

RISK DISCLOSURE STATEMENT

HIGH RISK INVESTMENT WARNING: Trading CFDs and Leveraged products in general is highly speculative, carries a level of risk and may not be suitable for all investors. You should not speculate with capital that you cannot afford to lose. You should be aware of all of the risks associated with trading CFDs.

1. INTRODUCTION

Broctagon Prime Ltd is a Cyprus Investment Firm (CIF) and is Authorized and Regulated by the Cyprus Securities and Exchange Commission (CySEC) under License number 320/17.

The Business Name Broctagon Prime Ltd and the Domain Name, www.broprime.com is owned by the Company Incorporated and Registered according to the Laws of the Republic of Cyprus, under the Certificate Registration number HE 360194.

Broctagon Prime Ltd operates in accordance with the Markets of Financial Instruments Directive (MiFID) of the European Union, following the implementation of MiFID in the European Union and its transposition in Cyprus, through the Investment Services and Activities and Regulated Markets Law of 2007 (Law 144(I)/2007), Broctagon Prime Ltd (hereinafter called the "Company"), is required to inform its Clients and potential Clients of the Company's "General Risk Disclosure Statement", (hereinafter the "Statement").

The Policy was designed to explain in general Terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis. The Client should know that transactions in the Financial Instruments involve a high degree of risk and are not suitable for many members of the public. Such transactions should be entered into only by persons who have read, understood and familiarized themselves with the style of exercise, the nature and extent of rights and obligations and the associated risks.

This Policy do not purport to disclose or discuss all of the risks and other significant aspects of any transaction, so the Client undertakes and warrants to consult with his own Legal, Tax and Financial Advisers prior to entering into any particular transaction.

2. APPROPRIATENES

2.1 The Company requires the Client to pass through an appropriateness test during the application process and warns the Client, if on the basis of information provide, the trading on Forex or any other Derivative product is not appropriate based on the Client's profile.

3. RISKS PARTICULARLY ASSOCIATED WITH FINANCIAL INSTRUMENTS

3.1 Investing in some Financial Instruments entails the use of "gearing" or "leverage". In considering whether to engage in this form of investment, the Client should be aware that the high degree of "gearing" or "leverage" is a particular feature of certain Derivative Financial Instruments including, inter alias, Contracts for Difference (CFDs). This stems from the margining system applicable to

such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client's trade. If the underlying market movement is in the Client's favor, the client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Clients' entire deposit, but may also expose the Client to a large additional loss. In regard to transactions in derivative Financial Instruments, a derivative Financial Instrument is a non-deliverable spot transaction giving an opportunity to make profit or loss on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The Client must not purchase derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

3.2 Transactions may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the Execution Venue. The Client may only be able to close an open position of any given contract during the opening hours of the Execution Venue. The Client may also have to close any position with the same counterparty with whom it was originally entered into. In regard to transactions in Financial Instruments with the Company, the Company is using a Trading Platform for transactions in Financial Instruments which does not fall into the definition of a recognized exchange or a Multilateral Trading Facility. This notice cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in all Financial Instrument and investment services. This notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

4. CLIENT ACKNOWLEDGMENTS

The Company does not and cannot guarantee the initial Capital of the Client's portfolio or its value at any time or any money invested in any Financial Instrument.

The Company can refuse to accept new deposits from a Client in its sole discretion (or due to Risk Management).

The Client unreservedly acknowledges and accepts that, regardless of any information which may be offered by the Company, the value of any Investment in Financial Instruments may fluctuate downwards or upwards and it is even probable that the investment may become of no value.

The Client unreservedly acknowledges and accepts that he/she runs a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts and declares that he is willing to undertake this risk.

The Client should not engage in any investment directly or indirectly in Financial Instruments unless he knows and understands the risks involved for each one of the Financial Instruments.

The Client acknowledges and warrants that he is aware of the risks, which may be involved in any investment directly or indirectly in Financial Instruments. He fully understands:



The extent of the economic risk to which he is exposed as a result of such transactions, (and have determined that such risk is suitable for him in light of his/her specific experience in relation to the transaction and his financial objectives, circumstances and resources);

The nature and fundamentals of the transaction and the market underlying such transactions;

The Legal Terms and Conditions for such transactions.

The Client also acknowledges and warrants that he fully understands the Terms and Conditions of the transactions to be undertaken, including, without limitation:

The Terms as to Price, Term, Expiration Date, Restrictions and of the Terms material to the transaction; any Terms describing risk factors, such as volatility, liquidity, and so on; and the circumstances under which he may become obliged to make or take delivery of a leveraged transaction.

The Client acknowledges that if the market moves against him, he may not only sustain a loss of funds, but he may also incur further liability to the Company.

The Client acknowledges and accepts that he may sustain substantial losses on a contract or trade if the market conditions move against his position. He also acknowledges that it is in his interest to fully understand the impact of market movements, in particular the extent of profit/loss he would be exposed to when there is an upward or downward movement in the relevant rates and the extent of loss if he has to liquidate a position if market conditions move against him.

The Client also understands that under certain market conditions he may find it difficult or impossible to liquidate a position, to assess a fair price or assess risk exposure. This can happen, for example, where the market for a transaction is illiquid or where there is a failure in Electronic or Telecommunications systems, or where there is the occurrence of an event commonly known as "Force Majeure".

The Client knows that placing contingent Orders, such as "Stop-Loss" Orders, where and as applicable, will not necessarily limit his losses to the intended amounts, as it may be impossible to execute such Orders under certain market conditions.

The Client also acknowledge that because the prices and characteristics of over-the-counter transactions are individually negotiated and there is no central source for obtaining prices, there are inefficiencies in transaction pricing.

The Client consequently accepts that the Company cannot and does not warrant that the Company's prices or the prices the Company secures for him are or will at any time be the best prices available to him.

The company can decide at its own discretion to lower any Client's margin requirements with prior notice but also immediately, even if lowering margin requirements will cause the account to be stopped out. If the Client does not agree we must notify them it will be done at a specific time and date.

The Company is allowed to suspend and or close a Client's account with pre notice in its sole discretion (or due to Risk Management).

Opening a trade in Indices, Commodities and Stocks is forbidden 45 minutes prior to daily session ends.

The Client declares and warrants that he has read, comprehends and unreservedly accepts the following:

Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.

Some Financial Instruments may not become immediately liquid as a result e.g. of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of these Financial Instruments or the extent of the associated risks.

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

A Financial Instrument on Foreign Markets may entail risks different to the usual risks of the markets in the Client's Country of Residence. In some cases, these risks may be greater. The prospect of profit or loss from transactions on Foreign Markets is also affected by exchange rate fluctuations.

A Derivative Financial Instrument (i.e. Option, Future, Forward, Swap, Contract for Difference, may be a non- delivery Spot transaction giving an opportunity to make profit on changes in Currency rates, Commodity or Indices. The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.

The Client must not purchase a Derivative Financial Instrument unless he is willing to undertake the risks of losing entirely all the money which he has invested and also any additional commissions and other expenses incurred.

The Client acknowledges and accepts that there may be other risks which are not contained above.

5. RISKS OF ONLINE TRADING AND OTHER TECHNICAL RISKS

The Client's access to the Company's Electronic Trading Platform, or any portion thereof, may be restricted, intermittent or unavailable during periods of peak demands, extreme market volatility, systems upgrades or other reasons. The Company makes no express or implied representations or warranties to the Client regarding the availability, usability, condition or operation thereof. The Company does not warrant that access to or use of any of the Electronic Trading Platform will be

uninterrupted or error free or that the Electronic Trading Platform will meet any particular requirements or criteria of processing, performance or quality.

Under no circumstances, including negligence, shall the Company or anyone else involved in creating, producing, delivering or managing any part of the Electronic Trading Platform be liable for any direct, indirect, incidental, special or consequential damages that result from the use of or inability to use any part of the Electronic Trading Platform, or out of any breach of any warranty, including, without limitation, those for business interruption or loss of profits.

The Client expressly agrees that the Client's use of the Electronic Trading Platform is of the Client's sole risk. The Client assumes full responsibility and risk of loss resulting from use of, or materials or data obtained through the Electronic Trading Platform. Neither the Company, nor any of the Company's Directors, Officers, Employees, Agents, Contractors, Affiliates, Third Party Vendors, Facilities, Information Providers, Licensors, Exchanges, Clearing Organizations or other Suppliers providing data, information, or services, warrant:

(a) that the Electronic Trading Platform will be uninterrupted or error free; nor does the Company make any warranty as to the results that may be obtained from the use of the Electronic Trading Platform or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service, or transaction provided through the Electronic Trading Platform; or

(b) that the Client's systems will be unaffected or undamaged by any malicious software; or

(c) that any data will not be intercepted by any Third Party.

5.1. In the event that Client's access to the Electronic Trading Platform or any portion thereof is restricted or unavailable, the Client agrees to use other means to place the Orders or access information, such as calling the Company and/or the Company Representative.

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

5.3. By placing an Order through the Electronic Trading Platform, the Client acknowledges that Orders may not be reviewed by a Registered Representative prior to Execution. The Client agrees that the Company is not liable to the Client for any losses, lost opportunities or increased commissions that may result from the Client's inability to use the Electronic Trading Platform to place Orders or access information.

5.4. 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.

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

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

5.7. The Client acknowledges that the internet may be subject to events which may affect his access to the Company's website 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 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.

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

- a. Failure of Client's devices, software and poor quality of connection.
- b. The Company's or Client's hardware or software failure, malfunction or misuse.

6. RISK DISCLOSURES FOR TRADING CFD'S ON CRYPTOCURRENCIES:

6.1. Trading on these products (CFDs on cryptocurrencies) is not covered by any specific European regulatory framework and falls outside the scope of the Company's regulated activities governed by the EU Directive on Markets in Financial Instruments (MiFID) since their underlining asset is not considered yet a Financial Instrument.

6.2. Such products are complex and of high risk, and as such they imply a high risk of losing all of your trading balance, due to high market volatility, execution issues and industry-specific disruptive events, including, but not limited to, discontinuation, regulatory bans and other malicious actors within cryptocurrency ecosystems.

6.3. Trading in these products does not entitle you to any protection under the Investor Compensation Fund (ICF). You are not entitled to submit any complaints/disputes against the Company to the Financial Ombudsman of the Republic of Cyprus, in case such complaints/disputes relate to your trading in these products.

6.4. These products are not appropriate for all investors and for this reason you should not trade in such products, unless you have adequate knowledge and experience and you fully understand

the specific characteristics and risks related to them as described in (but not limited to) the above Risk Disclosures

7. COST, FEES AND TAXES

7.1. All relevant costs and fees will be provided by the Company or set out on the Company's website. Clients should be aware of such costs and fees that may influence his account profitability.

7.2. The Client should take the risk that his trades in Financial Instruments may be or become subject to Tax and/or any other Duty for example because of changes in Legislation or his personal circumstances. The Company does not warrant that no Tax and/or any other Stamp Duty will be payable. The Client is personally liable for any Taxes and/or any other Duty which may accrue in respect of his trades.

7.3. In order to comply with applicable Law, the Company will classify the prospective Client as Retail Client, Professional Client or Eligible Counterparty when considering the application for opening an account, based on the information provided to the Company.

8. FORCE MAJEURE EVENTS

8.1. In case of a Force Majeure Event the Company may not be in a position to arrange for the execution of Client Orders or fulfill its obligations under the agreement with the Client. As a result the Client may suffer financial loss.

8.2. 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 this Agreement where such failure, interruption or delay is due to a Force Majeure event.

9. COMMUNICATION BETWEEN THE CLIENT AND THE COMPANY

9.1. 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.

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

9.3. 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.

9.4. 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.

10. FOREIGN CURRENCY

10.1. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, 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. CONCLUSION

10.1. This Policy cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in all Financial Instrument and Investment Services. The Company may provide additional warnings to the Client regarding the risks entailed in his selected Investment Services and Financial Instruments, based on, inter alia, the Categorization assigned to him by the Company.

Should you have any questions or need further information about our "Risk Disclosure Policy" kindly e-mail your request to the Compliance Department: compliance@broprime.com