

RISK DISCLOSURE AND WARNING NOTICE

1. RISK WARNING

All Clients and prospective Clients should read carefully the following risk disclosure and warnings contained in this document before they register an account or begin to trade with HYCM. However, it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Forex and CFDs. The notice was designed to explain in general terms the nature of the risks involved when dealing in Forex and CFDs leveraged products on a fair and non-misleading basis.

Trading in Forex and CFDs is speculative and involves a high degree of risk that can result in the loss of your entire investment. The Client should not engage in speculative trading unless he/she understand the basic aspects of such trading and its risks. If the Client is in any doubt as to whether Forex and CFDs trading is appropriate and suitable for them, seek independent advice. We do not provide such advice. If the Client still does not understand the risks involved in trading in Forex and CFDs, they should not trade at all and stop using Company's website and services. It is the Client's responsibility to consider whether speculative trading in Forex and CFDs is suitable to the Client's financial position and investment objectives.

2. INTRODUCTION

HYCM (Europe) Ltd ("the Company", "HYCM", "we", "us", "our") is an investment firm regulated by the Cyprus Securities and Exchange Commission (license number 259/14). This notice is provided to you in accordance with the provisions of the Cyprus Investment Services and Activities and Regulated Markets Law of 2007 and in accordance with the Markets in Financial Instrument Directive (MiFID) of the European Parliament and Council.

3. RISKS

Client acknowledges, understands and agrees with the risks, including but not limited:

- 1) Trading in Forex and CFDs is appropriate only for persons that
 - a) Understand and are willing to assume the economic, legal and other risks involved in such transactions.
 - b) Are financially able to assume the loss of their total investment. Consider investing in light of your financial circumstances and attitude towards risk before trading.
 - c) Are knowledgeable about leveraged products trading, the underlying assets and markets. Following HYCM's Assessment of Appropriateness any decisions to open or not an account is up to the Client.

- 2) Trading Forex and CFDs can only be settled in cash.

- 3) Trading Forex and CFDs is leveraged trading. Leveraged or gearing trading (ie margin trading), means that both potential profits and potential losses can be magnified very fast. Because of the effect of leverage (or gearing) and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. The Client understands that it is his/her responsibility to monitor his/her trades.
- 4) Forex and CFDs are derivative financial instruments deriving their value from the prices of the underlying assets/markets in which they refer to (for example currency, equity indices, stocks, metals, indices futures, forwards etc.). Derivative financial instruments and related markets can be highly volatile. The prices of the underlying instrument which Forex and CFDs refer to may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by the Client or HYCM.
- 5) It is understood that when it comes to trading in currencies, there may be situations, movements and/or conditions occurring at weekend, in the beginning of week or intra-day after release of significant macroeconomic figures, economic or political news that make currency markets to open with price levels that may substantially differ from previous prices.
- 6) Trading Forex and/or CFDs is by default speculative trading. That means that trading in Company's leveraged products may not be appropriate for an investor seeking to increase his income from his investments as the income from such investments may fluctuate in value in money terms.
- 7) It is understood that the Client has no rights or obligations in respect of the underlying instruments or assets relating to the Forex and/or CFDs he is trading.
- 8) There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. HYCM does not warrant that no tax and/or any other stamp duty will be payable. The Client should be responsible for any taxes and/or any other duty which may accrue in respect of his trades.
- 9) Before the Client begins to trade, he should obtain details of any charges for which the Client will be liable. It is the Client's responsibility to check for any changes in the charges.
- 10) Trading in Forex and/or CFDs is not appropriate for long term investments. If the Client holds a CFD position open over a long period of times the associated costs increase.
- 11) It is noted that HYCM's prices in relation to Forex and CFDs trading are set by HYCM and may be different from prices reported elsewhere. HYCM's trading prices are the ones at which we are willing to sell our leveraged products to our Clients at the point of sale. As such, they may

not directly correspond to real time market levels at the point in time at which the sale of HYCM occurs.

- 12) A Henyep Capital Markets Group Entity is the counterparty to all transactions entered into under the Customer Agreement and, as such, the HYCM's interests may be in conflict with yours. Our conflicts of interest policy is available at our website.
- 13) Information of the previous performance of any underlying asset does not guarantee its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the underlying asset.
- 14) Trading in a currency other than Client's home currency has additional risks associated with currency fluctuations.

4. THE COMPANY IS NOT AN ADVISER OR FIDUCIARY TO CUSTOMER

Where HYCM provides 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 trade, or the solicitation of an offer to trade, in any Forex and/or CFDs. Each decision by Customer to trade in Forex and/or CFDs with HYCM and each decision as to whether a transaction is appropriate or proper for Customer is an independent decision made by the Customer. HYCM is not acting as an advisor or serving as a fiduciary to Customer. Customer agrees that HYCM has no fiduciary duty to Customer 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 Customer following HYCM's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by HYCM.

5. RECOMMENDATIONS ARE NOT GUARANTEED

The generic market recommendations provided by HYCM are based solely on the judgment of HYCM's personnel and should be considered as such. Customer acknowledges that it enters into any Transactions relying on its own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of HYCM and/or its affiliates. The generic market recommendations of HYCM are based upon information believed to be reliable, but HYCM 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 in Forex and Contracts for Difference.

6. NO GUARANTEES OF PROFITS

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

7. INTERNET TRADING

Operational risks with HYCM on your computer are inherent in every Forex and/or CFD transaction. When Customer trades online (via the internet), HYCM shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction or failure of any transmission, communication system, computer facility or trading software/plaform, whether belonging to HYCM, Customer, any exchange or any settlement or clearing system.

8. COMMUNICATION BETWEEN THE CLIENT AND THE COMPANY

The Client accepts the risk of any financial losses caused by the fact that he/she has received with delay or has not received at all any notice from HYCM. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access. HYCM has 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 us and the Client or when using the internet or other network communication facilities, or any other electronic means.

9. VOLATILE MARKETS

HYCM has no control over movements in the underlying prices, which may be volatile and unpredictable. Those movements will affect HYCM's prices, whether or not you can open and close a position and the price at which you can do so. **During periods of market volatility, it may be difficult or impossible for you to liquidate an existing position, to assess the value of open positions, to determine a fair price or to assess the exposure to risk. These are among the reasons why Transactions in CFDs and spot forex Transactions involve increased risks.**

10. FORCE MAJEURE EVENTS

In case of a Force Majeure Event HYCM may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the agreement with the Client. As a result, the insolvency or default of HYCM could cause you to lose the value of all positions carried in your Account and could cause you to suffer additional losses from open positions. HYCM will not be liable for or have any responsibility for any type of loss or damage arising out of any force majeure events.

11. COMPENSATION

HYCM participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Customers will be entitled to compensation under the Investor Compensation Fund where we are unable to meet our duties and obligations arising from your claim. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand euro (€20.000). This applies to your aggregate claims against us.

12. CONTACT US

Should you require any further information and/or have any questions about our Risk Disclosure and Warning notice please direct your request and/or questions to info@hycm.com