

RISK STATEMENT

1. General provisions

1.1. All Clients and potential Clients must read carefully and acquaint with information about the risks involved by trading financial instruments, including derivative instruments such as CFDs.

1.2. The subject of the herein warning is to inform the Clients about the risks involved by trading Over The Counter Instruments, and explains general and essential terms and nature of the risks involved, yet not being able to explain absolutely all possible risks.

1.3. The herein Risk Statement is an annex and an integral part of the Terms and Conditions (T&C) and should be read and understood in conjunction with the Terms and Conditions and its annexes, therefore, by accepting T&C with RallyTrade the Client also acknowledges and undertakes the herein Risk Statement.

1.4. By accepting the Terms and Conditions and its annexes, the Client is warned about the fact that Financial Derivative Instruments are complex instruments and leveraged products that involve a high level of risk which can result in high losses for both Parties, including the risk of losing the entire capital invested by the Client, and/or other risks like (without limitation) the fluctuation of the market price, of rate of returns and profits, of the exchange rate, etc. Therefore, such instruments might not be suitable for all Clients. Prior to engaging in transactions with such risky instruments, the Client must make sure that he understands all the risks involved and that he is prepared to accept such risks and consciously involve in such transactions, given his level of risk aversion, investment knowledge and experience, financial resources, access to necessary technologies and other important factors.

1.5. Also, given the complexity of the mechanisms of functioning of such instruments, the Client must make sure that prior to involving in transactions with such instruments he/she has documented and fully understood the principles of functioning and the particularities of each instrument.

1.6. RallyTrade warns that the Client should not engage in transactions with such Financial Instruments unless he/she knows and understands the risks involved for each one of the Financial Instruments. If the Client does not understand the risks involved, he/she should seek for advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading in any Financial Instruments, he/she should not trade at all.

2. Elements of risk involved by OTC Financial Instruments

2.1. The Financial Instruments entail to a large extent the consequences of the leverage effect. The nominal value of a Transaction can exceed by far the deposit value, which means that the smallest variation in the Underlying Instrument prices generate major variations in the balance of a given Account of the Client. The trading with financial instruments whose

value is based on securities, futures, rates of exchange, prices of raw materials, goods, stock market indices or prices of other Underlying Instruments always involve the market risks specific to the respective Underlying Instrument.

2.2. The specific market risk related to a given Underlying Instrument includes, in particular, the risks involved by the political changes, economic policy changes and by other very different factors that may considerably and permanently influence the conditions and rules of exchange and the appraisal of a given Underlying Instrument.

2.3. The Margin deposited by a Client may guarantee only a certain percentage of the nominal value of the Transaction, a fact that entails a high profit potential, however also a high risk of major losses for the Client. In certain unfavorable particular conditions, the losses may exceed the financial resources in the related Account of the Client.

2.4. Where unfavorable market conditions occur, in particular price gaps, the execution price of the positions closed via the Margin call mechanism may be so unfavorable that the incurred losses might exceed the balance of a given Account of the Client.

2.5. During periods of high volatility or low liquidity, RallyTrade may, without prior notice, increase spreads on OTC Financial Instruments. In particular, situations of limited liquidity occur at market opening, Sunday 11:00 pm CET. Therefore, RallyTrade may begin the trading session with increased spreads. The spreads are restored as soon as the liquidity level comes back to normal. This period usually lasts up to 10-20 minutes, however, in situations of low liquidity and/or high volatility this might last longer.

2.6. The above condition shall not apply to OTC Financial Instruments with floating spread, since the floating spread is variable and reflects the market price of the Underlying Instrument. The floating spread is part of the market risk and might influence the overall costs of the transaction.

3. Leverage effect

3.1. OTC Financial Instruments work using the mechanism of the financial leverage. This means that the value of the Transaction may be considerably higher than the value of the initial deposit or investment, and any relatively small market movement may lead to a proportionally much bigger movement in the Clients' opened position. This amplified change in the value of the transaction might considerably affect the financial state of the entire Client's Account. The leverage effect might act in the favor of the Account, but the Client is advised to take into consideration that the blocked Margin covers only part of the exposure, and, in case of unfavorable evolution of the price, Client's Trading Account may record considerable losses that, in certain particular unfavorable circumstances, may exceed the financial resources contained by the Trading Account.

4. Force Majeure

4.1. Clients understand and accept that, in case of Force Majeure situations or other events outside the control of the company, the activity of RallyTrade, and/or of the Trading

Account/Platform might be disrupted, which may lead to the impossibility of RallyTrade to provide services and execute Clients instructions, or Clients' instructions might be executed in less favorable conditions. In case of a Force Majeure event, the Client shall accept the risk of financial losses.

5. Time of execution

5.1. RallyTrade executes the Orders and Instructions of the Client promptly, unless something else is specified by the Client. In standard market conditions, the time of confirmation of order execution by RallyTrade is 90 seconds. However, this condition does not apply in exceptional market situations, in cases of high volatility or low liquidity, in the period when the market is opening, in cases of Force Majeure or other events that are outside of the control of RallyTrade.

5.2. Sometimes, the confirmation of an Order execution is available only after the correspondent order was placed and/or executed on the Underlying Exchange Market. In such cases, such underlying transaction becomes basis for the price of the instrument and becomes visible in the Platform as soon as RallyTrade receives electronic confirmation of the underlying transaction.

5.3. Opened positions on CFDs expire after 365 days unless they are closed before this term. This means that such positions will be closed after 365 days from the date of opening, without prior consent from the Client.

6. Price of Financial Instruments

6.1. In case of Financial Instruments with market execution, the prices indicated in the Trading Account are to be considered indicative, and it is not guaranteed that Client's transaction will be executed at that exact specific price. The price of the execution of Client's Order will be the best price that RallyTrade will be able to offer at that moment, without needing to obtain any additional confirmations from the Client. The price in which a Transaction was concluded by market execution shall be reported back by RallyTrade and made visible in the Trading Account.

6.2. The quotations published by RallyTrade in a particular Trading Account may contain errors. These errors cause that the price of Financial Instrument on the Trading Account deviates from the price of the Underlying Instrument (on which it is based) in such a manner that it does not reflect the Market Price of the Underlying Instrument, and due to this fact it shall be recognized as erroneous. Prior to conclusion of the Transaction, the Client shall acquaint himself with the approximate current Market Price of the Underlying Instrument. The risk of error in the price of Financial Instrument and the rights and obligations of the parties of the Terms and Conditions are described in the T&C and its annexes. Client should specifically acquaint himself with these conditions before trading on his/her Trading Account.

6.3. There are situations where the Underlying Exchange might cancel or withdraw orders or transactions that are the basis of determining the price of the Financial Instrument. In such situations, RallyTrade shall have the right to withdraw from the relevant Transactions with the Client.

7. Equity CFD Financial Instruments

7.1. Equity CFD instruments have specific particularities and characteristics, this being different from the above mentioned CFDs. Therefore, the rules of execution of orders on Equity CFDs may differ from the rules of execution of the normal CFDs. As consequence, prior to entering a transaction with Equity CFD Financial Instrument, a Client must know and understand these differences and the way they might influence the price of the transaction.

7.2. When a Client enters a short position on Equity CFDs, RallyTrade will cover this position with a short sale on the Underlying Instrument, which may lead to additional borrowing costs in case of instruments that are hard to borrow. Such additional costs might considerably influence the swap points for that specific position.

7.3. In some situations, the transactions concluded with certain financial instruments on the Underlying Markets might be cancelled. In these cases, RallyTrade has the right to cancel the correspondent positions concluded by the Clients on Equity CFDs.

7.4. In case that an Underlying Instrument is being delisted from the relevant Underlying Market, and the Client has opened Equity CFD positions on that instrument at the moment of delisting, RallyTrade has the right of closing those positions without prior notification of the Client.

8. Stop Out mechanism

8.1. In case that the Equity or the Balance of the Trading Account falls under a certain value specified in T&C, RallyTrade has the right of closing the Client's positions without prior notification of the Client, according to the rules specified in the Terms and Conditions and its annexes. This measure is taken in order to avoid the situation when the value of the Trading Account falls below the value of the existing funds.

8.2. However, in particular unfavorable market situations, as for example during the occurrence of a gap in the evolution of the price, the execution price of the positions closed by the Stop-Out mechanism might be so unfavorable that the loss might exceed the value of the trading account.

9. Costs and charges

9.1. The Client understands and agrees with the fact that keeping a Trading Account and performing Trading activity may involve costs or charges, such as, without being limited to, fees and commissions, swap points, taxes and any other costs perceived by RallyTrade in order to execute the Client Terms and Conditions. All the commissions and fees are stipulated in the Table of Commissions, which is part of the T&C. Prior to entering transactions with Financial Instruments on the Trading Account, the Client should acquaint himself with the content of these charges.

9.2. Also, the Client is hereby made aware that there might be other costs and taxes connected to performance of the services on particular markets which will be collected from the Client and paid through RallyTrade.

10. Technological limitations

10.1. By accepting Terms and Conditions, the Client understands and accepts that the Trading Platforms provided by RallyTrade have some specific technological features, particular manners of functioning, of Order execution, possible limitations in electronically accessing the Trading Account that might arise by malfunctioning of services provided by third parties such as telecommunications providers, hardware or software infrastructure, etc.

10.2. The Trading Accounts may be temporarily suspended due to reasons that are outside RallyTrade's control, and this can lead to affecting the proper execution of the Orders, for which RallyTrade cannot take responsibility.

10.3. By accepting Terms and Conditions, the Client understands that he/she shall bear all the consequences and costs arising from the lack of access to the Trading Accounts and from any limitation or impossibility of executing the Transactions through electronic means and/or by phone, for which the causes are reasons that are beyond RallyTrade's control.

10.4. **Beta Services** - For the purpose of constantly improving the services and products, RallyTrade may allow certain Clients to voluntarily agree to participate in testing periods of new products, services and technologies that are under development (called Beta Services). The Clients understand and accept that by voluntarily participating to Beta Services they accept the risks described in the T&C.

11. Other essential information

11.1. The Client understands and agrees that, unless stipulated otherwise, RallyTrade does not cooperate with entities providing services consisting in investment advice, portfolio management, preparation of recommendations or any other similar services for RallyTrade's Clients. These entities, irrespective of what they are claiming, are not RallyTrade's advisers but acting on their own. In case you rely on their advices for Trading, this is your decision and yours only.

11.2. All instructions and orders placed by the Client in the Trading Accounts are considered to be placed by the Clients, and are the Client's independent investment decisions based on his/her own judgment and information.

11.3. The Client shall not authorize a third party to conclude transactions in his name on the Trading Account, unless RallyTrade expressly provides his consent. The Client shall conclude his transactions directly with RallyTrade only for itself and shall not act as an agent or proxy for other person.

12. Final provisions

12.1. By accepting Terms and Conditions and its annexes, the Client declares that he/she is aware, understands and undertakes the risks and financial consequences involved by trading Financial Instruments, the fact that it is not possible to make profit on Financial Instruments Transactions without taking the risk of losses, and understands that any guarantee regarding obtaining profits due to transactions with Financial Instruments should be considered false.

12.2. The Client declares that his/her financial situation is stable enough as to sustain the transactions with Financial Instruments and all the risks involved.