

Risk Disclosure Statement for Foreign Exchange and Derivatives Transactions (Including Contracts for Differences)

In consideration of HEDGECENT Ltd. ("HEDGECENT", "we", or "us") entering into over-the-counter ("OTC") contracts for differences ("CFD's") and spot foreign currency contracts ("Spot FX Contracts") with the undersigned ("Customer", "you", or "your"), Customer acknowledges, understands, and accepts that:

HEDGECENT Ltd., a Private Limited Liability Company, incorporated in accordance with the laws of Malta and has its registered office at 168 St. Christopher Street, Valletta VLT 1467, Malta, EU, and a Corporate Registration Number of C/56519, is licensed by the Malta Financial Services Authority ("MFSA") as a Category 3 Investment Services Provider IS/56519.

This statement, an addendum to the Retail Client Agreement and the General Terms & Conditions, cannot and does not disclose or explain all of the risks and other critical facets associated with trading foreign exchange and derivatives. As a result, engaging in these types of transactions has a considerable risk for your capital, which could ultimately result in loss. Please get in touch with HEDGECENT for additional information if you desire a more thorough grasp of the dangers involved.

Due to the dangers involved, you should not trade in the products mentioned earlier unless you fully comprehend the nature of the contracts and the contractual legal relationship you are entering. Foreign exchange derivatives transactions are not suitable for many members of the general public. You should carefully examine whether foreign exchange transactions suit you based on your experience, objectives, financial situation, and other pertinent facts. When uncertain, it is prudent to seek independent financial advice.

Trading Foreign Exchange and Derivatives Is Extremely Speculative and Risky

Trading CFDs and Spot FX Contracts is highly speculative and carries a substantial risk of loss; it may not be suited for all investors, but only for those clients who meet the following criteria:

- a) are aware of and willing to undertake the economic, legal, and other associated risks;
- (b) are competent and experienced in trading derivatives and underlying asset types; and
- c) are financially capable of assuming losses significantly in excess of margin or deposits, as investors may lose the entire contract value and not just the margin or deposit.

Spot FX Contracts and CFDs are inappropriate investments for retirement funds. CFD and FX trades are among the riskiest investment forms and can result in substantial losses. Customer indicates, warrants, and acknowledges that Customer understands these risks, is willing and able (financially and otherwise) to undertake the risks of trading CFDs and Spot FX Contracts, and that

the loss of Customer's whole Account balance will not adversely affect Customer's standard of living.

Risks associated with Long CFD holdings, i.e., for CFD purchasers

Being Long in a CFD indicates that you are purchasing CFDs on the market with the expectation that the underlying asset's market price will climb between purchase and sell. As the holder of a long position, you will typically earn a profit if the underlying asset's market price rises while your CFD long position remains open. If the market price of the underlying asset declines while your CFD long position is active, you will typically incur a loss. Therefore, your potential loss may exceed the initial margin deposit. Additionally, you may incur a loss if you cannot maintain an open position because your Account lacks sufficient liquidity to provide the required margin.

Risks associated with Short CFD positions, i.e., for CFD sellers

Being Short in a CFD signifies selling the CFDs on the market with the expectation that the underlying asset's market price will decline between the time of purchase and sale. As the owner of a short position, you will typically earn a profit if the market price of the underlying asset declines while your CFD short position remains open. In contrast, if the underlying asset's market price rises while your short CFD strategy is active, you will typically incur a loss. Therefore, your potential loss may exceed the initial margin deposit. Additionally, you may incur a loss if you cannot maintain an open position because your Account lacks sufficient liquidity to provide the required margin.

High leverage and low margin might result in rapid financial losses.

High "Gearing" or "Leverage" is a distinguishing characteristic of CFDs and Spot FX Contracts. Due to leverage, investing in CFDs is riskier than investing in the underlying asset. That is due to the margining method applicable to CFDs, which often includes a tiny deposit compared to the transaction amount. As a result, a relatively minor price change in the underlying asset can disproportionately impact your trade. That can be both beneficial and detrimental. On the other hand, a little price movement in your favor might result in a substantial return on your deposit.

In contrast, a tiny price movement against you can result in significant losses that may exceed the amount of money you initially deposited. These losses can occur rapidly. The risk increases as leverage increases. The outcome of an investment is consequently influenced in part by the degree of leverage.

Impact of "Gearing" or "Leverage"

Foreign currency and derivatives transactions are precarious. Due to changeable market conditions, the significant degree of "Leverage" or "Gearing" that is typically available in foreign exchange and derivatives trading can operate for and against you. If the market goes against you, you may not only lose your initial margin deposit and any extra monies invested in maintaining your position, but you may incur additional responsibility to HEDGECENT. You may be required on short notice to deposit other monies to preserve your position. If you fail to comply with a request for additional

money, HEDGECENT may close your position(s) on your behalf, and you will be responsible for any resultant loss or deficit.

Risk-reducing Orders or Strategies

The placement of specific orders (such as "stop-loss" or "stop-limit" orders), which are designed to limit losses to a particular amount, may not be adequate due to market conditions or technological constraints that may make it difficult to execute such orders, e.g., due to market illiquidity. It should be emphasized that methods using multiple positions, such as "Spread" and "Straddle" positions, maybe just as dangerous as adopting basic "long" or "short" options.

Margin Requirements

Customers must always maintain the required minimum margin on all open positions. The Customer is responsible for monitoring their Account balance. If the Account's margin is too low, the Customer may be required to deposit extra funds. In addition, HEDGECENT has the right to liquidate any or all open positions anytime the required minimum margin is not met. That may cause the Customer's CFDs or Spot FX Contracts to be closed at a loss, for which you will be liable.

Spread

Our Spread is the difference between Our Bid Price and Our Ask Price. Since we function as a market maker, we set our Spreads at our discretion, and any changes take effect instantly. Our Spread, Leverage, Rollover Fees, and Trading Hours for each Market are detailed on the CFD Trading Conditions and FX Trading Conditions parts of the HEDGECENT website.

Funds Settlement

The Customer understands that CFD and Spot FX Contracts can only be paid in cash and that the difference between the purchase and sale price contributes to the investment return.

Divergences of Interest

As the counterparty to all Transactions executed according to the Customer Agreement, HEDGECENT's interests may conflict with yours. Our policy on conflicts of interest is posted on the HEDGECENT website.

Over-the-Counter Transactions

When trading CFDs or Spot FX Contracts with us, such Transactions are known as OTC (Over Counter) transactions because they are not executed on a recognized or regulated investment exchange. All positions must be closed with us; they cannot be completed with any other organization. Because there is no exchange market on which to close out an open position, over-the-counter (OTC) transactions may be riskier than exchange-traded contracts. It may be impossible to liquidate an existing position, determine the value of a position resulting from an over-the-counter transaction, or evaluate the risk exposure. Bid Prices and Ask Prices may not be quoted by us based on the market's best execution policies. Even when they are, HEDGECENT may find it challenging to establish a fair price, particularly when the relevant exchange or market for the underlying asset is closed or suspended. There is no central clearing, and no third entity guarantees HEDGECENT's responsibility to pay the Customer. Consequently, the Customer is subject to credit risk with HEDGECENT. The Customer must solely look to HEDGECENT for the performance of any contracts in the Customer's Account and the refund of Margin or Collateral.

Suspended Transactions

It may be difficult or impossible to liquidate a position under certain market conditions, raising the risk of loss. That may occur, for instance, during periods of fast price fluctuation if the underlying asset's price surges or decreases in a single trading session to the extent that trade is restricted or discontinued.

HEDGECENT determines prices, margins, and valuations, which may differ from prices reported elsewhere.

According to its Trading Policies and Procedures and Market Information Sheets, HEDGECENT will supply prices for use in trading, the valuation of Customer holdings, and establishing Margin Requirements. Accordingly, your CFD or Spot FX Contract's performance will depend on the prices set by HEDGECENT and market changes in the underlying asset to which it pertains. Therefore, each underlying asset contains unique risks that affect the outcome of the respective CFD.

Our pricing for a particular market is derived from the price of the appropriate underlying asset, which we get from external reference sources or exchanges. Price information for our CFD and Spot FX Contracts is obtained from wholesale market participants. Although HEDGECENT anticipates that these prices will be reasonably comparable to market prices, HEDGECENT's prices may differ from those offered by banks and other market participants. HEDGECENT has broad latitude in determining and collecting margin. HEDGECENT is authorized to convert monies in the Customer's Account for Margin into and out of the foreign currency at a rate of exchange established solely by HEDGECENT based on then-current money market rates.

Entitlement to Underlying Assets

You have no rights or duties over the underlying instruments or assets associated with your CFD and Spot FX Contracts. The Customer understands that CFDs can contain a variety of underlying assets, such as equities, indices, currencies, and commodities, as detailed in the CFD Trading Conditions and FX Trading Conditions sections of HEDGECENT's website.

Currency Threat

Investing in Spot FX Contracts and CFDs with an underlying asset listed in a currency other than your base currency carries a currency risk, as the value of your return may be affected by its conversion into the base currency when the CFD or Spot FX Contract is settled in a currency other than your base currency.

Trading With One Click And Immediate Execution

Once the Customer enters the notional amount and clicks "Buy/Sell" on the HEDGECENT Online Trading System, the order is immediately transmitted. That means there is no chance to check the Order after pressing "Buy/Sell," and Market Orders cannot be canceled or amended. This feature may differ from previous trading methods you've utilized. Before trading online with HEDGECENT, customers should use the Demo Trading System to become acquainted with the Online Trading System. Customer acknowledges and agrees that by utilizing HEDGECENT's Online Trading System, Customer accepts the risk of this immediate transmission/execution function and agrees to the one-click system.

Telephone Orders And Instant Delivery

Market Orders performed via the HEDGECENT Trading Desk over the telephone are completed when the HEDGECENT telephone operator announces "deal" or "done" after the Customer has placed the Order. Upon confirmation by the telephone operator, the Market Order has been executed and cannot be canceled. By placing Market Orders through the HEDGECENT Trading Desk, the Customer recognizes and agrees to this immediate execution and accepts the associated risk.

HEDGECENT Is Not A Customer's Advisor Or Fiduciary.

Where HEDGECENT provides generic market recommendations, such recommendations do not constitute a personal recommendation or investment advice, have not considered your circumstances or investment objectives, and are neither an offer to buy nor a solicitation of an offer to buy Foreign Exchange Contracts or Cross Currency Contracts. Each decision by Customer to enter into a CFD or Spot FX Contract with HEDGECENT, as well as each decision as to whether a transaction is appropriate or suitable for Customer, is made independently by Customer. HEDGECENT is not acting as a consultant or fiduciary for the Customer. Customer agrees that HEDGECENT has no fiduciary duty to Customer and is not responsible for any liabilities, claims, damages, costs, and expenses, including attorney's fees, incurred in connection with Customer following HEDGECENT's generic trading recommendations or taking or not taking action based on any generic recommendation or information provided by HEDGECENT.

There Is No Guarantee of Recommendations.

The generic market recommendations supplied by HEDGECENT are based exclusively on the professional judgment of HEDGECENT's staff and should be treated as such. The customer acknowledges that they enter into Transactions based on their discretion. Any market advice supplied is generic and may or may not align with the market positions or objectives of HEDGECENT or its affiliates.

HEDGECENT's generic market recommendations are based on reputable information, but HEDGECENT cannot and does not guarantee their accuracy or completeness. Consequently, following these general guidelines will not decrease or remove the inherent risk associated with trading CFDs and Spot FX Contracts.

There Are No Assurances Of Profit

When trading CFDs and Spot FX Contracts, neither profit nor loss avoidance are assured.

The customer has not received such assurances from HEDGECENT or its agents. The customer is aware of the risks associated with trading CFDs and Spot FX Contracts and has the financial means to withstand such risks and losses.

Customer Might Not Be Able To Fill Available Positions

HEDGECENT may be unable to close out the Customer's position at a price chosen by the Customer. The risk controls implemented by HEDGECENT may not function due to market conditions that may create swift market price movements or other factors. The customer accepts that HEDGECENT is not responsible for failing to comply.

Internet and Electronic Commerce

Trading on HEDGECENT's trading system may differ from trading on other electronic systems and on a traditional or open market. Trading on an electronic trading system exposes you to risks associated with the system, such as the failure of hardware and software, system downtime, and the communications infrastructure (such as the internet) linking HEDGECENT's platform with HEDGECENT's customers. In the event of a system breakdown, your order may not be executed following your instructions or at all. In addition, you may not be continually informed about your positions and the fulfillment of margin requirements.

HEDGECENT 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 HEDGECENT, Customer, any exchange, or any settlement or clearing system, when Customer trades online (via the internet).

Telephone Orders

HEDGECENT is not liable for interruptions, breakdowns, or malfunctions of telephone facilities and does not guarantee telephone accessibility. The customer acknowledges that HEDGECENT may not always be accessible via telephone. In such instances, the Customer must place their order using another method provided by HEDGECENT.

Quoting Errors

HEDGECENT is not responsible for any subsequent mistakes in Account balances in the event of a quotation error (including answers to Customer requests) and reserves the right to make any necessary changes or adjustments to the affected Account. Any dispute originating from such quotation errors shall be addressed based on the fair market value, as assessed by HEDGECENT in its sole discretion and good faith, of the relevant market when the error occurred.

HEDGECENT will use its best efforts to execute Transactions at or near the prevailing market prices in instances where the overall market prices differ from the prices displayed on our screen. These current market pricing will be reflected on the final customer invoices. That may or may not harm the Customer's realized and unrealized gains and losses.

Contract Conditions and Terms

You are responsible for thoroughly comprehending the trading regulations and terms and conditions of the transactions to be executed or the Retail client Agreement, including, but not limited to, any language detailing risk factors such as volatility, liquidity, etc.

Weekend Risk

During a weekend (Friday 22:00 CET – Sunday 23:30 CET) or a holiday, when the financial markets are typically closed for trade, several circumstances may cause the markets to open at a significantly different price than where they closed. Customers of HEDGECENT will not be able to utilize the HEDGECENT trading system to place or modify orders over the weekend, on market holidays, or at other times when markets are closed. As a result, there is a strong possibility that stop-loss orders left to safeguard open positions held during these times will be executed at prices substantially worse than the price stated.

Fees and Remunerations

Before you begin trading, you must get information from us regarding all commissions and other fees for which you will be responsible. These expenses will impact your net income or loss.

Money and Security

You confirm that you can afford to lose the funds you deposit with HEDGECENT. When you deposit funds with us, they are typically maintained in a segregated client account held with one or more authorized credit or financial institution/s located in Malta or an EEA member state, as indicated on the HEDGECENT website from time to time. The regulations regarding client funds and the Safeguarding of Client Assets shall be applicable. You realize that storing funds in a segregated client account may not provide comprehensive protection, mainly if any third-party institution/s entrusted by HEDGECENT to hold client assets becomes insolvent.

Risks to Asset Management and Advisory Services that are unique

HEDGECENT Ltd. is not required to discontinue conducting transactions when the Account's assets decline, even if the decrease is significant. Therefore, the Customer agrees to monitor the progress of their Account to be able to discontinue the asset management service if the results do not meet their expectations or requirements.

Compensation

Customers will be eligible for compensation under some circumstances if we cannot fulfill our responsibilities and obligations arising from your claim.