

RISK DISCLOSURE NOTIFICATION

INTRODUCTION

UBK Markets Ltd, (hereinafter referred to as ‘the ‘Company’) is an investment firm that operates globally.

UBK Markets Ltd is incorporated in the Republic of Cyprus with registration number HE293861. The Company is authorised and regulated by the Cyprus Securities and Exchange Commission (‘CySEC’), with licence No. 186/12, and operates under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law of 2007, Law 144(I)/2007, as subsequently amended from time to time (the Law). The Company’s office is located at 67, Spyrou Kyprianou Avenue, Kyriakides Business Center, 2nd Floor, CY-4003 Limassol.

The Customer acknowledges that the Company’s official language is English.

The office address of the ‘Cyprus Securities and Exchange Commission (CySEC)’ is 27 Diagorou Street, 1097 Nicosia, Cyprus (Telephone: +357 22 506 600/Fax: +357 22 506 700/<http://www.cysec.gov.cy>) and its postal address is P.O BOX 24996, 1306 Nicosia, Cyprus.

1. SCOPE OF THE NOTIFICATION

The Risk Disclosure Notification, ‘the Notification’, is provided to the Customer in accordance with Law 144 (I) of 2007, as amended. The Notification 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, but does not disclose or explain all of the risks and all aspects involved in dealing in Financial Instruments. This Notification forms an integral part of the Customer Agreement between the Customer and the Company.

2. RISK WARNING

The Customer should not risk more than he/she is prepared to lose. Before deciding to trade the Customer must ensure that he/she understands the risks involved and takes into account his/her level of experience. Independent advice and consultation must be sought if the Customer deems it to be necessary.

The Customer acknowledges that there is a great risk of incurring losses in trading Financial Instruments and accepts that he/she is willing to undertake this risk.

The Company will not provide the Customer with any investment advice in relation to trading Financial Instruments.

3. ACKNOWLEDGEMENT

Trading Platform.

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The Customer accepts that the only reliable source of price-sensitive data is the data which is presented on our live server, and that this service may be disrupted through no fault of our own resulting in such price-sensitive data not being available to the Customer.

The Customer will regularly consult the “Help” menu or “User Guide” of the trading platform(s). In the circumstance where a conflict arises, the Customer Agreement will prevail unless the Company determines otherwise at its sole discretion.

The Customer acknowledges that the Company bears no responsibility if unauthorised third parties gain access to any information when such information is transmitted using the internet, the telephone or other electronic means.

Force Majeure Event.

In the case of a Force Majeure Event, the Customer will accept the risk of financial losses.

Technical Risk.

The Company bears no responsibility for any loss that arises as a result of a system failure, including but not limited to: delayed updates of the Customer terminal; poor internet connection (either on the Customer’s side or the Company’s or both); hardware or software failure, malfunction or misuse (either on the Customer’s side or the Company’s or both); incorrect settings on the Customer’s terminal; or the Customer disregarding the rules and procedures described in the Customer terminal and in the Company’s website.

The Customer acknowledges and accepts that at times of excessive transaction flow, there may be a delay in contacting a member of the Brokerage Department by telephone; especially when there are important market announcements and the period in which instructions and requests are executed, may be extended.

Communication

The Company bears no responsibility and the Customer will accept the risk of any loss that arises as a result of delays or communication sent by the Company not being received by the Customer.

The Customer accepts sole responsibility for the privacy of any information contained within the communication received by the Company.

The Company bears no responsibility for any loss that arises as a result of unencrypted information sent to the Customer by the Company that has been accessed through unauthorised means.

The Customer accepts that any loss arising due to unauthorised access by a third party of the Customer’s trading account is not the responsibility of the Company.

The Customer is fully responsible for any messages sent to the Customer via the trading platform(s) which are unread or not received. Such messages are automatically deleted within five (5) calendar days.

The Company will ensure that the Customer is kept updated via the approved communication channels. The Company cannot be held liable for those messages that the Customer fails to receive, open or understand due to the failure of the email system or corruption of the intended message.

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4. THIRD PARTY RISK

The Company may transfer money received from the Customer to a third party (e.g. OTC counterparty, clearing house, bank, intermediate broker) in the course of facilitating a Transaction(s) of the Customer. The Company bears no responsibility for the insolvency, acts or omissions of any such third party.

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

A third party through whom the Company deals with could have interests contrary to the Customer's interests.

In the event where the Customer applies for a trading account in a different currency from the deposited money currency, the Company may use the depository's currency conversion facility for such a currency conversion.

The Company may use the depository's currency conversion facility to convert the Customer's money into an available trading currency, which is supported by the Company's facilities.

5. FINANCIAL MARKET AND DERIVATIVES RISK WARNING NOTIFICATION

This notification cannot and will not disclose all the risks involved in Financial Instruments such as foreign exchange and derivative products such as futures, options, and Contracts for Differences. The Customer should be satisfied that the product is suitable with regards to their personal circumstances and financial position. The Customer should not deal in such products unless he/she understands their nature and the extent of his/her exposure to risk. The Customer should not engage in any dealings in derivative products unless he/she knows and understands the risks involved in them and that he/she might suffer complete loss of all monies invested. It should be noted that no physical delivery of the Financial Instruments will occur. Any trading decision should be made on an informed basis taking into consideration the following:

Instruments with high volatility

The Customer must consider that there is a high risk of losses as well as profits, as some instruments trade within wide intraday ranges with volatile price movements. The prices of instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions which are beyond the control of the Company or the Customer. Market conditions may render it impossible for a Customer's order to be executed at the declared price, leading to losses.

The prices of instruments are influenced by, amongst other things, the implementation of political, governmental, agricultural, commercial, financial and trade programs and policies and national and international socioeconomic events and the prevailing psychological characteristics of the relevant market place. Therefore a Stop Loss instruction/order cannot guarantee the limit of the Customer's loss.

The Customer accepts that significant loss may lead to partial or total loss of the value of his/her investment. This is due to the margining system that applies to such trades where an adverse market

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movement can quickly lead to the loss of the Customer's entire deposit, but which could also lead to a substantial additional loss.

Leverage (or Gearing).

Unlike traditional trading, Margin trading enables the Customer to trade the markets by paying only a small fraction of the total trade value. It should be noted that leverage means that a relatively small market movement may lead to a proportionately much larger movement in the value of the Customer's position.

The Company will monitor the leverage applied to Customer's positions and reserves the right to decrease the leverage depending on the Customer's trade volume.

Contracts for Differences (CFDs)

A CFD is an agreement to either buy or sell a contract that reflects the performance of an underlying instrument including inter alia, foreign exchange, precious metals, futures and shares. A CFD is a non-deliverable spot transaction where the profit or loss is determined by the difference between the price a CFD is bought at and the price it is sold at and vice versa.

Investing in CFDs entails the same risks as investing in a future or an option as set out below. A contingent liability may also arise as explained below.

Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk as they are traded under leveraged or geared situations as explained above.

A contingent liability may also arise as explained below.

Options

There are various types of options in existence each having different characteristics. The following conditions apply:

Buying options. This involves less risk than selling options as the holder can allow the option to lapse if the price of the underlying asset moves against the holder. The maximum loss is limited to the premium and any commission or other transaction charges. A buyer of a call option on a futures contract that exercises the option will acquire the future and will be exposed to the risks described in.

Writing options. The writer of the option accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against him/her irrespective of the difference between the market price and the exercise price. The risk is considerably higher than buying options, especially when the writer does not own the underlying asset and can face unlimited risk.

Over-the-counter ('OTC') Transactions.

When trading CFDs, Financial market and Precious metals, the Customer is effectively entering into an OTC transaction; where the parties directly negotiate between each other rather than through a regulated exchange market.

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OTC transactions may involve greater risk compared to transactions occurring on regulated exchange markets. Due to the absence of a central counterparty, the parties bear certain credit risk, risk of default or may face situations where it is impossible to liquidate positions or to assess the value of a position.

Trading Suspension.

When trading conditions are such that it may be difficult or impossible to liquidate a position, such as when the relevant exchange trading is suspended or restricted, placing a Stop Loss will not necessarily limit one's losses to the intended amounts, as the execution of the Stop Loss order at the stipulated price may be impossible. Furthermore, the execution of a Stop Loss order may be worse than its stipulated price and the realised losses may be larger than expected.

Margin account and requirements.

Margined transactions require the Customer to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. The level of the margin requirement will depend on the underlying asset of the instrument and can be fixed or calculated from the current price of the underlying instrument. Specific instrument margin requirements can be found on the Company website.

The Customer needs to ensure that he/she has sufficient margin on his/her trading account at all times in order to maintain an open position. It is the Customer's obligation to monitor any open positions in order to avoid positions being closed by the Company due to unavailability of funds. The Company is not responsible for notifying the Customer in any such instances.

The Company is not obliged to make Margin Calls for the Customer and is not liable to the Customer for any failure by the Company to contact or attempt to contact the Customer.

The Company is entitled to change margin requirements by giving to the Customer five (5) calendar days written notice. However, in the case of a Force Majeure Event, the Company is entitled to change margin requirements without prior written notice.

Contingent Liability Investment Transactions.

Due to the nature of margined transactions, as explained above, the Customer may sustain a total loss of the funds that were deposited to open and maintain a position. Failure on the Customer's part to meet a Margin Call i.e. pay additional funds to maintain a position, will result in the liquidation of the position, which may result in a loss that the Customer bears the responsibility to cover.

Transactions not margined, may still carry an obligation to make further payments over and above any amount paid when entering the contract.

Taxation, Commission and other Charges

The Customer must be aware of commissions and other charges before embarking to trade. Charges may be expressed in monetary or percentage terms. It is therefore the responsibility of the Customer to understand the basis upon which such charges are made.

Legislation and changes thereto, or a change in the Customer's personal circumstances may result in dealing in Financial Instruments taxable and subject to other duties.

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The Customer should seek independent advice on his/her tax and/or other duty liability, as he/she is responsible for any such liabilities.

General Notification

The Company is operating under Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, as the same may be in force from time to time and modified or amended from time to time (the “Markets in Financial Instruments Directive (2004/39/EC)” or “MiFID”).

This notification is provided to you in accordance with the Markets in Financial Instrument Directive (MiFID) of the European Union because you are considering dealing with the Company in the financial instrument provided by the Company (“Financial Instruments”).

This notification cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Financial Instruments and was designed to explain in general terms the nature of the risks particular to dealing in the Financial Instruments provided by the Company and to help the Customer to take investment decisions on an informed basis.

In order to comply with the Markets in Financial Instrument Directive (MiFID) of the European Union, the Company will classify the prospective customer as Retail Customer, Professional Customer or Eligible Counterparty when considering the application for opening an account, based on the information provided to the Company.

Prior to applying for an account the Customer should consider carefully whether trading in derivative Financial Instruments is suitable for him in the light of his circumstances and financial resources. Trading in derivative Financial Instruments entails the use of “gearing” or “leverage”.