GTS ENERGY MARKETS GROUP LIMITED

Risk Disclosure Policy 1.0

Disclosure

We do not provide advice relating to investments or possible transactions in investments or investment recommendations of any kind. We can provide factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimised.

Engaging in CFDs in Currency Pairs, Equity Indices, Metals and Commodities (in this notice referred to as a 'Transaction') carries a high degree of risk to your capital. You should not engage in this form of investing unless you fully understand the nature of the Transaction you are entering into and the true extent of your exposure to the risk of loss. Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which your Transaction is based.

Trading in Forex (foreign exchange) involves significant risk and may not be suitable for all investors. Forex markets are highly volatile and subject to sudden and unpredictable price movements, which can lead to significant gains or losses in a short period. Trading on leverage amplifies both profits and losses; while leverage provides the opportunity for higher returns, it also increases the risk of losing more than your initial investment. Certain currency pairs may experience low liquidity, making it difficult to execute trades at desired prices, potentially resulting in slippage and unfavorable trade outcomes. Forex trading involves specific risks, such as exchange rate risk, where currency values can be affected by geopolitical events, economic data releases, or central bank policies. Interest rate changes by central banks can also significantly impact currency prices, leading to potential losses. Furthermore, Forex trading often requires margin accounts; if your account balance falls below the required margin level due to adverse price movements, your positions may be closed automatically, resulting in a loss.

For many members of the public, these transactions are not suitable. You should, therefore, consider carefully whether they are suitable for you in the light of your circumstances and financial resources and investment objectives. In considering whether to engage in this form of investing, you should be aware of the following:

1.0 Leverage

The high degree of "leverage" or "gearing" (i.e. the funds required at the outset, compared with the size of the trade you can place) is a particular feature of this type of Transaction. Therefore, a relatively small movement in the underlying market can have a disproportionate effect on your Transaction. If the underlying market movement is in your favour, you may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of your entire deposit but may also expose you to a large additional loss over and above your initial deposit. In particular, your losses may be unlimited, and no deposit or other amount you have paid will limit your losses. If you decide to engage in Margined CFD trading, you must accept this degree of risk.

You may be called upon to deposit substantial additional margin, at short notice, to maintain your position(s). If you do not provide such additional funds within the time required, your position (s) may be closed at a loss and you will be liable for any resulting deficit. If you are in any doubt regarding our products, you should seek independent professional advice.

2.0 Margined CFDs

The purpose of a Margined CFD Transaction is to secure a profit or avoid a loss by reference to fluctuations in the price of the underlying asset or an index (the "Underlying Market"). In the context of our activities, the Underlying Market may be a securities Index, exchange rate between two currencies, CFDs on gold, silver, oil or such other investment as we may from time to time agree in writing. It is an express term of each CFD Transaction that neither you nor us:

- acquire any interest in or right to acquire or is obliged to sell, purchase, hold, deliver or receive the Underlying Market; and
- that the rights and obligations of each party under the CFD Transaction are principally to make and receive such related payments.

3.0 Margined Forex

The purpose of a margined Forex transaction is to secure a profit or avoid losses based on fluctuations in the price of currency pairs (the "Underlying Market"). The Underlying Market in our platform includes major and minor currency pairs agreed upon from time to time. However, it is an express condition of Forex transactions that:

- Neither you nor we acquire any ownership, interest, or obligation to buy, sell, hold, deliver, or otherwise receive the Underlying Market; and
- The rights and obligations under each Forex transaction are limited to making or receiving payments arising from price differences and do not include the actual exchange of currencies.

4.0 Margin Requirement

We reserve the right to adjust margin requirements for any product that we may offer. This may result in your margin requirement increasing and you may therefore be required to deposit additional funds to maintain existing positions.

5.0 Position Monitoring

It is your responsibility to monitor your account. Should the net value of the account (cash plus running profits minus running losses) fall below the margin required, we may close some or all of your trades at the current market price. This should not however be taken as a guarantee, and it is your responsibility to ensure that sufficient funds are on your account at all times.

6.0 Market Risk

Margined CFD trading relies on the price movement of underlying financial products. You are therefore exposed to similar, but magnified, risks to holding the underlying assets. In some cases risks will be greater.

Creating a stop loss order may limit your loss but this is not guaranteed as your losses may be greater in some circumstances. Slippage occurs when a stop loss does not get filled at the exact order price, but slips to a higher or lower price. This may be because the particular Underlying Market has become unusually volatile for a period of time. Where this happens a Stop Loss may not be effective and your position will be closed at the current GTS Energy Markets Group Limited price.

Gapping is when a particular market jumps significantly, resulting in your stop loss being missed and your trade closed at a much higher or lower price than intended. Accordingly, where you have an open position in a volatile market environment you must understand the potential impact of these events, as you could be filled at the next available GTS Energy Markets Group Limited price.

Under certain trading conditions it may be difficult or impossible to liquidate a Position. This may occur, for example at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading is restricted or suspended.

At market opening and closing times and prior to announcements, the market spread may widen substantially. Consequently, you must ensure that you have sufficient funds on your account to cover this eventuality.

Where you are trading a product denominated in a currency different to that in which you hold your account, fluctuations in the exchange rate will affect your profit and loss potential.

Trading in the foreign exchange (Forex) market involves significant market risks due to its highly volatile nature, with currency pair prices fluctuating rapidly and unpredictably based on geopolitical events, economic data releases, central bank policies, and market sentiment. These price movements can result in substantial losses, including the loss of your entire trading capital. Key risks include volatility risk from rapid price changes, interest rate risk influenced by central bank decisions, liquidity risk during low trading activity, and systemic risk from global economic events. Forex trading is speculative and may not be suitable for all investors; understanding the risks and employing robust risk management strategies is essential.

7.0 Margined Cryptocurrency Risk

The purpose of a margined cryptocurrency transaction is to secure a profit or avoid losses based on fluctuations in the price of cryptocurrency pairs (the "Underlying Market"). The Underlying Market on our platform includes major and emerging cryptocurrencies agreed upon from time to time. However, it is an express condition of cryptocurrency transactions that:

- Neither you nor we acquire any ownership, interest, or obligation to buy, sell, hold, deliver, or otherwise receive the Underlying Market; and
- The rights and obligations under each cryptocurrency transaction are limited to making or receiving payments arising from price differences and do not include the actual transfer or exchange of cryptocurrencies.

8.0 Credit

No credit is extended to you. Neither a Variation Margin credit allocation, nor an Initial Margin credit allocation constitute a credit facility.

9.0 Counterparty Risk

We are the counterparty to all your trades. None of our products are listed on an exchange, nor can any rights, benefits or obligations be transferred to anyone else. While we undertake our obligation to provide you with best execution and to act reasonably and in accordance with our published Terms of Business, Margined CFDs opened on your account with us must be closed with us, based on our prices and on the terms and conditions that you have contracted with us.

10.0 Software Risks

The MetaTrader 5 platforms utilize advanced systems for order entry and tracking. While we strive to execute your orders at the requested price, internet trading does not eliminate the inherent risks associated with currency trading. All quotes and trades are governed by the terms and conditions outlined in our Customer Agreement.

11.0 Web Trading Risks

Internet-based trading involves certain risks, including potential failures of hardware, software, or internet connectivity. As we have no control over internet service providers, their equipment, or technology, nor the speed, reliability, or configuration of your internet connection, we cannot be held responsible for any communication failures, distortions, or delays that may occur while trading online.

12.0 Segregated Accounts

GTS Energy Markets Group Limited is required to hold client funds in segregated trust accounts in accordance with the regulations of Financial Services Act, 2007, but this may not afford complete protection. While we monitor the creditworthiness of our banks closely and select them on the basis of robustness and solidity, this does not mean that they are risk-free. If you deposit collateral as security with GTS Energy Markets Group Limited, you should ascertain from GTS Energy Markets Group Limited how your collateral will be dealt with.

13.0 Financial Services Compensation Scheme

As an FSC regulated firm, your trading with GTS Energy Markets Group Limited is not covered under any client compensation scheme under the laws of Mauritius.

14.0 Tax

You take the risk that your trades and any related profits may be or become subject to tax. You are responsible for all taxes and stamp duty in respect of your trades. We do not provide any tax advice to clients, and you are responsible for your own tax affairs.

15.0 Commission and Spreads

You should obtain details of all commissions and other charges for which you will be liable, prior to trading with GTS Energy Markets Group Limited. Where charges are not expressed in money terms (such as a bid offer spread), you should obtain a clear explanation of what such charges are likely to mean in specific money terms. When commission is charged as a percentage it will normally be as a percentage of the total contract value, and not simply as a percentage of your initial payment.

Some type of trades you make may require you to pay financing costs. Trades in currencies different than your base currency may require you to convert those foreign currencies to your base currency. The combination of overnight financing and foreign exchange costs may exceed any profits on your trades or increase the losses that you may incur on your trade.

Please note that, in case of any inconsistency between the policy and applicable legislations, rules and regulations, the latter shall prevail.