XTB Limited
DECLARATION OF INVESTMENT RISK

1. General provisions

1.1. The subject of this Declaration (hereinafter referred to as "Declaration") is to inform the Client about financial risks related to trading in over-the-counter (OTC) and OMI Financial Instruments in compliance to the Investment Services and Activities and Regulated Markets Law of 2017 L.87(I)/2017.

1.2. The various types of risks described in this document are appropriate for both retail and professional customers as well as eligible counterparties. However, it should be remembered that professional clients and eligible counterparties have resources to reduce at least some of the risks described in this document, so their exposure to a particular risk category may be lower than for retail clients.

1.3. This Declaration describes essential, yet not all types of risks related to trading in OTC Financial Instruments.

1.4. This document forms an integral part of the Regulations on the provision of services by ("General Terms and Conditions – OTC Market", "GTC") of XTB Limited, a Company duly registered in Cyprus Registrar of Companies (HE 296794).with registered office at Pikioni 10, Highsight Rentals Ltd, 3075, Limassol, Cyprus, which is licensed and regulated by CySEC, CIF Licence Number 169/12 (the "Company"). The terms used in this document with the use of capital letters shall have the meaning as specified in the GTC.

1.5. The company's products and services are intended for the client target market described in the Table below.

Product / service	Client Target Market
CFDs on Forex	Retail, Elective Professional, Professional and Eligible Counterparty
CFDs on Equities	Retail, Elective Professional, Professional and Eligible Counterparty
CFDs on Commodities	Retail, Elective Professional, Professional and Eligible Counterparty
CFDs on Indices	Retail, Elective Professional, Professional and Eligible Counterparty
Stocks	Retail, Elective Professional, Professional and Eligible Counterparty
ETFs	Retail, Elective Professional, Professional and Eligible Counterparty

2. Risk elements in relation to OTC Market and OMI Financial Instruments

OTC Market

2.1. Trading in Financial Instruments whose value is based i.e. on securities, futures, currency exchange rates, prices of raw materials, commodities, stock exchange indices or prices of other Underlying Instruments involves specific market risk related to the Underlying Instruments. In order to read the information regarding results achieved by Clients on transactions on Financial Instruments of the OTC market click **here**.

2.2. Specific market risk for a particular Underlying Instrument includes, in particular, the risk of political changes, changes in economic policy, as well as other factors which may considerably and permanently influence the conditions and rules of trading and valuation of a particular Underlying Instrument.

2.3. For Financial Instruments quoted with variable Spread (floating Spread) chosen by the Client Spread is variable and reflects the market price of an Underlying Instrument. Such a variable Spread is a part of market risk and may negatively influence overall costs associated with the Transaction especially during periods of high volatility or limited liquidity of the market for the Underlying Instrument,.

2.4. Investing in Financial Instruments with an Underlying Asset listed in a currency other than the Client's base currency entails a currency risk, due to the fact that when the CFD is settled in a currency other than the Client's base currency, the value of the Client's return may be affected by its conversion into the base currency.

OMI

2.5. OMI turnover involves a number of risk elements, in particular:

a. issuer's risk;

b. the risk of political and economic changes;

c. the liquidity risk;

d. currency risk;

e. other types of risks not listed in this Declaration.

2.6. Additional types of risks associated with particular OMI are usually described in prospectuses, information memoranda and regulations of particular Organized Markets.

2.7. Information on historical returns on OMI is no guarantee that the same results now or in the future will be achieved and should not be considered as a forecast of achieving such results.

3. Risk concerning Financial Instruments

3.1. Risk concerning contracts for difference (CFD)

CFD is a derivative financial instrument that enable earning on the changes in the prices of underlying assets. CFD is a contract concluded between two parties, where two parties commit themselves to settle the difference of the opening and the closing prices in this contract, which results directly from changes in prices of assets, to which a contract applies. Such assets may be shares, bonds, indices, interest rates, commodities or currencies. When making a CFD transaction, the client invests in a derivative financial instrument based on the prices of currencies, futures contracts or shares and does not make thereby a transaction on the underlying instrument, which is the basis for quotation of the derivative financial instrument. Due to the leverage, a CFD enables Clients to enter into transactions involving significant amounts with the involvement of relatively small amounts of cash.

Example

In order to start the investment, it is enough to invest a capital in the amount of for example 1% of the face value of CFD. In such a case, the Investor may trade financial instruments worth 100 times more than the invested capital. In practice, this means that with the abovementioned financial leverage, the change in the value of a financial instrument by 1 percentage point may result in a profit or loss (depending on the direction of the change) in the amount of 100% of the funds invested.

Positive scenario

We purchase (buy) 1 CFD on a EUR/PLN currency pair quoted at PLN 4.00. In the case of this financial instrument, the multiplier (position value) is 100,000, so the nominal value of the contract is PLN 400,000 (PLN 4.00 x PLN 100,000 = PLN 400,000). Deposit collected under the abovementioned transaction is 1% of the nominal value of the contract, that is PLN 4,000. An increase by 1% from PLN

4.00 to PLN 4.04 results in a profit on an account in the amount of PLN 4,000 : (4.04 - 4.00) x PLN 100,000.00 = PLN 4,000.

Negative scenario

We purchase (buy) 1 contract for a EUR/PLN currency pair quoted at PLN 4.00. In the case of this financial instrument, the multiplier (position value) is 100,000, so the nominal value of the contract is PLN 400,000 (PLN 4.00 x PLN 100,000 = PLN 400,000). Deposit collected under the abovementioned transaction is 1% of the nominal value of the contract, that is PLN 4,000. The more than 1% drop in the price from PLN 4.00 to PLN 3.95 results in a loss on an account in the amount of PLN 5,000 : (4.00 - 3.95) × PLN 100,000.00 = PLN 5,000, that is the loss of the entire margin collected for the transaction and the obligation to pay PLN 1,000.

Financial leverage risk

3.1.1. CFD are contracts that largely employ financial leverage mechanism. Nominal value of the Transaction may largely exceed the value of the deposit, which means that even subtle changes of the price of an Underlying Instrument may considerably influence Client's particular Account's Balance.

3.1.2. The Margin deposited by the Client may secure only part of the nominal amount of the Transaction, which might result in high potential profit but also in the risk of heavy losses for the Client. In certain particularly unfavorable circumstances the losses might amount to whole financial resources gathered on particular Client's Accounts.

Price volatility risk and liquidity risk

3.1.3. Investing in CFD is connected with the Client's market risk resulting from price volatility. The above risk is particularly important in the case of investment in CFD with leverage, where even a minimal change in the market price of the underlying instrument may have a significant impact on the rate of return on investment.

3.1.4. A particular type of risk is the occurrence of so-called price gaps. This means that the market price of the underlying instrument increases or decreases, in such a way that there are no intermediate values between its initial price and the final price. For example, if before the opening of the market, the market price of underlying instrument X was 100, and at the opening, the first quoted price of this instrument was 120, all the Client Transactions (Orders) will be made at the first available market price - i.e. for example at 105.

3.1.5. The client is exposed to liquidity risk, which means that the client may not be able to cash the investment or may be forced to incur significant additional costs in order to cash the investment earlier, especially if there is a limited liquidity on the market of the underlying instrument, i.e. there are not enough transactions.

Counterparty risk

3.1.6. Considering that the Company may be the place of the execution of Orders as the other party to the Transactions, the Client is exposed additionally to the counterparty's credit risk, which means the risk of default by the Company arising from the Transaction prior to the final settlement of cash flows related to this Transaction. Upon the Client's request, the Company will provide additional information on the consequences of such a way of executing Orders. Considering that the Company may be the place of the execution of Orders as the other party to the Transactions, the Company's interests may be in conflict with the Client's. The Company's conflicts of interest policy is available at the Company's website.

Tax risk

3.1.7. Tax regulations of the Client's home country can affect the actual paid profit. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Company does not offer tax advice and recommends that the Client seek advice from a competent tax professional if the Client has any questions. The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

Regulatory and Legal Risk

3.1.8. A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.

3.2. **Risk related to OMI**

STOCKS

Stocks constitute equity securities that give the holders certain corporate and property rights (eg. the right to participate in the general meeting of shareholders, the right to dividend, the right to participate in the distribution of assets in the event of the company liquidation). The organized trading involves dematerialized stocks. Stocks may be subject to high volatility of quotations, both in the short-term and long-term horizon. The fall in the market value of stocks may lead to the loss of part of the invested capital, and in extreme cases, such as in the event of the company's bankruptcy, its total loss.

The shares are issued for an indefinite period, and therefore the rights arising from them are not limited in terms of time. In the case of investments in foreign execution venues, the relevant laws or regulations applicable in a given place of execution may constitute additional rights related to the stock or rules for the execution of orders.

Stocks are a financial instrument whose quotations can be a subject to the high volatility. The main factors determining the volatility of stock quotes are the company's capitalization and the freefloat (the number of free float shares).

Example
Favourable conditions:
The market price of the stocks is EUR 100 and if this price increased by 10%, ie. by EUR 10, the profit from such investment would be EUR 10. The initially invested capital would be increased by the profit associated with the increase in the stock price.
Adverse conditions:
The market price of the shares is EUR 100 and if this price fell by 15%, ie. by EUR 15, the loss on such investment would be EUR 15. The losses may not exceed the value of the initially invested capital.

Positive scenario

The main factor affecting the risk of investing in stocks is the financial condition of the issuer. In a situation where the company achieves positive financial results, along with the increase in the value of the company, the price of its stocks may increase, or an increase in the share in the company's profit may be expected (dividend payment).

Negative scenario

The main factor affecting the risk of investing in stocks is the financial condition of the issuer, and thus if the financial situation of the company deteriorates, eg. due to the drop in the sales of products or services and thus a decrease in profits, which may lead to a decrease in the market value of the company (and even its bankruptcy), then the value of the company's stocks will decrease. In the case of acquisition of shares without the use of funds from the loan, the investor's return rate may reach a minimum of -100% (in the case of the company's bankruptcy and the inability to recover even a part of the invested amount), i.e. the whole invested capital may be lost.

The risk of price volatility

3.2.1. Price drop below the investor's purchase price:

a) Specific risk - price change is triggered by factors directly related to the company (factors dependent on the company);

b) Financial results - there is a strong correlation between the quality as well as the amount of financial results and changes in stocks prices. The weaker the financial results, the higher probability of the rate drop and the greater volatility of quotations;

c) Capitalization of the company - the volatility of quotations is negatively correlated with the capitalization of the company. Lower capitalization usually means higher volatility of quotations;

d) Freefloat - the number of shares in a free float which are not owned by significant entities with qualifying holdings. The decline in freefloat causes a drop in liquidity and an increase in the volatility of quotations.

Liquidity risk

3.2.2. consisting in the inability to sell or buy securities in the short-term, in a substantial volume and without significantly affecting the level of market prices. In the case of low turnover, the risk of price volatility increases.

Market risk

3.2.3. being a consequence of the rules of the capital market and the price formation resulting from the balance of demand and supply. The price change may be caused by factors independent of the company and resulting from the nature of the financial market. The influence of the emotional / psychological factor on the stock prices may be significant for the valuation of the company. Emotional factors may periodically gain a greater impact on stock prices than rational factors.

Political and legal risk

3.2.4. change of law by the legislator may affect directly or indirectly the economic situation of entrepreneurs - issuers of shares - and thus the price of shares, liquidity of turnover and its size.

Industry risk

3.2.5. companies' business and economic conditions specific to a given group of companies, ie. unfavorable conditions for the industry, competition, drop in a demand for products resulting in deterioration of the issuer's economic situation or other unmeasurable factors related to specific behavior of investors (groups of investors) resulting from popular investment trends that may have an impact on the revaluation or undervaluation of stock prices.

Tax risk

3.2.6. Tax regulations of the Client's home country can affect the actual paid profit.

In the case of stocks purchased in a foreign execution venue, there are additional risk factors, which include in particular:

1) the risk of fluctuations in the currency in which stocks are traded in relation to the zloty,
2) the risk of having limited (delayed) access to information,
3) the legal risk related to the issuance and holding of stocks on the basis of other than Polish law regimes.

ETFs

ETF is the participation title of an ETF fund (Eng. Exchange Traded Fund - fund traded on the stock exchange). ETF is an open-end investment fund listed on the stock exchange on the same terms as stocks, which reflect the behavior of a given stock exchange index. Its functioning is regulated, just like other investment funds, by EU directives and national regulations. It is characterized by the possibility of constant (daily) creation and redemption of units.

Example

Favourable conditions

The market price of the ETF is EUR 1,000 and if it increased by 5%, ie. by EUR 50, the profit from such an investment would be EUR 50.

Adverse conditions

The market price of the ETF is EUR 1,000 and if it decreased by 10%, ie. by EUR 100, the loss on such an investment would be EUR 100. The losses may not exceed the amount of invested capital.

Positive and negative scenario

The main impact on the investment risk associated with the ETF is the volatility of the price of instruments of which the ETF is consisted, and thus the impact of market conditions in the case of ETF is analogous to these instruments, both in the positive and negative scenarios. The most relevant ones include the risk related to the change in the macroeconomic situation (changes in macroeconomic parameters, eg. inflation, GDP growth rate, unemployment rate, currency level, interest rates, budget deficit, etc.).

Macroeconomic risk

3.2.7. The market is sensitive to domestic and global macroeconomic indicators, ie. interest rates, unemployment rate, economic growth rate, commodity prices, inflation level, and political situation. Unfavorable tendencies in the development of these indicators, or only concerns about their future values, may cause mainly foreign financial institutions to withdraw from the local capital market, and thus lead to a fall in stock prices on the stock exchange

The risk of imitation error

3.2.8. Although the purpose of the ETF fund is to reliably reproduce the behavior of a specific index (before taking into account different types of fees and costs, excluding management costs), there are always differences (usually relatively insigniffcant) between the rate of return of the ETF and the rate of return of the replicated index.

Market risk

3.2.9. This risk results from the fact that the prices of individual instruments of an ownership nature (stocks or depositary receipts of companies) listed on the exchange market depend on the state of the market situation.

Risk of the underlying instrument

3.2.10. when investing in an ETF, all risk factors specific to the underlying instrument, whose rate of return is represented by a given investment fund, including the risk of inaccurately mapping the rate of return of the underlying instrument, should be taken into account.

Risks of special circumstances

3.2.11. the risk of liquidation - in accordance with the applicable law, the ETF fund may be liquidated - it may be the result of the occurrence of circumstances recorded in legal provisions or may result from the issuer's decision.

3.2.12. the risk of changing the investment policy - the ETF fund may change its investment policy during its operation.

3.2.13. the risk of removing the ETF from the stock exchange - the fund may be withdrawn from the stock exchange trading, which would significantly impede trading in this financial instrument.

3.2.14. Liquidity risk - it is impossible to buy or sell an instrument without a significant impact on its price.

Currency risk

3.2.15. it results from the difference that may occur between the official currency of an ETF fund in which funds are invested and in which the value of its shares is determined, and the currency in which the fund shares are traded on the exchange market.

Tax risk

3.2.16. Tax regulations of the Client's home country can affect the actual paid profit

4. Margin requirements

4.1. Investing in some of OTC Market Financial Instruments entails the need to pay a margin, which is a security against any potential losses incurred as part of the investment.

4.2. In order to conclude a Transaction, the Client is obliged to pay a margin in the amount specified by the Company in the Conditions Tables available at Company's website.

4.3. The Company may change the amount of the margin. These changes in the cases described in the General Terms and Conditions may also apply to the Client's Open Positions, which may mean that the Client will have to pay additional funds to the Account in order to maintain his Transactions. The Company has the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained, and this may result in the Client's open positions being closed at a loss for which the Client will be liable.

4.4. In case of Margin, in whole or in part, submitted in the form of OMI, the value of this security (Collateral) is determined taking into account the risk weights for particular OMIs as specified in the Condition Tables. Due to the application of risk weights for particular OMI, the value of security is lower than the market value of OMI. The value of security in the form of OMI also changes with the change in OMI market value at a time when the Client's position on OTC Financial Instruments is open. The value of Collateral submitted in the form of OMI may also change if the Company changes the amount of required margin, e.g. by changing the risk weights for individual OMIs in accordance with point 4.3 above.

5. The risk of occurrence of the Force Majeure

5.1. Client accepts that in certain situations, in which the normal activity of the Company is disrupted by Force Majeure Events or other events that are beyond the Company's control, the execution of the Client's Order might be impossible, or Client's Order may be executed on conditions less favorable than it results from the GTC, Order's Execution Policy or from this Declaration.

6. Execution time

6.1. In standard market conditions the Company confirms Client's Orders within 90 seconds. This condition, however, does not apply to a period when market is opening, as well as to other situations when on the particular market there is an exceptional volatility of prices of the Underlying Instrument or the loss of liquidity, as well as in other situation which are beyond the Company's control.

6.2. In some situations the confirmation of the execution of a Transaction on Equity CFD or ETF CFD is only available after a relevant Underlying Instrument order was executed or placed on the Underlying Exchange. As soon as the Company receives the confirmation of such transaction, it becomes a basis for, Equity CFD or ETF CFD price and as such is visible in the Trading Account.

6.3. Under the terms described in the GTC Open Position on CFD may be closed without Client's consent after 365 days from the date of opening the position.

7. Price of a Financial Instrument

7.1. For Financial Instruments with market execution the prices shown in the Trading Account should be deemed as indicative and it is not guaranteed that the Client will deal at these quotations. The execution price of Client's Order will be based on the best price which the Company can offer at the particular moment without obtaining any additional confirmations from the Client. The current price of a Financial Instrument with market execution at which the Transaction is concluded will be reported back by the Company. The price of a concluded Transaction will be visible in the Trading Account.

7.2. Client acknowledges that the quotations published by the Company on the particular Trading Account may differ from the price of Underlying Instrument in such a way that in accordance with the GTC may be deemed erroneous. In those situations, the parties are entitled to withdraw from the Transaction affected by such an error or parties may agree to correct the Transaction on the terms described in the GTC.

7.3. As a result of withdrawal from the Transaction the Company shall the adjust respective Balance and other registers within given Accounts and record respectively the Balance or other records according to the state existing prior to conclusion by the Client the Transaction on erroneous price. If the withdrawal refers to the Transaction closing the Open Position, the withdrawal causes restoring of the Open Position and the adjustment of the respective Balance and other registers within given Accounts to the state that would have existed if the position was never closed. It may involve additional risks, additional Client's loses or even closing of the Open Position through the stop out mechanism.

7.4. Offers, orders or transactions presented by the Company coming from Reference Institutions, based on which certain CFDs' price is determined, may be cancelled or withdrawn for reasons beyond the Company's control. In such case the Company has the right i.e. to withdraw from respective Transaction concluded by the Client.

8. Equity CFD, ETF CFD,

8.1. In case of taking a short position on part of, Equity CFDs or ETF CFDs, the Company shall offset such position with a corresponding short sale of the Underlying Instrument. Such Transactions may generate an additional borrowing costs for a Client, related with borrowing of the Underlying Instrument. The amount of this related cost is beyond control of the Company. Aforementioned costs shall be collected from a Client at the end of Trading Day and shown in Trading Account as swap points and may significantly influence the costs charged for a short position on, Equity CFDs or ETF CFDs. Estimated costs of position shall be indicated in the Condition Tables, however, they may be changed with immediate effect depending on borrowing costs of Underlying Instrument.
8.2. In some circumstances transactions concluded on particular Underlying Instruments on the Underlying Exchange may be cancelled. In such case the Company has the right to cancel relevant corresponding Transaction on, Equity CFDs or ETF CFDs with the Client.
8.3. If an Underlying Instrument for the Synthetic Stock, Equity CFD or ETF CFD is being delisted on an Underlying Exchange and at the time of delisting there are still open positions in the relevant Equity CFD or ETF CFD, the Company has the right to close such positions without prior notification of the Client.
8.4. Client should specifically acquaint himself with conditions of trading in Equity CFDs or ETF CFDs described in the GTC and Order's Execution Policy before trading with the Company.

9. Stop out mechanism

9.1. If the Equity or Balance on the Trading Account falls below certain value, the Company may at any time close any of the Client's Open Position ("stop out") in accordance with the rules specified respectively for CFDs in the GTC. Client should specifically acquaint himself with those rules before trading with the Company. Such a case may also take place in the situationof changing the market value of OMI or changing the risk weights for OMI which constitute the securityof the Client's open positions.
9.2. Stop out mechanism in normal market conditions hedges particular Trading Accounts Balance against falling below the value of the deposited funds.
9.3. Should unfavorable market conditions arise, in particular if a price gap occurs, the execution price of Closing Position with the stop out mechanism may be so unfavorable that the losses suffered may involve the whole Balance on particular Client's Accounts.
9.4. Client should ensure that the execution of the Order won't cause automatic closing of the position through the stop out mechanism. This situation may occur in particular when:
   a) costs relating to the Transaction after its opening will cause decrease of the Equity to the level that activates in accordance with the Agreement the stop out mechanism or
   b) the significant volume of the Order will cause that upon execution the VWAP price strongly deviates from the first price from the book of orders, and the valuation of the newly opened position will cause the decrease of the Equity to the level that activates in accordance with the Agreement the stop out mechanism.
9.5. The Company may, but isn't obliged to, inform the Client, if accordingly, the Equity or the Balance on the Trading Account is close to the value at which the stop out mechanism is activated ("margin call"). This information may be sent through the trading platform or in another way.

10. Terms and conditions of keeping the Account

10.1. Prior to signing the Agreement, the Client should acquaint himself and accept all costs and charges related to the execution of the Agreement. It concerns in particular all costs of keeping and maintaining the Accounts, all costs and commissions related to the conclusion of Transactions and all other fees and commissions charged by the Company in accordance with the Agreement. Client is hereby made aware that there might be other costs and taxes connected to performance of the services on particular markets which will be collected from the Client and paid through the Company.

10.2. Transaction or Order concluded or placed by the Client in, Equity CFDs or ETF CFDs may require the Company to conclude hedging transaction in Underlying Instrument on one or more Underlying Exchanges and/or with one or more Partners. In case of the Client placing an Order or concluding a Transaction in Equity CFDs, and/or EFT CFDs, the Company shall be entitled, on a basis of this Agreement, to use on own account funds constituting Nominal Value of or Margin deposited on Client's Account. For this purpose, the Company is entitled to transfer to the Company the equivalent of such funds as a security and may transfer them to corporate account of the Company and pass on to the Partner in order to place an order and/or conclude a hedging transaction on the Underlying Exchange or with the Partner. Those funds will still be shown on Client's Account as the Balance.

10.3. In some cases, the Company executes its services also with the use of custodians or brokers. The principles of broker's or custodian's services are based on the regulations applicable to those entities. Client should be aware that due to this fact Client rights might be regulated differently than as if they would be if the law applicable in Client's country of residence applied. In a situation when the Company deposits Financial Instruments, recorded on Client's Trading Account, on an omnibus account maintained for the Company by the Custodian, the Company is the signatory of the omnibus account and the holder of Trading Account shall be entitled to Financial Instruments recorded on such an omnibus account, in amount specified by the Company in the Trading Account. Trading Account's holders' Financial Instruments are kept separately from financial instruments of the Custodian or the Company. If, for any reason, there is no possibility to keep Financial Instruments of the Trading Account's holders separately, the Company shall be obliged to inform the Clients without unnecessary delay.

10.4. In the case described in points 10.2 or 10.3 above, the Company shall be responsible for appointment of the Custodian and/or the Partner on the basis of applicable to the Agreement:

a) legal provisions;
b) regulations;
c) market regulations, customs and/or market practices being in force on a given market;
d) binding acts issued by public or corporate institutions, market operators or other participants of the market on the basis of the law, regulations, customs, and practices, mentioned in points a-c, in particular resolutions, decisions, motions, directives and/or instructions, addressed to particular units as well as to general public, hereinafter referred to as "Applicable Provisions", subject to other provisions of the Agreement.

10.5. Subject to the Applicable Provisions, the Company shall not be responsible for improper execution of services by Custodian, Broker and/or Partner, in particular depository and brokerage services, if lack or improper execution of services results from circumstances for which the Company is not responsible. Terms and conditions of the services provided by Custodian and/or Partner are based on provisions applicable to Custodian and/or Partner.

10.6. Keeping Clients' Financial Instruments and/or funds at the Custodian, Partner and/or corporate account of the Company in case of transfer of the funds to the Company, is related with increased risk connected with business continuity of the Custodian, Partner and/or the Company (risk of insolvency, risk of liquidation, risk of infringement or dissolvement of the Agreement). In general, accounts held with institutions, including omnibus account(s), face various risks, including the potential risk of being treated as one (1) account in case the financial institution in which the funds are held defaults. Under such circumstances any applicable deposit guarantee scheme may be applied without consideration of the Client as the ultimate beneficial owners of the Omnibus Account. In addition, resolution measures may be taken in such a case, including the bail-in of Client funds.

10.7. The Company's insolvency or default or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers), may lead to positions being liquidated or closed out without the Client's consent and as a result the Client may suffer losses. In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund as stated below.

11. Technological limitations and Beta Services

11.1. Signing a binding Agreement shall mean that the Client knows and accepts specific technological features of the trading platforms and Trading Accounts provided by the Company. It concerns in particular the manner of Trading Account functioning, the manner of Orders' execution, the possibility of limitations in the access to the Accounts through electronic means, that arises due to possible malfunctioning of services provided by third parties that supply telecommunication, hardware or software infrastructure. The Client shall bear all consequences and costs arising from lack of access to the Accounts and from any limitations in opportunities to execute a Transaction through electronic means and by telephone that are caused by reasons that are beyond the Company's control.

11.2. Trading Accounts may be temporarily suspended for reasons that are beyond the Company's control. This may disable, delay or in other way affect the Transaction's proper execution for what the Company cannot take responsibility.

11.3. Client may voluntarily agree to participate in testing periods of the Company's new products and services. In that case such new products and services may cause additional risk to the Client which is described in the GTC. Before agreeing to participate in such testing periods ("Beta Services") the Client should carefully acquaint with the rules and risks connected with Beta Services described in the GTC.

12. Other essential information

12.1. **Client hereby acknowledges that unless otherwise stipulated, the Company does not cooperate with any entities, including both natural persons and organizational entities, which directly or indirectly provide brokerage activities consisting of investment advice, portfolio management, preparation of recommendations concerning transactions on financial instruments or other similar services by acting on the Company's account or on their own.**

12.2. **Client acknowledges that the Company does not authorize any other entity or a person to receive any cash deposits or any other assets from the Client on the account of the Company and the Client should at all times deposit funds necessary to conclude the Transactions only on the Cash Account specified in accordance with the Agreement.**

12.3. **In case of any concerns as to the Company employees' activities or concerning cooperation with persons or entities mentioned above, Client should at all times contact the Company.**

12.4. **Unless stipulated otherwise, the Client shall conclude the Transactions directly with the Company and shall not act as an agent or proxy of other person. The Client shall not authorize any person to conclude the Transactions on behalf of the Client, unless the Company expresses its consent thereto.**

12.5. **The Client acknowledges that unless explicitly specified otherwise all Instructions placed by the Client with the Company shall be considered as Client's independent investment decisions. The Client should always base his investment**

decisions on his own judgment. The Company does not provide financial, legal tax regulatory or other advice relating to Financial Instruments or otherwise. It is understood that market commentary, news, or other information provided or made available by the Company do not constitute in any manner advice.

13. Final representations

13.1. When making a decision to sign the Agreement, the Client shall carefully consider whether the OTC Financial Instruments are appropriate for him/her, taking into account Client's investment knowledge and experience, risk tolerance and ability to take losses, financial resources, access to necessary technologies and other important factors.

13.2. By accepting this document Client declares that he/she is aware of investment risks and financial consequences that are related to trading in Financial Instruments, especially those related to the fact that the price of certain Financial Instrument may depend on price of securities, futures, exchange rates, prices of raw materials, commodities, stock exchange indices or prices of other Underlying Instruments.

13.3. The Client declares that he/she is fully aware that due to high financial leverage, dealing in OTC Financial Instruments being derivatives is strictly connected with the possibility of suffering heavy financial losses by the Client, even at a slight change of the Underlying Instrument price.

13.4. The Client declares that he/she is fully aware of the fact that it is not possible to make profit on Financial Instruments Transaction's without taking the risk of losses.

13.5. The Client declares that his/her financial standing is stable and sufficient to enable him to invest in the Financial Instruments.

13.6. Any guarantees as to making a profit on Financial Instruments should be deemed false.

13.7. The Client exempts the Company from liability for any losses incurred by the Client as a result of Transactions made by the Client on OTC Financial Instruments. Beyond all doubt, concluding a Transaction shall be deemed as an independent decision of the Client.