

## Risk Disclosure

This statement does not disclose all of the risks and other significant aspects of trading in spot foreign exchange market, options, or CFDs. In light of the risks, you should undertake such transactions only if you understand the nature of such investments and the contractual relationships into which you are entering and the extent of your exposure to risk. Such investments are not suitable for many members of the public. You should carefully consider whether these investments are appropriate for you in light of your experience, objectives, financial resources and other circumstances. You should also be aware of the following:

- 1) Leveraged investments carry a high degree of risk. Because of the effect of leverage, a relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. The possibility exists that you may sustain a loss of some or all of the funds deposited. If the market moves against your position or margin levels are increased, you may be called upon to fund your account on short notice to maintain your position. If you fail to comply with a request for additional funds within the time prescribed, your positions may be liquidated at a loss.
- 2) The placing of certain orders such as Stop Loss orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.
- 3) Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected.
- 4) Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. suspension of trading in any currency because of price limits, government intervention or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions.
- 5) You should familiarize yourself with the protections accorded to money or other property you deposit for domestic and foreign transactions, particularly in the event of your counterparty's insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property which had been specifically identifiable as your own will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall.
- 6) Before you begin to trade, you should obtain a clear explanation of all commission, fees, markups, markdowns, rollovers, interest rate differential and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.
- 7) There are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, the failure of hardware, software and Internet connection. Since we do not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, we shall not be liable for any claims, losses, damages, loss of profits, special or consequential damages, cost of procurement of substitute goods or services, 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 us, you, any market, or any settlement or clearing system when you trade online (via Internet). In addition, we are not responsible for the breach of any Internet security with respect to your Account. We have no liability or duty of indemnification related to unusable data, lost or corrupt transactions or data, by whatever means, in whatever form, resulting in part or in whole from third-party software or networking goods or services or from internet related problems or from actions or events outside of our control.
- 8) You are obligated to keep passwords secret and ensure that third parties do not obtain access to your online account. You will be liable for trades executed by means of your password even if such use may be wrongful.



- 9) If you use the One-Click trading option on our system, once you enter the notional amount and click "Buy/Sell". There is no further verification or second look before transmission, and Market Orders cannot be cancelled. This feature may be different from other trading systems. You agree that by using our order-entry system, you agree to the one-click system and accept the risk of this immediate transmission feature.
- 10) Transactions in options carry a high degree of risk. Purchasers and sellers of foreign currency options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs. The purchaser of options may offset or exercise the options or allow the options to expire depending on the nature and type of option purchased. The exercise of an option will always result in a cash settlement. In some instances, the purchaser may acquire a spot position with associated liabilities for margin. If the purchased options expire worthless, you will suffer a total loss of your investment, which will consist of the option premium plus transaction costs. If you are contemplating purchasing deep-out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. The seller will also be exposed to the risk of the purchaser exercising the option and the seller will be obligated to either settle the option in cash or to acquire or deliver the underlying interest. In some instances, the seller may acquire a spot position with associated liabilities for margin. If the option is "covered" by the seller holding a corresponding position in the underlying currency or another option, the risk may be reduced. If the option is not covered, the risk of loss can be unlimited. The purchaser is still subject to the risk of losing the premium and transaction costs. When the option is exercised or expires, the purchaser is responsible for any unpaid premium outstanding at that time.
- 11) The investments and trading you are entering is not conducted on an exchange. In off-exchange markets, firms are not restricted to effect off-exchange transactions. It may be difficult or impossible to liquidate an existing position, to assess the value, to determine a fair price or to assess the exposure to risk. Exto Capital or any firm with which you deal may act as your counterparty to the transaction. The prices at which it offers to trade with you might not be the best prices available and different prices may be given to different customers. Additionally since your counterparty may act as the buyer or seller in the transaction, you should carefully evaluate any trade recommendation you receive from your counterparty. For these reasons, these transactions may involve increased risks. Before you undertake such transactions, you should familiarize yourself with applicable rules and attendant risks and the policies, procedures and agreements of the counterparty.