Exclusive Markets

RISK DISCLOSURE NOTICE

Final Version: March 2025

[Public Document]

1. Introduction

Exclusive Markets Ltd (the "Company") is an Investment Firm incorporated under Seychelles law, with registration number 8423950-1. Its registered office is located at Suite 18, Third Floor, Vairam Building, Providence, Mahé, Seychelles. The Company is a licensed Securities Dealer regulated by the Seychelles Financial Services Authority (FSA).

Before applying for a Trading Account and starting to trade, all Clients and potential Clients should carefully review the risk disclosures and warnings in this Notice. It is important to note that this document does not cover all the risks or key aspects of dealing with the Financial Instruments offered by the Company. The aim of this notice is to explain, in general terms, the risks involved in trading Financial Instruments in a clear and non-misleading way.

While Financial Instruments can help manage investment risk, many of these products are not suitable for all clients due to their high-risk nature. These leveraged products carry the potential to lose all your capital. Therefore, clients should ensure they fully understand the risks and seek independent advice if needed.

2. Charges and Taxes

The Company may charge fees for its services to the Client. Before starting to trade, the Client should review all fees, commissions, and charges that may apply. It is the Client's responsibility to check for any changes to these charges. If fees are not expressed in monetary terms (e.g., as a percentage or formula), the Client should understand what they might amount to. The Company can change its fees and charges at any time, as outlined in the Client Agreement on the Company's website.

The Client's trades in financial instruments may become subject to taxes or duties, depending on changes in laws or personal circumstances. The Company does not guarantee that no tax or other duties will apply and recommends that the Client seek advice from a tax professional if they have any questions. The Client is responsible for any taxes or duties related to their trades. Taxes may change without notice.

If required by law, the Company will deduct the appropriate tax from any payments due to the Client. Other costs, including taxes related to transactions on the Trading Platform, may also apply and are the Client's responsibility. The Client agrees that the Company can deduct tax, as required by law, from their Trading Account. The Company may also offset amounts in the Client's account to cover tax deductions.

The Company's prices are set according to its Best Interest and Order Execution Policy, available on the Company's website. Prices may differ from those reported elsewhere. The prices displayed on the Trading Platform reflect the last known price before placing an order, but the actual execution price may differ, according to the Company's policies and Client Agreement. Therefore, the price the Client receives when opening or closing a position may not match real-time market prices or third-party broker prices.

3. Third Party Risks

It is understood that the Company will promptly place any Client money it receives into one or more segregated account(s) with reliable financial institutions, such as a credit institution or a bank in a third country. Although the Company shall exercise due skill, care and diligence in the selection of the financial institution according to applicable Regulations, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.

The financial institution to which the Company will pass Client money (as per above paragraph) may hold it in an omnibus account. Hence, in the event of the insolvency or any other analogous proceedings in relation to that financial institution, the Company may only have an unsecured claim against the financial institution on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the financial institution is insufficient to satisfy the claims of the Client.

4. Insolvency

The Company's insolvency or default may lead to Client Open positions being closed out without the Client's consent and as a result the Client may suffer losses.

5. Technical Risks

The Client and not the Company shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems, which are not the result of gross negligence or wilful default of the Company.

If the Client undertakes transactions on an electronic system, he will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his Order is either not executed according to his instructions or it is not executed at all. The Company does not accept any liability in the case of such a failure, not owed to the Company's gross negligence or wilful default. The Company strives on a best effort basis to provide the Client with a secure and smooth online experience. However, the Client acknowledges the risk that should third parties (hackers) launch a coordinated attack against Company systems that there may be a disruption of services that may result in Client losses. The Company does not accept any liability resulting from such attacks to the extent that the Company has taken all reasonable measures on a best effort basis to fend off such malicious actions.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

At times of excessive deal flow the Client may have some difficulties to be connected over the phone or the Company's Platform(s)/system(s), especially in fast Market (for example, when key macroeconomic indicators or news are released).

The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Websites and/or the Company's trading Platform(s)/system(s), including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks. The Company is not responsible for any damages or losses resulting from such events which are beyond its reasonable control or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) which may result from the Client's inability to access the Company's Website and/or Trading System or delay or failure in sending orders or Transactions, not owed to the Company's gross negligence or wilful default.

In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst other risks in which cases the Company has no liability of any resulting loss:

- Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client.
- Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client.
- Outage (unacceptably low quality) of communication via the channels used by the Client, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client.
- Wrong or inconsistent with requirements settings of the Client portal.
- Untimely update of the Client portal.
- The use of communication channels, hardware, and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company.
- Malfunction or non-operability of the Trading Platform, which also includes the Client portal.

The Client may suffer financial losses caused by the materialization of the above risks, the Company accepts no responsibility or liability in the case of such a risk materializing and the Client shall be responsible for all related losses he may suffer, to the extent that these are not owed to the Company's gross negligence or wilful default.

6. Trading Platform

The Client is warned that when trading in an electronic Trading Platform he assumes risk of financial loss which may be a consequence of amongst other things:

- Failure of Client's devices, software and poor quality of connection.
- The Company's or Client's hardware or software failure, malfunction or misuse.
- Improper work of Client's equipment.
- Wrong setting of Client's Portal.
- Delayed updates of Client's Portal.

The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, any further Instructions sent by the Client are ignored and the "orders is locked" message appears until the first Instruction is executed.

It is understood that the connection between the Client portal and the Company's Server may be disrupted at some point and some of the Quotes may not reach the Client portal.

The Client acknowledges that when the Client closes the order placing/ deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.

Orders may be executed one at a time while being in the queue. Multiple orders from the same Trading Account at the same time may not be executed.

The Client acknowledges that when the Client closes the Order, it shall not be cancelled.

In case the Client has not received the result of Force Majeure Events the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.

The Client acknowledges that if a Pending Order in a CFD has already been executed but the Client sends an instruction to modify its level, the only instruction, which will be executed, is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order triggered.

7. Force Majeure Events

In case of a Force Majeure Event the Company may not be able 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.

According to the Client Agreement, the Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure Event.

8. Communication between the Client and the Company

The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any notice from the Company.

The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

The Company has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.

The Client is fully responsible for the risks in respect of undelivered Company Online Trading System internal mail messages sent to the Client by the Company as they are automatically deleted within 3 (three) calendar days.

9. Abnormal Market Conditions

The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

Abnormal Market Conditions include but not limited to times of rapid price fluctuations of 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, or there is lack of liquidity, or this may occur at the opening of trading sessions.

10. Foreign Currency

When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence and/or Trading Account, any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client.

11. Conflicts of Interest

When the Company deals with the Client, the Company, an associate, a relevant person, or some other person connected with the Company may have an interest, relationship or arrangement that is material in relation to the Transaction/Order concerned or that it conflicts with the Client's interest.

The following includes the major circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of one or more Clients, as a result of providing investment services:

- the Company's bonus scheme may award its employees based on the trading volume etc.;
- the Company may execute Clients Orders with entities belonging to the Company's Group of Companies where the revenues of those entities is largely generated from Client's trading losses;
- the Company may receive or pay inducements to or from third parties due to the referral of new Clients or Clients' trading.

For more information about the conflicts of interest and the procedures and controls that the Company follows to manage the identified conflicts of interest, please refer to the Company's Summary of Conflicts of Interest Policy found on the Company's website.

12. Information on risks associated with Financial Instruments

Trading CFDs (Contracts for Difference) carries significant risks, especially when used for speculative purposes. CFDs are considered high-risk financial instruments, and Clients can lose the full amount they invest. They are not suitable for all investors.

The value of investments in CFDs is subject to various risks, including market, currency, economic, political, and business risks. The Client understands and accepts that, regardless of any general information provided by the Company, the value of any investment in Financial Instruments may rise or fall.

The Client acknowledges the substantial risk of incurring losses when buying or selling Financial Instruments and agrees to accept this risk willingly.

Major Risks of CFD Trading:

Speculative and High Risk: CFD trading is speculative and not suitable for everyone. It is only appropriate for investors who:

- Understand and are willing to take on the economic, legal, and other risks involved.
- Have considered their personal financial situation and are financially able to lose their entire investment.
- Have sufficient knowledge of CFDs, underlying assets, and markets.

No Investment Advice: The Company does not provide advice on CFDs, underlying assets, or markets, and will not make investment recommendations, even if requested. However, the Company may provide third-party information and tools on an "as is" basis. The Company does not endorse or take responsibility for any losses the Client may incur from acting on such information or tools.

CFD Derivatives: CFDs are derivatives, meaning their value is based on the price of an underlying asset (e.g., currencies, stock indices, stocks, metals, etc.). The Client must understand the risks related to the underlying assets, as price fluctuations can significantly impact trade profitability.

Past Performance: Historical performance of CFDs or underlying assets does not guarantee future performance. Using past data does not ensure that future outcomes will be similar.

Volatility

Financial instruments, including CFDs, can be highly volatile, with wide price swings during the trading day. The Client should be aware that these price movements can lead to significant losses. The price of a CFD is derived from the underlying asset, and changes in the market conditions may cause rapid price fluctuations. These price movements may be due to various factors, including market events, government policies, or supply and demand changes. In some cases, market conditions may make it impossible to execute trades at declared prices, resulting in potential losses.

Liquidity

Liquidity risk refers to the ability to quickly sell or buy an asset without affecting its price. The Client acknowledges that some underlying instruments of derivative products may be illiquid, or face liquidity challenges due to market conditions. Illiquid assets may experience higher volatility, making it riskier to trade. Large gaps between buy and sell prices can occur, which might affect the price of the CFD offered by the Company.

Off-Exchange Transactions (Over the Counter)

The financial instruments traded with the Company are off-exchange transactions, meaning they are not traded on a formal exchange. The trading conditions are set by the Company, based on the terms provided by liquidity providers.

The latter financial instruments can only be closed with the Company and cannot be transferred to another party. While some off-exchange markets can be liquid, these transactions carry more risk compared to exchange-traded derivatives because there is no centralized market to close positions. The Client may face challenges in liquidating positions or determining the value of an off-exchange transaction.

No Exchange or Clearing House Protection

The transactions in financial instruments offered by the Company are not subject to exchange or clearing house rules. Therefore, the Client has no protections typically offered by exchanges.

No Delivery of Underlying Assets

When trading CFDs, the Client does not own the underlying asset. There is no delivery of the asset, meaning the Client is only trading on price movements, not ownership of the asset itself.

Suspensions of Trading

In certain market conditions, it may be difficult or impossible to close a position. This can happen during extreme price movements when the price rises or falls significantly within a single trading session, causing the relevant exchange to suspend or restrict trading. A Stop Loss order may not limit the Client's losses to the intended amount due to market conditions, and the order may be executed at a worse price than expected, leading to larger-than-anticipated losses.

Slippage

Slippage occurs when there is a difference between the expected price of a transaction and the actual execution price. This often happens during volatile periods, such as after major news events or when large orders are placed without sufficient market interest at the desired price. Slippage can result in the Client's trade being executed at a different price than intended, leading to potential losses.

14. Information on risks specifically associated with CFDs

CFDs (Contracts for Difference) available with the Company are non-deliverable transactions that allow Clients to profit from changes in the price of underlying assets like stocks, currencies, commodities, and precious metals. If the price movement is favourable, the Client can make a profit, but even a small unfavourable move can lead to the loss of the entire deposit and additional costs like commissions or fees. Therefore, the Client must only trade CFDs if they are willing to risk losing all their invested funds, plus any extra costs incurred.

Leverage and Gearing

To place a CFD trade, the Client must maintain a margin, which is a small portion of the total contract value. This means that with leverage, even a small market move can lead to significant changes in the value of the position, either for or against the Client. The Client must always have enough equity to meet margin requirements and be prepared for margin calls if the market moves against their position. Failing to meet a margin call may result in the Company closing the position.

Margin

The Client acknowledges that CFDs are subject to price fluctuations, which can lead to the value of the trade becoming zero. The margining system means that even small price changes can have a large impact on the trade, causing potential losses. The Company can change margin requirements as outlined in the Client Agreement.

Risk-reducing Orders

The Company offers orders like stop-loss or stop-limit orders to limit potential losses. However, these orders might not always work as intended during fast-moving or illiquid markets, and losses could exceed the expected amount. Strategies that combine positions, such as spreads or straddles, can be just as risky as simple long or short positions.

Swap Values

If the Client holds positions overnight, a swap charge may apply. Swap rates depend on interest rates and the Company's fees, and the Company has the discretion to change these rates. The Client should review swap values on the Company's website before placing any orders.

Information and Market Commentary

The Company may provide information, news, or market commentary, but this is not investment advice. The Client should not rely on this information for trading decisions. The Company does not guarantee the accuracy or completeness of such information and is not responsible for any losses incurred based on it.

No Guarantees of Profit

The Company makes no guarantees of profit or of avoiding losses in CFD trading. It cannot promise specific performance levels, and the Client is aware of the risks and is financially prepared to bear potential losses. The Client accepts that there may be additional risks not explicitly mentioned.

15. Information on risks specifically associated with Cryptocurrency CFDs

Market Volatility and Risk of Loss

The cryptocurrency market is characterized by high volatility, leading to sudden and unpredictable price fluctuations. Such volatility can result in significant financial losses within short periods. Factors contributing to this volatility include regulatory changes, technological developments, macroeconomic events, and actions taken by large market participants. Additionally, execution issues may arise due to slippage, liquidity constraints, or technological disruptions.

Regulatory and Legal Risks

Cryptocurrency regulations vary significantly across jurisdictions and are subject to frequent changes. Government actions such as regulatory bans, restrictions on cryptocurrency transactions, or enhanced compliance requirements can directly impact the availability and value of cryptocurrency CFDs. Traders must be aware of the legal landscape within their jurisdiction and any potential changes that may affect their trading activities.

Exchange-Related Risks

The pricing of cryptocurrency CFDs is derived from specific cryptocurrency exchanges, which may have limited market depth and liquidity. These exchanges are often unregulated or less regulated than traditional financial markets, exposing traders to additional risks such as operational failures, security breaches, and market manipulation. The pricing engines of cryptocurrency exchanges may experience delays, interruptions, or failures that impact order execution and trade settlement.

Liquidity Risks

Liquidity in cryptocurrency markets can be highly unpredictable. Certain cryptocurrencies may experience periods of low trading volume, resulting in difficulties in executing large trades without significant price slippage. In extreme cases, market illiquidity can prevent traders from entering or exiting positions, leading to forced liquidations at unfavorable prices.

Suitability and Investor Requirements

Cryptocurrency CFD trading is not suitable for all investors. Due to its speculative nature, only individuals with a high-risk tolerance, substantial financial knowledge, and experience in derivative trading should consider engaging in cryptocurrency CFD transactions. It is strongly recommended that traders seek independent financial advice and thoroughly understand the risks before participating in cryptocurrency CFD trading.

Trading cryptocurrency CFDs involves substantial risk and may not be suitable for all investors. Traders should fully understand the potential financial and security risks before engaging in such transactions. The decision to trade cryptocurrency CFDs should be based on a thorough assessment of risk tolerance, financial objectives, and market knowledge. Customers are encouraged to review all relevant risk disclosures and seek professional financial advice where necessary.

16. Acknowledgement

The client acknowledges and agrees to the following points:

Value Fluctuations: The value of financial instruments (like currency pairs, CFDs, or other derivatives) can decrease. This means the client could receive less than their initial investment, and the value of these instruments can change rapidly.

Past Performance Doesn't Guarantee Future Results: Just because a financial instrument has performed well in the past doesn't mean it will perform the same in the future. Historical data cannot predict future returns reliably.

Liquidity Risks: Some financial instruments might not be easy to sell quickly. This could happen if there is less demand for them, and the Company may not be able to sell these instruments or accurately determine their value or related risks.

Currency Risk: If the financial instrument is traded in a currency different from the client's home currency, any changes in exchange rates could negatively affect the instrument's value, price, and overall performance.

Foreign Market Risks: Investing in financial instruments in foreign markets comes with risks that may differ from the risks in the client's own country. Additionally, exchange rate fluctuations can also impact the potential profits or losses from trading in these markets.

By agreeing to these terms, the client understands and accepts the risks involved in trading financial instruments.