage" is used in trading. You may fully waste the funds you initially deposited as a warranty deposit when opening your account. Besides, if market movements are contrary to your position, you may be required to deposit additional funds to maintain your position; otherwise it may be automatically liquidated. It is not improbable that such funds should be deposited on demand.

The high leverage and low Margin associated with trading can result in significant losses due to price changes in CFDs. The Company’s Margin policies may require that additional funds be provided to properly Margin Customer’s Account and that Customer must immediately meet such Margin requirements. Failure to maintain the required Margin Balance may result in the liquidation of any Open Positions with a resultant loss to Customer. Increasing leverage increases risk.

Prices, Margin and Valuations: The Company will provide prices to be used in trading, valuation of Customer positions and determination of Margin requirements. Although the Company expects that these prices will be reasonably related to prices available in the Interbank market, prices reported by the Company may vary from prices available to banks and other participants in what is known as the Interbank market. The Company will exercise considerable discretion in setting and collecting Margin. The Company is authorized to convert funds in Customer’s Account for Margin into and from such Foreign Currency and Metal at a rate of exchange determined by the Company in its sole discretion on the basis of then-prevailing money market rates.

There may be situations, movements and/or conditions occurring at weekend, in the beginning of week or intra-day after release of significant macroeconomic figures, economic or political news, in any event of Force Majeure that make currency markets to open with price levels that may substantially differ from previous prices. In this case there exists a significant risk that orders issued to protect open positions and open new positions may be executed at prices significantly different from those designated.

Orders or Strategies Aimed at Lowering Risks: Issuance of certain order types (such as Stop Loss orders) aimed at limiting loss per Customer's account, is not always an effective measure. Market trends may make it impossible to execute such orders at prices designated. In specific market conditions it may be impossible to liquidate position(s) at a pre-determined level. With this in mind, you can sustain losses unexpectedly high, or there may be a deficit of funds on your account. Issuance of Stop and Limit orders is associated with the same risk.

Due to market conditions or other circumstances the Company may be unable to close out Customer's position at the level specified by Customer, and Customer agrees the Company will bear no liability for failure to do so.

The Company, its personnel and affiliates and various other parties may execute orders at the same or better prices ahead of a Customer Order.

Electronic Trading: Trading via the electronic trading system of the Company may differ from both ordinary trading (through free exchange auctions or over the telephone) and trading in other electronic systems. Besides, there are risks associated with conducting trades on the Internet, including, but not limited to, hardware breakdowns and software failures. As a result of a system failure, your order may be executed out of accordance with the instructions you gave, or not executed at all.

Since the Company does not control signal power, its reception or routing via Internet, configuration of Customer's equipment or reliability of its connection, the Company shall not be liable for any claims, losses, damages, costs or expenses, including attorneys' fees, caused, directly or indirectly, by any breakdown or failure of any transmission or communication system or computer facility or trading software, whether belonging to the Company, Customer, any market, or any settlement or clearing system when Customer trades online (via the Internet).

Trading Systems: Most interbank and electronic trading systems operate on the basis of computer systems and computer Internet systems for routing, executing, coordinating and registering orders and/or settling transactions. Like other systems and equipment, such systems may have breakdowns and failures.

The Company's automated order entry systems provide immediate transmission of Customer's order once Customer enters the notional amount and clicks "Buy/Sell." There is no "second look" before transmission, and Market Orders cannot be cancelled. This feature may be different from other trading systems. Customer should utilize the Demo Trading Systems to become familiar with the order entry process before trading online with the Company. Customer agrees that by using the Company’s order-entry system, Customer agrees to the one-click system and accepts the risk of this immediate transmission feature.

Trading Conditions: There are no guarantees of profit or freedom from loss in trading. Customer has received no such guarantees from the Company or from any of its representatives. Customer is aware of the risks inherent in CFD trading and is financially able to bear such risks and withstand any losses incurred.

CFD trading with the Company is not conducted on a regulated market or exchange. Each Contract is a contract directly between the Company and the Customer. There is no clearinghouse and no guarantee by any other party of the Company’s payment obligations to the Customer. The Customer must look only to the Company for performance on all Contracts in Customer’s Account and for return of any Margin or Collateral. The insolvency of the Company or a default by the Company could cause Customer to lose the value of its Account and to suffer additional losses from Open Positions.

Market Orders executed through the Company’s Trading Desk are completed when the Company says “deal” or “done.” At that point Customer has bought or sold and cannot cancel the Market Order. By placing Market Orders through the Company’s Trading Desk, Customer agrees to such immediate execution and accepts the risk of this immediate execution feature.

You should carefully read the provisions of the effective Trading Rules of the Company prior to the beginning of trades in foreign currencies in the OTC market.

Third Party Agents: In the event that Customer grants trading authority or control over Customer’s Account to a third party (the “Trading Agent”), whether on a discretionary or non-discretionary basis, the Company shall in no way be responsible for reviewing Customer’s choice of such Trading Agent or for making any recommendations with respect thereto. The Company makes no representations or warranties concerning any Trading Agent; the Company shall not be responsible for any loss to Customer occasioned by the actions of the Trading Agent; and the Company does not, by implication or otherwise, endorses or approve of the operating methods of the Trading Agent. If Customer gives the Trading Agent authority to exercise any of its rights over its Account, Customer does so at Customer’s risk. Even though the undersigned grants authority to Trading Agent, the Customer should be diligent and closely scrutinize all account activity.