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Risk Acknowledgement and Disclosures Policy

Tradestone Ltd

89, Vasileos Georgiou A' street, Office 101,
Potamos Germasogeias 4048, Limassol, Cyprus

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CySEC License 331/17

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1. Introduction

Tradestone Ltd (hereinafter the “**Company**”, “**We**” or “**Us**”) is a Company incorporated in Cyprus on 16th March 2016 and is regulated by the Cyprus Securities and Exchange Commission (hereinafter the “**CySEC**”) with Licence No. 331/17.

Tradestone Ltd (hereinafter the “Company”, “We”, or “Us”) is a Cyprus Investment Firm, (hereinafter the “CIF”) incorporated in the Republic of Cyprus with Certificate of Incorporation No. HE 353434. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (hereinafter the “CySEC”), with license no. 331/17, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2017, Law 87(I)/2017 (hereinafter the “Law”), as subsequently amended or replace from time to time.

This Risk Acknowledgement and Disclosure is provided to you (our Client and potential Client) in compliance to the Law, which is applicable to the Company.

All Clients and potential Clients are strongly advised to carefully read the risk disclosures and warnings contained in this document, before applying to the Company for a trading account and before they begin to trade with the Company. However, it is noted that this document cannot, and does not, disclose or explain all of the risks and other significant aspects involved when dealing in Financial Instruments. According to the Law, this notice is 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 Client should not engage in any investment directly or indirectly in Financial Instruments unless the Client knows and understands the risks involved for each one of the Financial Instruments.

The Company will not provide the Client with any investment advice relating to investments or possible transactions in investments or in Financial Instruments or make investment recommendations of any kind unless the Client signs up for the Investment Advice / Portfolio Management Services by signing all relevant agreements and proven to be suitable for the said services.

If the Client does not understand the risks involved, he/she should seek advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, should not trade at all.

The Client should acknowledge that runs a great risk of incurring partial losses or all of the initial capital because of the purchase and/or sale of any Financial Instrument and accept that the Client is willing to undertake this risk.

2. Risk Acknowledgement and Disclosure

This is the Risk Acknowledgement and Disclosure of Tradestone Ltd.

This notice is provided to you (our client and prospective Client) in compliance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”), by reasons you are proposing to undertake dealings in financial instruments in the form of Foreign Exchange Contracts (“FX Contracts”) and/or Contracts for differences (“CFDs”) with our company, Tradestone Ltd.

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.

- ✚ Prospective Clients should study the following risk warnings very carefully. Please note that we do not disclose or explain all the risks and other significant aspects involved when dealing in Financial Instruments (including Contracts for Difference “the CFDs”). We outline the general nature of the risks



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involved when dealing in Financial Instruments on a fair and non-misleading basis.

- ✚ The Company executes orders in relation to one or more financial instruments mainly in CFDs on foreign exchange and CFDs on Commodities. The Company acts as principal whereby it will be the sole Execution Venue for the execution of the Clients' orders for CFDs.
- ✚ CFDs are complex financial products and not suitable for all investors. CFDs, are leveraged products that mature when an existing open position is closed. By investing in CFDs, one assumes a high level of risk and it can result in the loss of all invested capital.
- ✚ Unless a Client knows and fully understands the risks involved in Financial Instruments, they should not engage in any trading activity. Clients should not risk more than they are prepared to lose. Prior to applying for a trading account with the Company or making an order, Clients should carefully consider which Financial Instrument is suitable for them, taking into account their circumstances and financial resources. If a Client is unclear or does not understand the risks involved in trading in Financial Instruments, they should consult an independent financial advisor. If after seeing the advisor, they still don't understand these risks, then they should refrain from trading.
- ✚ Purchasing and selling Financial Instruments comes with a significant risk of losses and damages, and each Client must understand that the investment value can both increase and decrease. Clients will be held liable for losses and damages, which could result in the loss of all of the Clients' invested capital, once they make the decision to trade.

2.1 Acknowledgement

- ✚ The Company places significant importance on the execution of the Clients' orders and at all times, strives to offer the highest speed of execution possible, within the limitations of technology and communications links. The Client shall be responsible for the risks of financial losses caused by the failure of information, communication, electronic or any other systems. For instance, the Client may give instructions by telephone to modify or close a position. The Client is responsible for the security of his Access Data. If the Client undertakes transactions on an electronic system (Trading Platform), he will be exposed to risks associated with the system, including the failure of hardware and software (Internet / Servers). For example, there may be a delay on the Company's platform when receiving an order, and this may affect the price of execution. Consequently, the result of any system failure may be that the order is either- not executed according to the Client's instructions - or it is not executed at all. The Company does not accept any liability in the case of such a failure.
- ✚ While trading through the Client Terminal the Client shall be responsible for the risks of financial losses caused by:
 - Client's or Company's hardware or software failure, malfunction, or misuse.
 - Poor Internet connection either on the side of the Client, the Company or both. This includes interruptions, transmission blackouts, public electricity network failures, overload of connection or hacker attacks.
 - The wrong settings in the Client Terminal.
 - Delayed Client Terminal updates.
 - The Client disregarding the applicable rules described in the Client Terminal user guide and in the Company's Website.
- ✚ The Client acknowledges that at times of excessive deal flow, the Client may have some difficulties with telephone connections with a Dealer, especially in a Fast Market (for example, when key macroeconomic indicators are released).
- ✚ The Client acknowledges that under Abnormal Market Conditions the period during which the Instructions and Requests are executed, may be extended.
- ✚ The Client acknowledges that only one Request or Instruction can be in the queue at one time. Once the Client has sent a Request or an Instruction, any further Requests or Instructions sent by the Client

are ignored and the "Order is locked" message will be displayed until the first Request or Instruction is executed.

- ✚ The Client acknowledges that the only reliable source of Quotes Flow information is that of the real/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 may simply 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.
- ✚ In case that the Client has not received the result of the execution of the previously sent Instruction but decides to repeat the Instruction, the Client shall accept the risk of making two transactions instead of one. However, the Client may receive an "Order is locked" message as described in point 5 above.
- ✚ The Client acknowledges that if the Pending Order has already been executed but the Client 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 the Stop Loss and/or Take Profit levels on the position opened when the Pending Order is triggered.
- ✚ The Client shall accept the risk of any financial losses - since they have experienced delays in notices and/or receives no notices at all from the Company.
- ✚ The Client acknowledges that the unencrypted information transmitted by email is not protected from any unauthorised access.
- ✚ The Client is fully responsible for the risks in respect of undelivered trading platform internal mail messages sent to the Client by the Company, as they are automatically deleted within 3 (three) calendar days.
- ✚ The Client is wholly responsible for the privacy of the information received from the Company and accepts the risk of any financial losses caused by the unauthorised access of a third party to the Client's Trading Account.
- ✚ The Company has no responsibility if authorised/unauthorised third persons access to information have, including electronic addresses, electronic communication, personal data and access data, when the above are transmitted between the Company or any other party, using the internet or other network communication facilities, telephones, or any other electronic means.
- ✚ In case of a Force Majeure Event the Company may not be in a position to arrange for the execution 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 has no responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under this Agreement where such failure, interruption or delay is due to a Force Majeure event and the Client shall accept the risk of financial losses.

3. Risk Warning Notice for Foreign Exchange and Derivative Products

- ✚ This notice cannot disclose all the risks and other significant aspects of foreign exchange and derivative products, such as Contracts for Differences. A Client should not deal in these products unless they understand their nature and the extent of their exposure to risk. These products are risky and require regular monitoring (especially when there is higher leverage and/or volatile markets). Clients should also be satisfied that the product is suitable for them considering their circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle", may be as risky, as a simple Long or Short position.
- ✚ Although Forex and derivative instruments can be used for the management of investment risk, some of these products are unsuitable for many investors. Clients should not engage directly or indirectly with derivative products unless they know and understand the risks involved in them and that they may lose all of their money. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments, a Client should be aware of the following points.
- ✚ The Client must ensure understands that under Margin Trading conditions, even small market movements may have a great impact on the Client's Trading Account. It is important to note that all accounts trade under the effect of Leverage. The Client must also consider that if the market moves

against them, the Client may sustain a total loss of all of the funds deposited. The Client is responsible for all the risks, financial resources the Client uses and for the chosen trading strategy.

- ✚ It is highly recommended that the Client maintains a Margin Level (percentage Equity to Necessary Margin ratio which is calculated as $\text{Equity} / \text{Necessary Margin} * 100\%$) of not lower than 1,000%. It is also recommended that a Stop Loss is placed to limit potential losses, and Take Profit to collect profits, when it is not possible for the Client to manage their Open Positions.
- ✚ The Client shall be responsible for all financial losses caused by the opening of the position, using temporary excess Free Margin on the Trading Account gained as a result of a profitable position, (cancelled by the Company afterwards) opened at an Error Quote (Spike) or at a Quote received as a result of a Manifest Error.
- ✚ Some Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of loss as well as profit. The price of Derivative financial instruments is derived from the price of the underlying asset in which the instruments refer to (for example currency, commodities etc.). Derivative financial instruments and related markets can be highly volatile. The prices of instruments and the underlying asset may fluctuate rapidly, 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 a declared price, leading to losses. The prices of instruments and the underlying asset will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace. Therefore, a Stop Loss order cannot guarantee the limit of loss.
- ✚ The Client acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of Instruments may fluctuate downwards or upwards and it is even a possibility that the investment may diminish to 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. A relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but may also expose the Client to a large additional loss.
- ✚ At this point it is significant to refer to Slippage which usually happens during periods of high volatility. This is when a trader has executed an order at a price which is different to the price, they expected the trade to be executed at. There are two kinds of slippage, positive and negative. Positive slippage occurs when the price is executed at a better level than the one requested; a negative slippage is exactly the opposite situation; therefore, the Client should consider the possible risks and/or hazardous situation that they might be placed in. Slippage can occur in all account and order types offered, and under all execution methods.
- ✚ Please be informed that in case a slippage is experienced in the market, the orders will be executed at the next available price, in cases of market execution. Instant Execution requotes, (i.e. if the requested price is not available, the current available price will be sent to the Client to confirm execution, and the Client must explicitly agree to accept the requoted price, prior to execution) occur when entering or exiting the market in any account.
- ✚ In general, the volatility in the market may affect the price, speed, and volume. Therefore, trading during volatile conditions, where important news and data releases are made, is incredibly risky and since the best execution criteria might not apply, as indicated in our website, the execution pricing will always be provided at the first available price.
- ✚ Some of the underlying assets may not become immediately liquid because of reduced demand for the underlying asset and Client may not be able to obtain the information on the value of these, or the extent of the associated risks.
- ✚ The CFDs available for trading with the Company is non-deliverable spot transactions, giving an opportunity to trade on changes in currency rates and commodities. If the underlying instrument movement is in the Client's favour, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit but also any additional commissions and other expenses incurred. The Client must not enter CFDs unless is willing to undertake the risk of losing all the money invested, and/or any additional commissions and other

expenses incurred.

- ✚ Investing in a Contract for Differences carries the same risks as investing in a future or an option and the Client should be aware of the risks set out above. Transactions in Contracts for Differences may also have a contingent liability and Clients should be aware of the implications of this, as set out below.
- ✚ CFDs on foreign exchange, CFDs on commodities are off-exchange transactions. The Client acknowledges that the transactions entered in CFDs with the Company are not undertaken on a recognized exchange, rather, they are undertaken over the counter (OTC) and as such they may expose the Client to greater risks than regulated exchange transactions. While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an Open Position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction, or to assess the exposure to risk. Bid and Ask prices may not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what a fair price is.
- ✚ With regards to transactions in CFDs on foreign exchange and CFDs on commodities with the Company, the Company is using a trading platform for transactions in CFDs which does not fall into the definition of a recognized exchange as this is not a Multilateral Trading Facility and so subsequently it does not have the same protection as a recognised exchange.
- ✚ Foreign markets involve various risks. On request, the Company must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm with whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts, will be affected by fluctuations in foreign exchange rates.
- ✚ Contingent liability investment transactions which are margined, require a Client to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. The Margin requirement will depend on the underlying asset of the instrument. Margin requirements can be fixed or calculated from the current price of the underlying instrument; it can be found on the website of the Company.
- ✚ When trading in CFDs, a Client may sustain a total loss of the funds they have deposited to open and maintain a position. If the market moves against them, they may be called upon to pay substantial additional funds at short notice to maintain the position. If the Client fails to deposit funds within the time required, their position may be liquidated as a loss and they will be responsible for the resulting deficit. It is noted that the Company will not have a duty to notify the Client for any Margin Call to sustain a loss-making position.
- ✚ Buying options involves less risk compared to selling options due to the fact that if the price of the underlying asset moves against the Client, then the Client can simply allow the option to lapse where the maximum loss is limited to the premium plus any commission or other transaction charges. Although, if the Client buys a call option on a futures contract and later exercise the option, then the Client will acquire the future which will expose the Client to the risks of contingent liability transactions.
- ✚ Writing options involve considerably higher risk than buying options since the Client may be liable for margin to maintain a position and a loss may be sustained well in excess of the premium received. By writing an option, the client accepts the legal obligation to purchase or sell the underlying asset if the option is exercised irrespective of how far the market price has moved away from the exercise price. In case the Client already owns the underlying asset which he/she has contracted to sell, also known as covered options the risk is reduced. Only experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.
- ✚ Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances- over and above any amount paid when the Client entered the contract.
- ✚ Contingent liability investment transactions which are not traded on or fall under the rules of a recognised or designated investment exchange, may expose the Client to substantially greater risks.
- ✚ Before Clients begin to trade, they should make themselves aware of all commissions and other charges for which they will be held liable. If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), the Client should ensure that they understand the true monetary value of the charges. For example, for opening a position in some types of CFDs the Client may be required to pay commission or financing fees, the amount of which is disclosed on the

Company Website. Commissions may be charged either in the form of a percentage of the overall value of the trade or as fixed amount. The value of opened positions in some types of CFDs is increased or reduced by a daily swap rate throughout the life of the contract. Swap rates are based on prevailing market interest rates, which may vary over time. For all types of CFDs that the Company offers, the commission and financing fees are not incorporated into the Company's quoted price and are instead charged explicitly to the Client account.

- ✚ There is a risk that the Client's trades in any Financial Instruments including derivative instruments may be or become subject to tax and/or any other duty, because of changes in legislation or the Client personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Client is responsible for any taxes and/or any other duty and/or fee and/or expenses which may accrue in respect of the Client trades.
- ✚ It is noted that taxes are subject to change and without notice, based upon the relevant tax legislations applicable in Cyprus and/or the Client's country of residence for tax purposes.
- ✚ If required by applicable Law, the Company shall deduct at source from any payments due to the Client such amount as are required by the tax authorities to be deducted in accordance with the applicable Law.
- ✚ Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a Stop Loss will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.
- ✚ The Company's price for a given CFD is calculated by reference to the price of the relevant underlying asset, which the Company obtains from third party external reference sources. The Company's prices can be found on the Company's website. If the price reaches an order such as: Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop, these orders will be closed. But under certain trading conditions it may be impossible to execute orders (Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit, Sell Stop) at the declared Clients' price. Therefore, these orders may not always limit Client losses in the event of highly volatile trading conditions, for example, in an underlying asset or reference price. In this case the Company has the right to execute the order at the first available price. This may occur, as already stated, at times of rapid price movement if the price rises or falls in one trading session to such an extent, that under the rules of the relevant exchange, trading is suspended or restricted. This may also occur at the opening of a trading session. The minimum level for placing Stop Loss, Take Profit, Buy Limit, Buy Stop, Sell Limit and Sell Stop orders, for a given CFD, is specified under Contract Specifications on the main Website of the Company. In general, the Company places strong emphasis on the quality and level of the price data that the Company receives from external sources, to provide to the Clients with competitive price quotes. The Company does not however guarantee that its' quoted prices will be at a price which is as good, or better, than one might have been available elsewhere.
- ✚ The Company employs adequate arrangements to ensure Clients' assets and ownership rights in the event of the Company's insolvency. However, the Company's insolvency or default, may lead to positions being liquidated or closed out without the Clients consent. In certain circumstances, a Client may not get back the actual assets which were lodged as collateral and may have to accept any available payments in cash, or by any other method deemed to be appropriate.
- ✚ Segregated Funds will be subject to the protections conferred by Applicable Regulations. The Company may hold Segregated Funds on the Client's behalf in a Segregated Account located outside EU, or pass money held on the Client's behalf to an intermediate broker, settlement agent or OTC counterparty located outside EU. The legal and regulatory regime applying to any such person will be different from that of EU and in the event of the insolvency or any other equivalent failure of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in EU. The Company will not be liable for the solvency, acts or omissions of any third party referred to in this clause.
- ✚ All Client funds are held in segregated accounts, separated from Company's funds.
- ✚ The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Certain clients may be entitled to compensation under the Investor Compensation Fund where the Company fails. Compensation shall not exceed twenty thousand Euros

(EUR 20.000) for each entitled client. For more information please refer to the Investor Compensation Fund Policy available on our website at www.fbs.eu

- ✚ Advice and Recommendations (a) The Company will not advise the Client about the merits of a particular Transaction or give the Client any form of investment advice and the Client acknowledges that the Services do not include the provision of investment advice in CFDs or the Underlying Markets. The Client alone will enter Transactions and take relevant decisions based on own judgement. In asking the Company to enter any Transaction, the Client is solely responsible for making its own independent appraisal and investigation into the risks of the Transaction. The Client shall have sufficient knowledge, market sophistication, professional expertise, and experience to make its own evaluation of the merits and risks of any Transaction. The Company gives no warranty as to the suitability of the products traded under the Client Agreement and assumes no fiduciary duty in its relations with the Client.
- ✚ Past Performance of CFDs does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information relates.

The Company may, from time to time and at its discretion, provide the Client (or in newsletters which it may post on its Website or provide to subscribers via its Website or the Trading Platform or otherwise) with general information, recommendations, news, market commentary or other information which does not take into account the particulars of any individual client and is not offered as a service. Where it does so:

- ✚ the Company will not be responsible for such information.
- ✚ the Company gives no representation, warranty or guarantee as to the accuracy, correctness, or completeness of such information or as to the tax or legal consequences of any related Transaction.
- ✚ this information is provided solely to enable the Client to make its own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client.
- ✚ if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Client agrees that will not pass it on to any such person or category of persons.
- ✚ the Client accepts that prior to despatch, the Company may have acted upon it itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that the Client will receive such information at the same time as other clients. It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

4. Types of Risk

4.1 Third Party Risk

- ✚ The Company may pass money received from the Client to a third party (e.g., a bank, a market, intermediate broker, OTC counterparty or clearing house) 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 other Clients' 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 hold Client money on the Client's behalf outside the EEA. The legal and regulatory regime applying to any such Credit Institution will be different from that of Cyprus and in the event of the insolvency, or any other analogous proceedings in relation to that Credit institution, the Client

money may be treated differently from the treatment which would apply if the money was held with a bank in an account in Cyprus. The Company will not be liable for the insolvency, acts or omissions of any third party referred to in this paragraph.

- ✚ 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.

4.2 Market Risks

Market risk is the risk of loss caused by movements in the prices of traded assets. It reflects the extent to which the return of the security varies in response to, or in association with, variations in the overall market returns.

The Company should implement policies and processes for the measurement and management of all material sources and effects of market risks.

The Board of Directors or equivalent organization to the Board of Directors in accordance with the Risk Management policy and rules establish limits for each operation and each risk category by considering the institution's capital and the risk management capability.

The company sets hard limits of risk and soft limits of risk. Hard limits trigger compulsory reduction of risks and positions when they are exceeded, while soft limits do not necessarily trigger such reduction but require that the board of Directors or equivalent organization to the Board of Directors discuss and decide what measures to take.

Interest Rate Risks: Interest rates are a key component in many market prices and an important economic barometer. Fluctuations of Market interest affect the prices of securities. Interest rates are important because they are the key ingredient in the cost of capital

Foreign Exchange Risks: The exchange risk associated with international transactions is the risk of loss (or gain) from unforeseen changes in exchange rates (the prices at which currencies trade for each other).

No Guarantees of Profit: The Company provides no guarantee of profit or of avoiding losses when trading. The Client has received no such guarantees from the Company or from any of its representatives. The Client is aware of the risks inherent in trading and is financially able to bear such risks and withstand any losses incurred.

4.3 Regulatory and Legal Risks

A change in applicable laws and regulations is possible to impact materially a financial instrument as well as investments in a sector or market. Such change may occur due to the decision of a government, a regulatory body or a judicial body and can increase business operational cost, lessen investment attractiveness, change the competitive landscape of the industry, and alter profit possibilities of an investment. This kind of risk is unpredictable and may vary from market to market.

5. Additional Information

The Company reserves the right to review and amend this Policy and the prescribed arrangements whenever it deems this is appropriate without notice to the Client.

Should you require further information and/or have any questions about the risks applicable to your transactions or our business relationship in general please direct your request and/or questions to support@fbs.eu