



RISK DISCLOSURE POLICY

FOT LIMITED, a company duly licensed and regulated by the Mauritian Financial Services Commission (FSC) as an Investment Dealer (Full-Service, Excluding Underwriting) under license number GB23201518. **FOT** is a registered trademark of **FOT LIMITED**.

In consideration of the Company agreeing to enter into over-the-counter (“OTC”) Contracts for Differences (“CFDs”) with you (hereinafter referred to as the “Client”, “you”, “your”). The Client hereby acknowledges, understands and agrees to all clauses under this Risk Disclosure Statement.

The present statement is only for informational purposes, and it should not be considered as an exhaustive list of all possible risks which might arise. Please note that we do not disclose or explain all the risks and other significant aspects involved when dealing in Financial Instruments (including CFDs). We outline the general nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

For further information on how our services operate, you should also read our other legal documents on the website (i.e. Terms and Conditions, Order Execution Policy, Privacy Policy etc.) which together with this Statement, form our agreement with you.

We encourage you to firstly review and understand all our Legal Documents, as these are available on our Website, before you enter into a business relationship with us.

1. Legal Framework

The terms used in this Statement are in conjunction with the Company’s Terms and Conditions, Privacy Policy, Order Execution Policy and Conflict of Interest Policy which are available to you through our Website. The Company hereby discloses the present statement in relation to the risks connected to Customers’ transactions with financial instruments.

2. Objectives

The Company offers investments in CFDs which are OTC derivatives. In general, CFDs enable customers to obtain exposure and therefore participate in the returns (which could either end up being positive or negative) from price movements in an underlying financial instrument, without the need to physically acquire that underlying financial instrument. CFDs are subject to market risk. This Statement is informational, and we make no warranties or guarantees in respect of the content. The terms herein are not to be considered as investment objectives, financial situation or disclosure of all risks associated with our investment services.

You acknowledge and accept to obtain individual financial advice based on your own objectives, before making an investment decision on the basis of information on this Statement.

You have read, understood and accepted the risk including but not limited to the below:

- A Financial Instrument related to foreign markets may involve risks that are different from the usual risks of the markets in the client's country of residence. In some circumstances, these risks may be larger. The profit or loss from transactions in foreign markets is influenced by exchange rate risk and other international factors such as geopolitical;
- Financial Instruments may become illiquid as a result of reduced demand or/supply, meaning that you may not be in a position to sell them or/ easily obtain information on the price of these Financial;
- Tax implications is your sole responsibility. You shall make sure that investing in CFDs is not subject to tax and/or any other duty in your jurisdiction. You are responsible for any taxes and/or any other duty which may accrue in respect of your trades.

The client understands and acknowledges the following general risks of trading:

- the Client is financially willing and capable of assuming the risk of trading in speculative investments;
- the Client's investment decisions will be based solely on his evaluation of the market, financial circumstances and investment objectives;
- the Client is aware and understands the characteristics and risks in relation to each Services and the Fees and features of Trading Platform, and shall not trade or deal with each Services unless the Client accepts and understands so;
- the high volatility and speculative nature of trading meant that the Client may lose all investments within a short period;
- the market data and information of the previous performance of the Services does not guarantee or reflect its current and/or future performance;
- due to rapid market fluctuation and unforeseeable events: (a) a Stop Loss order may not be effective in limiting the loss incurred; (b) the Client may be required to deposit a substantial amount of funds in a short term to maintain the open positions; (c) there will be difficulty in liquidating some positions; (d) we may exercise Margin Call and/or Stop Out and we shall not be liable for any loss suffered by the Client;
- investment in some Services shall utilise the margin, "gearing" or "leverage" effect, where a relatively small movement in the trading prices could have a disproportionately dramatic effect on the Client's investments, so the Client should be prepared to suffer huge losses when utilizing such trading facilities;

- in the event the Client trade in Services in a currency other than the currency of the Client's Account, the currency exchange fluctuations will affect the Client's profits and losses; and
- the insolvency or default of any third parties involved with the Client's transaction may lead to the Client's positions being liquidated or closed out without the Client's consent.

3. Trading is very speculative and risky

CFDs trading is highly speculative, involves a significant risk of loss and is not suitable for all investors but only for those customers who:

- understand and are willing to assume the economic, legal and other risks involved;
- are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
- are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

A CFD is where investors trade the difference in values or prices of a financial instrument without actually owning the underlying asset. The Client could trade on margin, utilize "gearing" or "leverage" effect while trading CFD, so only a small amount of deposit is required to trade and as such, a small market movement or fluctuation in prices may affect the asset or investment value greatly. Even when the products are not traded on margin, the Client may be required to make further payments in certain circumstances.

The Client acknowledges that: (a) CFDs are not suitable for long term investor due to several factors, such as overnight fees or gapping (financial instrument opens above or below the previous day's close with no trading activities in between). Market volatility and leverage also meant that the trading risks increase as you hold CFDs longer; (b) trading in CFDs meant that the Client is only trading for the price difference of the underlying financial instruments and as such, CFDs do not provide any rights to the underlying financial instruments; (c) Slippage may occur in some transactions where there could be a difference between where the computer signaled the entry and exit for a trade and where actual clients, with actual money, entered and exited the market using the computer's signals; and (d) CFDs are not traded on any exchange and they are Over-The-Counter products whereby the prices of the CFDs are derived from the underlying market.

The Fees and the swap fees are not included in our quoted prices and are charged explicitly to the Account(s). In the case of swap fees, the value of opened positions in some types of financial instruments is increased or reduced by a daily financing fee as long as the Client holds the respective financial instrument. The financing fees shall be based on prevailing market interest

rates. From Mondays to Thursdays, swap fees are charged daily. Details of our Fees and swap fees are available on the Company's Website as well as the Terms and Conditions.

4. Third Party Risks

Subject to the Privacy Policy, the Client acknowledges that we may involve or delegate our obligations under the Client Agreement to third parties necessary to perform our contractual obligations under the Client Agreement. Electronic trading transaction systems are subject to the regulations and terms of the system provider. The Client shall review the regulations and terms of the system provider and/or listing the trading instruments before using their services. Trading or routing orders through electronic system varies according to the system providers. The Client shall review and understand the regulations and terms of the electronic trading system providers to understand the procedures and policies of their trading process, including but not limited to the system's order matching procedure, opening, and closing procedures, prices and trading limitations. We shall not be liable for any loss or damages as a result of any error, failure or unavailability of the electronic trading system.

The Client Asset shall be held on trust by us for the Client and the Client Asset shall be segregated from our bank account at all times. We may hold the Client Asset and the money of other clients in the same account and it might not be possible to segregate the Client's Money from the other client. We shall retain the necessary records and Client Account details to distinguish this.

We have exercised reasonable care and due diligence while engaging: (a) the third parties necessary to perform our contractual obligations under the Client Agreement; and (b) the financial institutions responsible for managing the bank accounts. However, in the event of the monetary loss or insolvency of the relevant parties the Client may be forced to liquidate its positions or may lose the money deposited within the relevant third parties and/or financial institutions. We shall not be liable for any loss or damages to the Client as a result of the monetary loss, insolvency or similar proceedings suffered by the third parties or financial institutions.

We may deposit the Client Asset with a depository who may have a security interest, lien or right of set-off in relation to the Client Asset.

5. Risks associated to long CFD positions, i.e. for purchasers of CFDs

Being long in CFD means you are buying the CFDs on the market by speculating that the market price of the underlying asset will rise between the time of the purchase and sale.

As owner of a long position, you will generally make a profit if the market price of the underlying asset rises whilst your CFD long position is open.

On the contrary, you will generally suffer a loss, if the market price of the underlying asset falls whilst your CFD long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

6. Risks associated with short CFD positions, i.e. for sellers of CFDs

Being short in CFD means you are selling the CFDs on the market by speculating that the market price of the underlying asset will fall between the time of the purchase and sale. As owner of a short position, you will generally make a profit if the market price of the underlying asset falls whilst your CFD short position is open.

On the contrary, you will generally suffer a loss, if the market price of the underlying asset rises whilst your CFD short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

7. High Leverage and Low margin can lead to Quick Losses

The high degree of “gearing” or “leverage” is a feature of CFDs. The effect of leverage makes investing in CFDs riskier than investing directly in the underlying asset. This stems from the margining system applicable to CFDs which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportionately dramatic effect on your trade.

This can be both advantageous and disadvantageous. A small price movement in your favor can provide a high return on the deposit, however, a small price movement against you may result in significant losses. Your losses will never exceed the balance of your account, which is balanced to zero, if the losses are higher than the amount deposited. Such losses can occur quickly. The greater the leverage, the greater the risk. The size of leverage therefore partly determines the result of your investment.

8. Margin Requirements

The client must maintain the minimum margin requirement, which is 20% on their open positions at all times. It is your responsibility to monitor your account balance. You may receive a margin call to deposit additional cash if the margin in the account concerned is too low.

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 CFDs positions being closed at a loss for which you will be liable.

In addition, the Client needs to continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds, and it should be noted that the Company is not responsible for notifying you for any such instances.

9. Cash Settlement

The Client understands that trading CFDs can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

10. Rights to Underlying Assets

The Client have no rights or obligations in respect of the underlying instruments or assets relating to CFDs. You understand and accept that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities.

11. Currency Risk

Trading CFDs on currency pairs (also known as FOREX) or other CFDs with an underlying asset listed in a currency other than your base currency, entails a currency risk, due to the fact that when such transaction(s) is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

12. One Click Trading and Immediate Execution

The Company's online trading system, currently cTrader and MetaTrader 5 (MT5) provides immediate transmission of Client's order once Customer enters the notional amount and clicks "Buy/Sell." This means that there is no opportunity to review the order after clicking "Buy/Sell" and Market Orders cannot be cancelled or modified.

This feature may be different from other trading systems you have used. The Client should utilize the Demo cTrader/MT5 to become familiar with the cTrader/MT5 platform, before actually trading online with the Company. You acknowledge and agree that by using the Company's online trading platform, you also agree to the one-click system and accept the risk of this immediate transmission/execution feature.

13. Telephone Orders

The Company is not responsible for malfunction, disruption or failure of facilitating execution via telephone, and does not guarantee its telephone

availability. The Client is aware that the Company's main medium for order placing is the Trading Platform. The Company may not be reachable by telephone at all times and thus the Client shall place his orders through online access to the Company's Trading Platform and only in the cases that the Platform is not working or not reachable to use the telephone to place an order.

14. Advise and Recommendations

The Company is not an adviser or a fiduciary to its clients. We may provide generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice, and have not considered any of your personal circumstances or your investment objectives, nor is it an offer to buy or sell, or the solicitation of an offer to buy or sell, any CFDs.

The decision of a client to trade on CFDs with the Company and each decision as to whether a transaction is appropriate or/ proper for the client, is an independent decision made by the client. The Company is not acting as an advisor or serving as a fiduciary to Customer. The Client agrees that the Company has no fiduciary duty to Client, and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with the Client following the Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.

The Company does not guarantee recommendations. The generic market recommendations provided by the Company are solely based on the judgment of the Company's personnel and should be considered as such. The client acknowledges that any transactions undertaken by the client is based on their sole judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of the Company and/or its affiliates.

The generic market recommendations of the Company are based upon information believed to be reliable, but the Company cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will reduce or eliminate the risk inherent in trading CFDs.

15. No guarantees of profit

There are no guarantees of profit nor of avoiding losses when trading CFDs. Customer has received no such guarantees from the Company or from any of its representatives. The Client is aware of the risks inherent in trading CFDs and is financially able to bear such risks and withstand any losses incurred.

16. No guarantees against Outdated Publications

The Publications of the Company are not updated after their release and may due to changing circumstances become inaccurate and misleading to its Clients after a period which may vary from seconds and minutes to days, weeks and months depending on the Information. We assume no liability and no guarantee towards any recipient, for Publication being outdated.

We shall endeavor to obtain information from reliable sources, but without any kind express or implied warranty of all publications. The Company shall not be liable for any Publication not being complete, accurate and suitable including but not limited to (1) accuracy and/or discontinuance of any market quotations; and (2) any error, inaccuracy, interruption or/ omission in providing market quotations.

We reserve the right at our sole discretion to withdraw or/ amend any Publication or Information provided at any time without notice (prior or subsequent).

17. Internet Trading

When you trade online (via the internet), the Company shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction, disruption or failure of any transmission, communication system, computer facility or trading software, whether belonging to the Company, you, any exchange or any settlement or clearing system.

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:

- That the Trading Platform will be uninterrupted or error free at most of the times; nor does the Company make any warranty as to the results that may be obtained from the use of the Trading Platform or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service, or transaction provided through the Trading Platform;
- That your systems will be unaffected or undamaged by any malicious software;
- That any data will not be intercepted by any third;
- In the event that your access to the Trading Platform or any portion thereof is restricted or unavailable, you agree to use other means to place the orders or access information, such as calling us and/or our.

18. Fees and Other Charges



You are required to know of any costs involved, such as spread(s), commission(s) and swap(s) before investing in CFDs. Charges may be expressed in monetary or percentage terms. It is therefore your responsibility to understand the basis upon which such charges are made. For the purposes of this Statement, a swap means the interest added or deducted for holding a position open overnight. You are advised to read more information on all costs and charges which are available on our website.

19. Quoting Errors

Should a quoting error occur (including responses to Client requests/orders), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by the Company in its sole discretion and acting in good faith, of the relevant market at the time such an error occurred.

In cases where the prevailing market represents prices different from the prices the Company has posted on our screen, the Company will attempt, on a best efforts' basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer statements. This may or/ may not adversely affect the Client's realized and unrealized gains and losses.

20. Conflicts of Interests

The Company is the counterparty to all transactions entered into under the Client Agreement and, as such, the Company's interests may conflict with the Client's. Please read more on our Conflicts of Interest Policy on our website.

21. Declaration

The Company also reserves the right to review and/or amend these provisions and arrangements, whenever it deems this appropriate without notice to the Client.

22. Contact Details

Should you have any questions about these provisions, please contact our Support team at contact@fot.co.