

RISK DISCLOSURE STATEMENT

In consideration of Ava Trade Markets Ltd, a registered financial services company in the British Virgin Islands and is fully licensed and regulated by the British Virgin Islands Financial Services Commission, herein after knows as ("we", "our", "us", "Ava Trade") agreeing to enter into over-the-counter contracts ("OTC Trading") for Contracts for differences ("CFDs"), contracts traded on futures exchanges ("Futures") and Options contracts ("Options") with the undersigned (hereinafter referred to as the "Customer", "you", "your"), Customer acknowledges, understands and agrees that:

Capitalized terms used but not defined herein shall have the meaning ascribed thereto in the Customer Agreement between us and you.

1. THIS RISK DISCLOSURE NOTICE FORMS PART OF THE CUSTOMER AGREEMENTS AS DEFINED IN THE USER AGREEMENT

- (1) AvaTrade Markets Ltd is a registered financial services company in the British Virgin Islands and is fully licensed and regulated by the British Virgin Islands Financial Services Commission (No.: SIBA/L/21/1142). AvaTrade Group, through its members, is regulated by eight financial institutions around the world. They are Central Bank of Ireland (CBI) in the European Union, Australian Securities & Investments Commission (ASIC), Financial Services Agency (FSA) and Financial Futures Association of Japan (FFAJ), British Virgin Islands Financial Services Commission (FSC), South African Financial Sector Conduct Authority (FSCA), Abu Dhabi Global Markets (ADGM) Financial Regulatory Services Authority (FRSA), Cyprus Securities & Exchange, Commission (CYSEC) and Israel Securities Authority (ISA).
- (2) The information provided herein has been prepared solely for general informational purposes, and may not be copied or redistributed within the territory of the People's Republic of China ("PRC", for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan). The financial instruments involved in the transactions concluded by users through this platform are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China ("PRC", for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by PRC laws.
- (3) Nothing contained in this platform constitutes an investment invitation or recommendation to any financial instruments and is not an offer to buy or sell any financial instruments or to participate in any trading strategy.
- (4) By accessing Ava Trade platform and engaging in trading activities with Ava Trade, customers residing in or located within the territory of the People's Republic of China ("PRC Investors", for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan) acknowledge and confirm that:
 - (i) They have approached Ava Trade entirely on their own initiative, and the establishment of their trading account and all trading activities with Ava Trade have been undertaken solely at their own initiative and based on their independent

RISK DISCLOSURE STATEMENT

- decision, not as a result, directly or indirectly, of any solicitation, marketing, promotion, or advertisement by Ava Trade, its subsidiaries, affiliates, agents, or any third party acting on its behalf.
- (ii) Ava Trade and/or any of its subsidiaries, affiliates, marketing partners, agents, or their personnel have not, directly or indirectly, marketed, offered, or sold any CFDs or other financial products in the PRC, except as permitted under applicable PRC laws and regulations. They have obtained all approvals, consents, and authorizations required by PRC regulators, whether statutory or otherwise, for the direct or indirect purchase or trading of CFDs, in accordance with Ava Trade's Terms and Conditions.
 - (iii) They shall be responsible for determining whether the purchase and trading of products provided on this platform and the remittance of funds to this platform is in compliance with applicable laws, as well as complying with applicable laws at all times.
- (5) This platform contains information that is based upon information generally available to the public reasonably believed to be reliable ("Public Information"). No representation is given with respect to the accuracy or completeness of the Public Information, and it may change without notice. This platform is operated by a non-PRC entity and only provides auxiliary technical support.
- (6) It is important that you fully understand the risks involved before deciding to enter into a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.
- (7) Past performance is not an indication of future performance. The value of financial instruments may fall as well as rise. When investing in financial instruments there is a risk that you may lose some or all of your original investment. You should consider whether investing in financial instruments is suitable for you in light of your individual circumstance and taking account of your investment objectives, experience and financial position.

2. PRC INVESTORS FUNDS TRANSFER

- (1) Ava Trade does not provide, facilitate, operate, or arrange any cross-border fund transfer, payment processing, or foreign exchange conversion services to or for PRC Investors. Ava Trade's role is strictly limited to the passive receipt of funds remitted by independent third-party payment service providers engaged by the PRC Investor, and the passive remittance of funds to accounts designated by the PRC Investor through such independent third-party payment service providers. Ava Trade does not, and shall not be deemed to, provide any money transmission, payment, or settlement services to PRC Investors.
- (2) All deposits, withdrawals, and transfers of funds by PRC Investors to or from their trading accounts with Ava Trade must be conducted exclusively through independent, duly licensed third-party payment service providers or financial institutions that are explicitly authorized under applicable PRC law to provide cross-border payment and foreign exchange service.
- (3) PRC Investors acknowledges and agrees that:

RISK DISCLOSURE STATEMENT

- a) The PRC Investor is solely responsible for selecting and engaging qualified third-party payment service providers for all fund transfers;
- b) Any violation of applicable PRC foreign exchange regulations or other laws in connection with fund transfers, foreign exchange conversions, and cross-border remittances is the sole responsibility of the PRC Investor;
- c) Ava Trade makes no representation or warranty regarding the legality, compliance, or suitability of any particular fund transfer method or payment service provider used by the PRC Investor;
- d) Ava Trade bears no responsibility or liability for any failure, delay, error, or non-compliance by any third-party payment service provider engaged by the PRC Investor;
- e) Ava Trade reserves the right, in its sole discretion, to reject or return any funds if it has reason to believe such funds may have been transferred in violation of applicable law, and shall not be liable for any losses or damages incurred by the PRC Investor as a result of such rejection or return.

3. ONLY INVEST MONEY YOU CAN AFFORD TO LOSE

- (1) Do not invest with money you cannot afford to lose. OTC Trading carries a high degree of risk and due to fluctuations in value, the customer may not get back the amount invested.

4. OTC DERIVATIVES

- (1) Positions opened with Ava Trade are not traded on any exchange. The prices and other conditions are set by Ava Trade, subject to any obligations we have to provide best execution, to act reasonably and in accordance with the customer agreement and our order execution policy. Each OTC Trade that you open through Ava Trade's online trading platform results in you entering into a contract with Ava Trade; these contracts can only be closed with Ava Trade and are not transferrable to any other person or entity. There is no central clearing and no guarantee by any other party of Ava Trade's payment obligations to the Customer, thus Customer is exposed to credit risk with Ava Trade.

5. NO RIGHTS TO THE UNDERLYING INSTRUMENT

- (1) CFDs do not provide any right to the underlying instruments, or in the case of CFDs referenced to shares, to voting rights.
- (2) You are trading with CFDs, which means that you enter into a contract with us for the difference between the value of an instrument as specified on Ava Trade's online trading platform at the time of opening a transaction, and the value of such instrument at the time of closing the transaction. You are not entitled to ownership of the underlying asset of such a contract e.g. the actual Shares or the Rights offered in a Rights Issue event or the Shares offered in an Options contract. There is no delivery of the underlying asset.

RISK DISCLOSURE STATEMENT

6. TRADING PLATFORM

- (1) The Customer 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 Customer's devices, software and poor quality of connection;
 - b) Ava Trade or Customer's hardware or software failure, malfunction or misuse;
 - c) Improper work of Customer's equipment;
 - d) Wrong setting of Customer's terminal;
 - e) Delayed updates of Customer's terminal.

7. MAGNIFIED LOSSES

- (1) The nature of margin trading markets means that both profits and losses can be magnified, and you could incur very large losses if your position moves against you. To avoid incurring large losses, where possible, you should use the risk management tools offered by Ava Trade.

8. OTC TRADING IS NOT SUITED FOR LONG TERM INVESTMENT

- (1) OTC Trading is not suited to the long-term investor. If you hold a CFD open over a long period of time the associated costs increase, and it may be more beneficial to buy the underlying asset instead.

9. POTENTIAL RISKS

- (1) Before you open a trade with us, we require you to lodge money with us as initial margin ("Initial Margin") and, in order to keep a transaction open, you must ensure that the amount in your trading account exceeds the maintenance margin. The Initial Margin will differ between instruments and the amounts will be indicated on Ava Trade's online trading platform. This means that you will be trading using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the Initial Margin placed for the trade, but a small price movement against you may result in substantial losses.
- (2) CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. Futures are complex instruments subject to unpredictable changes in price and involve high degrees of risk. Options are highly speculative and not suitable for all due to the risks involved. Trading CFDs, Futures or Options on leverage means you can secure a significantly larger exposure to an underlying asset for a relatively small Initial Margin. However, the use of leverage magnifies the size of your trade, which means your potential gain and your potential loss are equally magnified. You may sustain a total loss of Initial Margin as well as additional funds. With respect to Futures trading, unless a specific law in your

RISK DISCLOSURE STATEMENT

jurisdiction requires otherwise, you may lose more than you have deposited with us and shall be liable for any deficiencies in your account. Therefore, you should closely monitor all of your open positions to manage the risk of large losses.

- (3) We will further require you to ensure that the amount in your trading account exceeds the maintenance margin in order to keep a transaction open. Therefore, if our price moves against you, you may need to provide us with substantial additional margin, at short notice, to maintain your open trades. If you do not do this, we will be entitled to close one or more or all of your trades. With respect to Futures trading, unless a specific law in your jurisdiction requires otherwise, you cannot assume that our ability to liquidate positions with a margin deficiency will prevent you from losing more than you have deposited with us. Among other things, market prices may not rise or fall incrementally and we may not be able to close out a position at a price that would avoid losses greater than your margin deposit. Likewise, we may in our discretion delay or decide not to liquidate a position in an account with a margin deficit and shall have no liability for any loss sustained by you in connection with such delay or forbearance from liquidation. If you wish to avoid further losses on any position, you must close out the position yourself and not rely on us to do so. You will be responsible for any losses incurred on your positions.
- (4) You should also be aware that under our Customer Agreement we are entitled, at our sole discretion, to make a margin call. Under the Customer Agreement, you are required to satisfy any margin calls immediately, by any applicable means in the time prescribed by us. If you do not do this, we will be entitled to close one, or more, or all of your trades.
- (5) At Expiration, Options that are in the money will be automatically closed out at intrinsic value, that is, in the case of Call Options, the amount by which the closing price of the specified FX/CFD exceeds the strike price, and in the case of Put Options, the amount by which the Strike exceeds the closing price of the specified FX/CFD. For long Call and short Put positions, the closing price will be the prevailing bid price of the underlying FX/CFD at Expiration; and for short Call and long Put positions, the closing price will be the prevailing ask (offer) price of the underlying FX/CFD, as determined by Ava in its sole discretion. Options that are not in the money will expire worthless and the Customer's initial investment (i.e. premium and transaction costs) will be lost.
- (6) Ava Trade quotes variable spreads on Options. Variable option spreads are affected by actual market conditions, which are beyond our control. Ava Trade does not guarantee any maximum or minimum quotable option spreads. There may be times when Options quotes are not available in some underlying assets.
- (7) Risks Related to Long CFD or positions
 - 9.7.1. Being long means you speculating that the market price of the underlying will rise between the time of the open and close of the position. As holder of a long position, you will generally make a profit if the market price of the underlying rises whilst your long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your long position is open. Your potential loss may

RISK DISCLOSURE STATEMENT

therefore be bigger than the Initial Margin deposited. In addition, you might suffer a loss due to the closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

(8) Risks Related to short CFD positions

9.8.1. Being short means, you are speculating that the market price of the underlying will fall between the time of the open and close of the position. As holder of a short position, you will generally make a profit if the market price of the underlying falls whilst your short position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your 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 closing of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

(9) The placing of certain orders (e.g., 'stop-loss' or 'stop-limit' orders) which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders or may make it impossible to reduce the slippage to a minimum. Strategies using combinations of positions, such as 'spread' and 'straddle' positions may be as risky as taking simple 'long' or 'short' positions.

(10) Foreign exchange trades done internationally are not executed on a centralized exchange on the basis of a single price. There is no 'correct' price and there is no exchange which centralizes monitors and records all transactions.

10. NOT SUITABLE AS INCOME

(1) The inherent concept of CFDs, and OTC Trading in general, means they are not suitable for an investor seeking an income from their investments, as the income from such investments may fluctuate in value in money terms. For an investment in an OTC product, which is not a readily realisable investment, it may be difficult to sell or realise the investment and obtain reliable information about its value or the extent of the risks to which it is exposed.

11. FLUCTUATIONS IN THE MARKET

(1) It is important that you comprehend the risks associated with trading on a market as fluctuations in the price of the underlying market will have an effect on the profitability of the trade. For example: the value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange.

(2) Slippage is the difference between the expected price of a transaction, and the price the transaction is actually executed at. Slippage often occurs during periods of higher volatility (for example due to news events) making an order at a specific price impossible to execute,

RISK DISCLOSURE STATEMENT

when market orders are used, and also when large orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

12. ABNORMAL MARKET CONDITIONS

- (1) The Customer 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. Market conditions such as illiquidity and/or the operation of the rules of certain markets may increase the risk of loss by making it difficult or impossible to effect orders or liquidate/offset positions.

13. NEED TO MONITOR POSITIONS

- (1) Because of the effect of leverage and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. It is your responsibility to monitor your trades.
- (2) Markets are subject to many influences which may result in rapid price fluctuations. Because of market volatility, there is no OTC Trading available via our trading platform that can be considered "risk free". Given the potential levels of volatility in markets, it is recommended that you closely monitor your transactions at all times. For example: the value of investments denominated in foreign currencies will be impacted by both changes in the rates of exchange and market movement.

14. OPERATIONAL RISKS

- (1) Operational risks with Ava Trade on your computer are inherent in every OTC Trading transaction. For example, disruptions in Ava Trade's operational processes such as communications, computers, computer or mobile networks or external events may lead to delays in the execution and settlement of a transaction. Ava Trade does not accept or bear any liability whatsoever in relation to the operational processes of Ava Trade, except to the extent that it is caused by the fraud, negligence or dishonesty by Ava Trade.
- (2) In connection with the use of computer equipment and data, the Customer bears the following risks amongst other risks, in which cases Ava Trade has no liability of any resulting loss:
 - a) Power cut of the equipment on the side of the Customer or the provider, or communication operator (including voice communication) that serves the Customer;
 - b) Physical damage (or destruction) of the communication channels used to link the Customer and provider (communication operator), provider, and the trading or information server of the Customer;
 - c) Outage (unacceptably low quality) of communication via the channels used by the Customer, or Ava Trade or the channels used by the provider, or communication

RISK DISCLOSURE STATEMENT

operator (including voice communication) that are used by the Customer or Ava Trade;

- d) Wrong or inconsistent with requirements settings of the Customer terminal;
 - e) Untimely update of the Customer terminal;
 - f) The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Customer from Ava Trade;
 - g) Upon confirmation of an order placed over the telephone, Customer has bought or sold and cannot cancel the market order. By placing a market order over the telephone, Customer acknowledges and agrees to such immediate execution and accepts the risk of this immediate execution feature.
 - h) Malfunction or non-operability of the Platform, which also includes the Customer Terminal.
- (3) The Customer may suffer financial losses caused by the materialization of the above risks, Ava Trade accepting no responsibility or liability in the case of such a risk materializing and the Customer shall be responsible for all related losses he may suffer.

15. QUOTING ERRORS

- (1) Should a quoting error occur Ava Trade 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 Ava Trade 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 we have posted on our screen, we 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 Customer's realized and unrealized gains and losses.

16. COMMUNICATION BETWEEN THE CUSTOMER AND AVA TRADE

- (1) The Customer shall accept the risk of any financial losses caused by the fact that the Customer has received with delay or has not received at all any notice from Ava Trade.
- (2) The Customer acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.
- (3) Ava Trade takes 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 Ava Trade and the Customer or when using the internet or other network communication facilities, or any other electronic means.

RISK DISCLOSURE STATEMENT

17. FORCE MAJEURE EVENTS

- (1) In case of a force majeure event, Ava Trade may not be in a position to arrange for the execution of Customer orders or fulfil its obligations under the agreement with the Customer. As a result, the Customer may suffer financial loss.
- (2) Ava Trade 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 User Agreement where such failure, interruption or delay is due to a Force Majeure event.

18. CURRENCY RISK

- (1) Customers should be aware that OTC Trades denominated in a currency other than their home currency have the additional risk associated with currency fluctuations.

19. NON-ADVICE AND RECOMMENDATIONS

- (1) When placing orders with Ava Trade, Ava Trade will not advise the Customer about the merits of a particular transaction or give him any form of investment advice and the Customer acknowledges that the Services do not include the provision of investment advice in OTC Trades or the underlying markets. The Customer alone will enter into transactions and take relevant decisions based on his own judgement. In asking Ava Trade to enter into any transaction, the Customer represents that he has been solely responsible for making his own independent appraisal and investigation into the risks of the transaction and acknowledges that Ava Trade does not take into account the Customer's investment objectives, special investment goals, financial situation, and specific needs and demands when executing orders placed by the Customer. He represents that he has sufficient knowledge, market sophistication, professional advice and experience to make his own evaluation of the merits and risks of any transaction. Ava Trade gives no warranty as to the suitability of the products traded under this Agreement and assumes no fiduciary duty in its relations with the Customer.
- (2) Ava Trade will not be under any duty to provide the Customer with any legal, tax or other advice relating to any transaction. The Customer should seek independent expert advice if he is in any doubt as to whether he may incur any tax liabilities. The Customer is hereby warned that tax laws are subject to and may change from time to time.

20. CHARGES AND TAXES

- (1) There is a risk that the Customer's trades in any Financial Instruments may be or become subject to tax and/or any other duty for example, due to changes in legislation or Customer's personal circumstances. Ava Trade does not offer tax advice.
- (2) The Customer is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

RISK DISCLOSURE STATEMENT

21. OTC TRADING OF CRYPTOCURRENCIES

- (1) Cryptocurrencies markets are decentralized and non-regulated, which means that there is no central bank that can take corrective measure to protect the value of cryptocurrencies in a crisis or issue more currency. As a result, OTC Trading of cryptocurrencies involves a high risk of loss of funds over a short period of time 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.
- (2) OTC Trading of cryptocurrencies is not appropriate for all investors and therefore, any person wishing to trade in cryptocurrencies should have detailed and updated knowledge and expertise in these specific instruments. Customers should always be fully aware and understand the specific characteristics and risks related to OTC Trading.

22. NEWSLETTERS

- (1) Ava Trade may, from time to time and at its discretion, provide the Customer (or in newsletters which it may post on its Website or provide to subscribers via its website or trading platform or otherwise) with information, news, market commentary or other information but not as a service. Where it does so:
 - a) Ava Trade will not be responsible for such information;
 - b) It is intended solely for general informational purposes and does not constitute, nor shall it be construed as, marketing, solicitation, or promotion of financial services or products to any person.
 - c) Ava Trade gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related transaction;
 - d) This information is provided solely to enable the Customer to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Customer;
 - e) If the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Customer agrees that he will not pass it on to any such person or category of persons;
 - f) the Customer accepts that prior to dispatch, Ava Trade may have acted upon it itself to make use of the information on which it is based. Ava Trade does not make representations as to the time of receipt by the Customer and cannot guarantee that he will receive such information at the same time as other Customers.
- (2) It is understood that market commentary, news, or other information provided or made available by Ava Trade are subject to change and may be withdrawn at any time without notice.

RISK DISCLOSURE STATEMENT

23. NO GUARANTEES OF PROFIT

- (1) Ava Trade provides no guarantees of profit nor of avoiding losses when trading. Customer has received no such guarantees from Ava Trade or from any of its representatives. Customer is aware of the risks inherent in trading and is financially able to bear such risks and withstand any losses incurred.