RISK DISCLOSURE POLICY

www.xelansmarkets.com

Contents

1. Overview

The following statements are intended to inform the Client of the potential risks involved in trading on financial markets. Clients should be aware of the potential losses associated with such risks. This document forms an integral part of the Agreement between Xelans Markets Limited and the Client. Should there be no clear definition of a term set out in this document, the interpretation of that term shall be governed firstly by the definition given in the Client Agreement. This document cannot disclose all risks involved in trading due to the wide range of feasible situations.

In issuing a licence to Xelans Markets Limited, no regulatory authority has vouched for:

i. the reliability and financial soundness of the products offered or products on which Xelans Markets Limited provides its service; and

ii. the correctness of statements or opinions expressed by Xelans Markets Limited, if any.

Every Client should deal with Xelans Markets Limited at their own risks and shall not be protected by any statutory compensation arrangements in any event whatsoever.

Every person intending to trade in the products offered by Xelans Markets Limited is recommended to seek independent advice on the investment viability and risk associated with such products and services proposed by Xelans Markets Limited.

2. Risk Statements

You should only engage in CFDs if you are prepared to accept a high degree of risk, and particularly the risks outlined in this Notice. You must be prepared to sustain a loss more than your deposited funds with us as well as any losses, charges (such as interest) and any other amounts (such as costs) we incur in recovering any payment from you. Given the possibility of losing more than your entire investment, speculation in certain investments should only be conducted with risk capital funds that if lost will not significantly affect your personal or institution's financial well-being. Before deciding to trade the products offered by us, you should carefully consider your objectives, financial situation, needs and level of experience. You should be aware of all the risks associated with trading on margin.

3. Definitions and Interpretations

3.1 Words or phrases defined in the main body of the Terms shall be assigned the same meaning in this Notice unless otherwise defined.

3.2 In this Notice, the following words and phrases shall, unless the context otherwise requires, have the following meanings, and may be used in the singular or plural as appropriate:

"You" shall mean the Client; and "We," "us," "our" shall mean the Firm.

4. General Information

4.1 This Notice is provided to you in compliance with the Financial Services Commission rules, and it is a requirement that you acknowledge it, understand it, and agree to it before you open an account with us.

4.2 This Notice does not disclose all the risks and other significant aspects that may exist when trading in the financial markets, and before opening an account with us, we will make an assessment of whether the services are appropriate for you, and notify you where we do not deem the services appropriate for you; however, it is your responsibility to ensure that you fully understand the nature of the transactions you are entering into and the extent of your exposure to risk before opening an account with us.

4.3 Before entering into any transaction with us, you should furthermore be satisfied that the contract is suitable for you in the light of your circumstances and financial position. In the event you have any doubts in respect of the risks or appropriateness of any investment, seek professional advice from an independent financial advisor.

4.4 Should you decide to open an account with us, it is important that you remain aware of the risks involved with the services provided hereunder; that you have adequate financial resources to bear such risks; and that you always monitor your open positions carefully. The value of the investments can increase or decrease, and any income from them is not guaranteed. When trading margined transactions, it is possible to lose more than your initial investment with us and your entire account balance. You should only trade funds that you cannot afford to lose. It must also be noted that past performance is not a guide to future performance.

5. Execution Only

5.1 Our services enable you to trade in financial products in the relevant markets via the internet and trading platform on an execution-only basis. We will therefore not provide you with any form of investment and/ or tax advice or advise you on the merits of a particular transaction. Any decisions on investments are purely made at your own discretion. In the provision of the services, we are not required to assess the suitability for you of the services provided or offered to you.

5.2 Therefore, ensure you carefully read and understand the risks involved in any trading decision you make. If you have any doubt whether an investment is suitable for you, you should obtain independent expert advice.

6. Contingent Liability Transactions

6.1 Contingent liability transactions, such as contract for differences (CFDs), and other financial products traded on margin will require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

6.2 If you trade in CFDs or other products traded on margin you may sustain a total loss or more of the margin you deposit to establish or maintain an open position. In the event the market moves against you, you may be called upon to pay substantial additional funds or margin at short notice to maintain the open position with us. If you fail to do so within the time required, your open position may be liquidated at a loss, and you will be liable for any resulting deficit.

6.3 Even if a transaction is not margined, it may still carry an obligation to make further payments, and in certain circumstances over and above any amount paid when you executed the transaction.

6.4 CFD transactions will be carried out for you whenever possible on or under the rules of a recognised or designated investment exchange. However, contingent liability transactions entered into by you, that are not traded on or under the rules of a recognised or designated investment exchange (such as CFD transactions, may expose you to substantially greater risks).

6.5 Before you commence trading, you should obtain details of all commissions and other charges for which you will be liable. If any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), you should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific monetary terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

7. Contracts for Difference

7.1 By transacting in CFDs, you are subject to a higher level of risks than the risks associated with transactions in traditional shares. You may not get back the amount initially invested and may be required to make additional payments by way of margin payments on a frequent basis. Clients transacting in CFDs may be subject to unlimited losses.

7.2 You should not deal in CFDs unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Although CFDs can be utilised for the management of investment risk, it may be unsuitable for some Clients.

8. CFDs Settled in Cash

8.1 Investing in a CFD carries the same risks as investing in a future, option, or other derivative product. Transactions in CFDs may also have a contingent liability (as elaborated on above) and you should be aware of the implications of this.

9. Volatile Markets and Closed Markets

9.1 Various situations, developments or events may arise when the markets for the underlying instruments are closed for trading. These events may cause the CFD markets to open at a significantly different price from when the CFD markets were closed (gapping). There is a substantial risk that stop orders left to protect open positions held over the periods when the CFD markets are closed will be executed at levels significantly worse than their specified price.

9.2 Under certain trading conditions it may be difficult or impossible to liquidate an open 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 trading in the underlying market is suspended or restricted.

10. Non-Guaranteed Stops

10.1 Placing non-guaranteed stop order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order if the underlying market moves straight through the stipulated price.

11. Weekend Risk

11.1 Various situations, developments or events may arise over a weekend (Friday 21.59 GMT – Sunday 22.01 GMT (Friday 20.59 GMT – Sunday 21.01 GMT during the summer period)) when the currency markets generally close for trading, which may cause the currency markets to open at a significantly different price from where they closed on Friday afternoon. Our clients will not be able to use the trading platform to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.

12. Liquidity Risk

12.1 Trading in the OTC market carries a high degree of liquidity risk. You acknowledge that liquidity risk resulting from decreased liquidity is usually due to unanticipated changes in economic and/ or political conditions. You acknowledge that liquidity risk can affect the general market in that all participants experience the same lack of buyers and/ or sellers. It can also be due to changes in liquidity available to us from our inter-bank liquidity providers. When liquidity decreases, you can expect, at the minimum, to have wider bid/ask spreads as the supply for available bid/ask prices outstrip demand. Decreases in liquidity can also result in “fast market” conditions where the price moves sharply higher or lower or in a volatile up/down pattern without trading in an ordinary step-like fashion. It is therefore important to note that our prices, bid/ask spreads, and liquidity will reflect the prevailing inter-bank market liquidity.

13. Electronic Trading

13.1 Trading through the trading platform as an electronic trading system may differ from trading in a conventional or open market. Clients that trade on an electronic trading system are exposed to risks associated with the system, including the failure of hardware and software and system down time, including without limitation the individual Client’s systems and the communication infrastructure connecting the trading platform with the Clients.

13.2 You understand that by choosing to conduct trading via our trading platform, you assume and accept certain risks as highlighted in our prevailing Terms and for which you agree that neither us nor our third party service providers shall be liable, including but not limited to the risk of: power outages, broken connections, network circuit obstruction or congestion, transmission failures, transmission delays, the risk of delayed communications during period of increased market volatility, delay and/ or rejection by a third party broker involved in your transaction and/ or other occurrences outside our direct control (collectively, “Technical Issues”). You hereby agree to indemnify and hold us harmless with respect to any and all losses you may sustain in connection with any and all of the Technical Issues. In no event will we be liability for your inability to engage in trading via our trading platform and we shall not be responsible for any losses or missed opportunities by you due to the delay or non-delivery of any order or instruction via the trading platform.

14. Risk Reducing Orders or Strategies

14.1 The placing of certain orders (e.g., 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.

15. Electronic Communication

15.1 We offer you the opportunity to trade and communicate with us via electronic means, for example by our trading platform and email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. In the event you choose to deal with us via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/ or may not reach the intended destination.

16. Foreign Markets

16.1 Foreign markets involve different risks than those in the local markets. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will also be affected by fluctuations in the foreign exchange rates. Such enhanced risks include the risks of political or economic policy changes, which may substantially and permanently alter the conditions, and price of a foreign currency.

17. Collateral

17.1 If you deposit collateral as security with us, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of your collateral depending on whether you are trading on a recognised or designated investment exchange, with the rules of that exchange (and associated clearing house) applying, or trading off exchange. Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash or equivalent.

18. Prices

18.1 The prices quoted on the trading platform are independent of prices of other institutions. Therefore, prices reported by us are independent and can differ from prices displayed elsewhere or from other liquidity providers in the interbank market. Differences can result from, but are not limited to, changes in liquidity from interbank market makers, resulting in an unbalanced position or exposure, or differing expectations of price movements. We expect that in most cases the prices provided to you will be in line with the interbank market, but we cannot represent, warrant, or covenant, explicitly or implicitly, that this will always be the case. Consequently, we may exercise considerable discretion in setting margin requirements and collecting margin deposits.

19. Commissions

19.1 Before you commence trading, you should obtain details of all commissions and other charges for which you will be liable. In the event any charges are not expressed in monetary terms (but, for example, as a percentage of contract value), you should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific monetary terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

20. Suspensions of Trading

20.1 Under certain trading conditions it may be difficult or impossible to liquidate an open position. This may occur, for example, at times of rapid price movement if the price rises or fall in one trading session to such an extent that without limitation under the rules of the relevant exchange, or third-party liquidity provider, trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, as market conditions may make it impossible to execute such an order at the stipulated price and your order may be executed at a worse price (slippage).

21. Liquidation of Open Positions

21.1 Positions may be liquidated or closed out without your consent in the event you fail to meet a margin call warning. Additionally, insolvency, default or any market condition affecting any broker involved in your transaction may lead to positions being liquidated or closed out without your prior consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral, and you may have to accept any available payment in cash.

22. Trading via a Fund Manager

22.1 We do not take any responsibility for third party fund managers, and you agree to hold us, our employees, agents, officers, directors, and shareholders harmless from any losses sustained by you as a result of actions undertaken by such third-party fund managers. Should you grant a third-party fund manager discretionary trading authority, you grant such authority at your sole and full risk.

23. Insolvency

23.1 Any insolvency or default may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets, which you lodged as collateral, and you may have to accept any available payment in cash. Additionally, and unless you are a Retail client, you transfer full ownership and title to a portion or all of the money you deposit with us representing an amount necessary to secure your open positions or cover your actual of future contingent or prospective obligations (which will be calculated daily at our sole discretion based on your daily open positions and trading and which may be greater than the margin required to maintain your open positions, as market conditions may dictate). You will not have a proprietary claim over that portion or any of your money and that portion or any of your money will not be segregated, and you will rank only as a general creditor of ours with respect to any claim for the payment of such portion of the above-described money you deposit which may therefore be irrecoverable in the event of any insolvency or default.

24. Effect of Leverage

When executing trading operations under margin trading conditions, even small market movements may have a significant impact on a Client's Trading Account due to the effect of leverage. The Client must take into consideration that if the trend on the market is against them, the Client may sustain a total loss of their Initial Margin and any additional funds deposited to maintain Open Positions. The Client shall be held fully responsible for all risks, financial resources used and the chosen trading strategy.

Many instruments are traded within wide ranges of intraday price movements. Consequently, Clients must carefully consider the fact that there is not only a high probability of profit, but also one of loss.

25. Technical Risks

Clients shall assume the risk of financial loss caused by the failure of information, communication, electronic and other systems.

When executing trading operations through the Client Terminal, the Client shall assume the risk of financial loss, which can be caused by:

i. the failure of the Client's hardware, software and internet connection;

ii. the improper operation of the Client's equipment;

iii. the wrong settings in the Client Terminal;

iv. delayed Client Terminal updates; and

v. the Client's ignorance of the applicable rules described in the user guide for the Client Terminal and in the Help section.

The Client acknowledges that during peak load there may be difficulty in getting telephone communication with a company representative, especially in the fast market (for example, when key economic indicators are released).

The Client acknowledges that under abnormal market conditions, the execution time for Client Instructions may increase.

26. Trading Platform

The Client acknowledges that only one Request or Instruction is permitted in the queue. Once the Client has sent a Request or Instruction, any other Request or Instruction sent by the Client will be ignored. In the “Order” window, the “Order is locked” message will appear.

The Client acknowledges that the only reliable source of quoting information is the server for Clients with live accounts. The quote base in the Client terminal shall not be considered a reliable source of quoting information given that in the case of a bad connection between the Client Terminal and the server, some of the quotes simply may not reach the Client Terminal.

The Client acknowledges that when the Client closes the window to place/modify/delete an Order, as well as the window to open/close a position, the Instruction or Request which has been sent to the server will not be cancelled.

The Client assumes the risk of executing unplanned Transactions in the event that the Client sends another Instruction before receiving the result from the Instruction sent previously.

The Client acknowledges that if an Order has already been executed but the Client sends an Instruction to modify the level of a pending Order and the levels of Stop Loss and/or Take Profit orders at the same time, the only Instruction that will be executed is the Instruction to modify the Stop Loss and/or Take Profit levels on the position opened on that Order.

27. Communications

The Client shall assume the risk of any financial loss caused by the Client either not receiving a notification from Xelans Markets Limited or it being delayed.

The Client acknowledges that unencrypted information transmitted by email is not protected from unauthorized access. The Client also agrees that Xelans Markets Limited shall have the right to delete messages sent to the Client through internal mail 5 (Five) days after they have been sent, despite the fact that the Client may not have received them yet.

The Client assumes full responsibility for the safekeeping of information received from Xelans Markets Limited and shall bear the risk of any financial loss caused by unauthorized access to the Client’s trading account by any person. The Client shall bear all risks of financial loss caused by a Force Majeure Event.

The Client shall bear all financial and other risks when completing operations (or actions connected with these operations) on financial markets that are statutorily prohibited or restricted by the legislation of the jurisdiction in which the Client is resident.

The Client must be aware of commissions and other charges before trading. Charges may be expressed in monetary terms, percentage terms or in other units of measurement and it is therefore the responsibility of the Client to understand what such charges amount to.