Introduction

1.1 This risk disclosure and warning notice is provided to you (our Client and prospective Client) in compliance with the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets, and Other Related Matters Law, as subsequently amended from time to time ("the Law"), which is applicable to Initial Public Offering LTD("the Company").

1.2 All Clients and prospective Clients should carefully read the following risk disclosure and warnings contained in this document, before applying to the Company for a trading account and before they begin to trade with the Company. 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 CFDs. The notice is designed to explain, in general terms, the nature of the risks involved when dealing in CFDs on a fair and non-misleading basis.

Charges and Taxes

2.1 The provision of services by the Company to the Client is subject to fees, which are available on the Company's website. Before the Client begins to trade, they should obtain details of all fees, commissions, and charges for which the Client will be liable. It is the Client's responsibility to check for any changes in the charges.

2.2 If any charges are not expressed in monetary terms (but, for example, as a percentage of the contract value), the Client should ensure that they understand what such charges are likely to amount to.

2.3 The Company may change its charges at any time.

2.4 There is a risk that the Client'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 the Client's personal circumstances. The Company does not warrant that no tax and/or stamp duty will be payable. The Company does not offer tax advice.

2.5 The Client is responsible for any taxes and/or duties that may accrue in respect of their trades.

2.6 It is noted that taxes are subject to change without notice.

2.7 It is noted that the Company's prices in relation to CFDs trading are set by the Company and may be different from prices reported elsewhere. The Company's trading prices are the ones at which the Company is willing to sell CFDs to its Clients at the point of sale. As such, they may not directly correspond to real-time market levels at the point in time when the sale of CFDs occurs.

Third-Party Risks

3.1 The Company may pass money received from the Client to a third party (e.g., an intermediate broker, a bank, a market, a settlement agent, a clearing house, or an OTC counterparty located outside Vanuatu) to hold or control in order to effect a transaction through or with that person, or to satisfy the Client's obligation to provide collateral (e.g., initial margin requirement) in respect of a transaction. The Company has no responsibility for any acts or omissions of any third party to whom it passes money received from the Client.

3.2 The legal and regulatory regime applying to any such third-party person will differ from that of Vanuatu. In the event of the insolvency or any other equivalent failure of that person, the Client's money may be treated differently from the treatment that would apply if the money were held in a segregated account in Vanuatu. The Company will not be liable for the solvency, acts, or omissions of any third party referred to in this clause.

3.3 The third party to whom the Company passes money may hold it in an omnibus account, and it may not be possible to separate the Client's money from the third party's money. In the event of the insolvency or any analogous proceedings in relation to that third party, the Company may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the third party is insufficient to satisfy the claims of the Client with respect to the relevant account. The Company does not accept any liability or responsibility for any resulting losses.

3.4 The Company may deposit Client money with a depository who may have a security interest, lien, or right of set-off in relation to that money.

3.5 A bank or broker through whom the Company deals could have interests contrary to the Client's interests.

Insolvency

4.1 The Company's insolvency or default may lead to positions being liquidated or closed out without the Client's consent.

Investor Compensation Fund

5.1 The Company does not participate in the Investor Compensation Fund.

Technical Risks

6.1 The Client, and not the Company, shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection, or malicious actions of information, communication, electricity, electronic, or other systems.

6.2 If the Client undertakes transactions on an electronic system, they will be exposed to risks associated with the system, including the failure of hardware, software, servers, communication lines, and internet failure. The result of any such failure may be that the Client's order is either not executed according to their instructions or is not executed at all. The Company does not accept any liability in the case of such a failure.

6.3 The Client acknowledges that unencrypted information transmitted by e-mail is not protected from unauthorized access.

6.4 At times of excessive deal flow, the Client may have difficulty connecting over the phone or through the Company's Platform(s)/System(s), especially during fast-moving market conditions (for example, when key macroeconomic indicators are released).

6.5 The Client acknowledges that the internet may be subject to events that may affect their access to the Company's Website and/or Trading Platform(s)/System(s), including, but not limited to, interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures, or hacker attacks. The Company is not responsible for any damages or losses resulting from such events, which are beyond its control, or for any other losses, costs, liabilities, or expenses (including, without limitation, loss of profit) that may result from the Client's inability to access the Company's Website and/or Trading System, or from delays or failures in sending orders or transactions.

6.6. In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks, among other risks, in cases where the Company has no liability for any resulting loss:

- Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
- Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator), provider, and the trading or information server of the Client;
- Outage (unacceptably low quality) of communication via the channels used by the Client, or the Company, or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company;
- Wrong or inconsistent settings of the Client Terminal;
- Untimely update of the Client Terminal;
- When carrying out transactions via telephone (land or cell phone lines) voice communication, the Client runs the risk of problematic dialing when trying to reach an employee of the broker service department of the Company due to communication quality issues and communication channel overloads;
- The use of communication channels, hardware, and software generates the risk of non-reception of a message (including text messages) by the Client from the Company;
- Trading over the phone might be impeded by overload of the connection;
- Malfunction or non-operability of the Platform, which also includes the Client Terminal.

6.7. The Client may suffer financial losses caused by the materialization of the above risks. The Company accepts no responsibility or liability in the case of such a risk materializing, and the Client shall be responsible for all related losses they may suffer.

Trading Platform

7.1. The Client is warned that when trading on an electronic platform, they assume the risk of financial loss which may be a consequence of, among other things:

- Failure of the Client's devices, software, and poor quality of connection;
- The Company's or the Client's hardware or software failure, malfunction, or misuse;
- Improper work of the Client's equipment;
- Wrong settings of the Client's Terminal;
- Delayed updates of the Client's Terminal.

7.2. The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, any further Instructions sent by the Client are ignored, and the "order is locked" message will appear until the first Instruction is executed.

7.3. The Client acknowledges that the only reliable source of Quotes Flow information is that of the live Server's Quotes Base. Quotes in the Client Terminal are not a reliable source of Quotes Flow information because the connection between the Client Terminal and the Server may be disrupted at some point, and some of the Quotes may not reach the Client Terminal.

7.4. The Client acknowledges that when the Client closes the order placing/deleting window or the position opening/closing window, the Instruction, which has been sent to the Server, shall not be cancelled.

7.5. Orders may be executed one at a time while being in the queue. Multiple orders from the same Client Account at the same time may not be executed.

7.6. The Client acknowledges that when the Client closes the Order, it shall not be cancelled.

7.7. If the Client has not received the result of the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.

7.8. The Client acknowledges that if the Pending Order has already been executed but the Client sends an instruction to modify its level, the only instruction which will be executed is the instruction to modify Stop Loss and/or Take Profit levels on the position opened when the Pending Order is triggered.

Communication between the Client and the Company

8.1. The Client shall accept the risk of any financial losses caused by the fact that the Client has received, with delay, or has not received at all, any notice from the Company.

8.2. The Client acknowledges that unencrypted information transmitted by e-mail is not protected from any unauthorized access.

8.3. The Company 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 the Company and the Client or when using the internet or other network communication facilities, telephone, or any other electronic means.

8.4. The Client is fully responsible for the risks regarding undelivered Company Online Trading System internal mail messages sent to the Client by the Company, as they are automatically deleted within 3 (three) calendar days.

Force Majeure Events

9.1. In the event of a Force Majeure Event, the Company may not be in a position to arrange for the execution of Client Orders or fulfill its obligations under the agreement with the Client. As a result, the Client may suffer financial loss.

9.2. The Company 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 this Agreement where such failure, interruption, or delay is due to a Force Majeure event.

Abnormal Market Conditions

10.1. The Client acknowledges that under Abnormal Market Conditions, the period during which Orders are executed may be extended, or it may be impossible for Orders to be executed at declared prices, or they may not be executed at all.

Foreign Currency

11.1. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in exchange rates may have a negative effect on its value, price, and performance, and may lead to losses for the Client.

General Risk Warning for Complex Financial Instruments (Derivative Financial Instruments such as CFDs)

12.1. Trading in CFDs is **VERY SPECULATIVE AND HIGHLY RISKY** and is not suitable for all members of the general public, but only for those investors who:

- (a) Understand and are willing to assume the economic, legal, and other risks involved;
- (b) Taking into account their personal financial circumstances, financial resources, lifestyle, and obligations, are financially able to assume the loss of their entire investment;
- (c) Have the knowledge to understand CFDs trading and the underlying assets and markets.

12.2. The Company may provide the Client with any advice relating to CFDs, the Underlying Assets and Markets, or make investment recommendations of any kind. But if the Client does not understand the risks involved, they should seek advice and consultation from an independent financial advisor. If the Client still does not understand the risks involved in trading CFDs, they should not trade at all.

12.3. 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, index futures, forwards, etc.). Although the prices at which the Company trades are set by an algorithm developed by the Company, the prices are derived from the Underlying Assets/market. It is important, therefore, that the Client understands the risks associated with trading the relevant underlying asset/market, as fluctuations in the price of the underlying asset/market will affect the profitability of their trade.

Leverage and Gearing

12.4.1. Transactions in foreign exchange and derivative financial instruments carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract, so that transactions are "leveraged" or "geared."

12.4.2. A relatively small market movement will have a proportionately larger impact on the funds the Client has deposited or will have to deposit; this may work against the Client as well as for the Client. The Client may sustain a total loss of initial margin funds and any additional funds deposited with the Company to maintain their position. If the market moves against the Client's position and/or margin requirements are increased, the Client may be called upon to deposit additional funds on short notice to maintain their position. Failing to comply with a request for a deposit of additional funds may result in closure of their position(s) by the Company on their behalf, and they will be liable for any resulting loss or deficit.

Risk-reducing Orders or Strategies

12.5.1. The placing of certain orders (e.g., "stop-loss" orders, where permitted under local law, or "stop-limit" orders), which are intended to limit losses to certain amounts, may not be adequate given that market conditions make it impossible to execute such orders, e.g., due to illiquidity in the market. Strategies using combinations of positions, such as “spread” and “straddle” positions, may be as risky as taking simple “long” or “short” positions. Therefore, stop-limit and stop-loss orders cannot guarantee the limit of loss.

12.5.2. Trailing Stop and Expert Advisor cannot guarantee the limit of loss.

12.6. **Volatility**

12.6.1. Some Derivative Financial Instruments trade within wide intraday ranges with volatile price movements. Therefore, the Client must carefully consider that there is a high risk of losses as well as profits. The price of Derivative Financial Instruments is derived from the price of the Underlying Asset to which the Derivative Financial Instruments refer. Derivative Financial Instruments and related Underlying Markets can be highly volatile. The prices of Derivative Financial Instruments and the Underlying Asset may fluctuate rapidly and over wide ranges, reflecting unforeseeable events or changes in conditions, none of which can be controlled by the Client or the Company. Under certain market conditions, it may be impossible for a Client's order to be executed at declared prices, leading to losses. The prices of Derivative Financial Instruments and the Underlying Asset will be influenced by, among other things, changing supply and demand relationships, governmental, agricultural, commercial, and trade programs and policies, national and international political and economic events, and the prevailing psychological characteristics of the relevant market.

12.7. **Margin**

12.7.1. The Client acknowledges and accepts that, regardless of any information offered by the Company, the value of Derivative Financial Instruments may fluctuate upwards or downwards, and it is even probable that the investment may become worthless. This is due to the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin relative to the overall contract value, so that a relatively small movement in the Underlying Market can have a disproportionately dramatic effect on the Client’s trade. If the Underlying Market movement is in the Client’s favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client’s entire deposit but may also expose the Client to a large additional loss.

12.8. **Liquidity**

12.8.1. Some of the Underlying Assets may not become immediately liquid due to reduced demand, and the Client may not be able to obtain information on the value of these assets or the extent of the associated risks.

12.9. **Contracts for Differences**

12.9.1. The CFDs available for trading with the Company are non-deliverable spot transactions that offer an opportunity to profit from changes in the Underlying Asset (cash indices, index futures, bond futures, commodity futures, spot crude oil, spot gold, spot silver, single stocks, currencies, or any other asset as determined by the Company from time to time). If the Underlying Asset movement is in the Client's favor, the Client may achieve a good profit, but an equally small adverse market movement can quickly result in the loss of the Client's entire deposit, as well as any additional commissions and other expenses incurred. Therefore, the Client must not enter into CFDs unless he is willing to undertake the risks of losing all the money he has invested, including any additional commissions and other expenses incurred.

12.9.2. Investing in a Contract for Differences carries the same risks as investing in a future or an option, and the Client should be aware of these risks as described above. Transactions in Contracts for Differences may also involve contingent liabilities, and the Client should be aware of the implications of this, as outlined below under "Contingent Liability Investment Transactions."

12.10. **Options**

12.10.1. Buying options: Buying options involves less risk than selling options because, if the price of the underlying asset moves against the Client, the Client can simply let the option expire. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if the Client buys a call option on a futures contract and later exercises the option, he will acquire the future. This will expose the Client to the risks described under "Futures" and "Contingent Liability Investment Transactions."

12.10.2. Writing options: If the Client writes an option, the risk involved is considerably greater than buying options. The Client may be required to provide margin to maintain his position, and a loss may be sustained well in excess of the premium received. By writing an option, the Client accepts a legal obligation to purchase or sell the underlying asset if the option is exercised against him, regardless of how far the market price has moved from the exercise price. If the Client already owns the underlying asset which he has contracted to sell (covered call options), the risk is reduced. If he does not own the underlying asset (uncovered call options), the risk can be unlimited. Only experienced individuals should consider writing uncovered options, and even then, only after fully understanding the applicable conditions and potential risk exposure.

12.11. **Off-exchange transactions in Derivative Financial Instruments**

12.11.1. CFDs offered by the Company are off-exchange transactions. While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risks than investing in on-exchange derivatives, because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, assess its value, or gauge the exposure to risk from an off-exchange transaction. Bid prices and ask prices may not be quoted, and even where they are, they will be set by dealers in these instruments, making it difficult to establish what a fair price is.

12.11.2. With regard to transactions in CFDs, the Company uses an online trading system that does not fall under the definition of a recognized exchange, as it is not a Multilateral Trading Facility and thus does not offer the same protections.

12.12. **Contingent Liability Investment Transactions**

12.12.1. Contingent liability investment transactions, which are margined, require the Client to make a series of payments against the purchase price rather than paying the full price immediately. The margin requirement will depend on the underlying asset of the financial instrument. Margin requirements may be fixed or calculated from the current price of the underlying instrument, and these can be found on the Company's website.

12.12.2. If the Client trades in futures, Contracts for Differences, or sells options, he may sustain a total loss of the funds he has deposited to open and maintain a position. If the market moves against the Client, he may be called upon to pay substantial additional funds at short notice to maintain the position. If the Client fails to do so within the required time, his position may be liquidated at a loss, and he will be responsible for the resulting deficit.

The Company has no obligation to notify the Client of any margin call to sustain a loss-making position.

12.12.3. Even if a transaction is not margined, it may still carry an obligation for the Client to make further payments in certain circumstances beyond any amount paid when the Client entered the contract.

12.12.4. Contingent liability investment transactions, which are not traded on or under the rules of a recognized or designated investment exchange, may expose the Client to substantially greater risks.

12.13. Collateral

12.13.1. If the Client deposits collateral as security with the Company, the treatment of that collateral will vary according to the type of transaction and where it is traded. There may be significant differences in the treatment of collateral depending on whether the Client is trading on a recognized or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as the Client's property once dealings on the Client's behalf are undertaken. Even if the Client's dealings prove profitable, he may not receive the same assets that were deposited and may instead receive payment in cash.

12.14. Suspensions of Trading

12.14.1. Under certain trading conditions, it may be difficult or impossible to liquidate a position. This could occur, for example, during times of rapid price movement, when the price rises or falls significantly in a single trading session, causing trading to be suspended or restricted under the rules of the relevant exchange. Placing a stop loss order will not necessarily limit the Client's losses to the intended amounts, as market conditions may make it impossible to execute the order at the stipulated price. Additionally, under certain market conditions, the execution of a stop loss order may occur at a worse price than expected, resulting in larger-than-expected losses.

12.15. No Delivery

12.15.1. It is understood that the Client has no rights or obligations concerning the underlying assets related to the CFDs he is trading. There is no delivery of the underlying asset.

12.16. “Slippage”

12.16.1. Slippage refers to the difference between the expected price of a transaction in a CFD and the price at which the transaction is actually executed. Slippage often occurs during periods of higher volatility (e.g., due to news events) when it is impossible to execute an order at a specific price using market orders, or when large orders are executed and there may not be enough interest at the desired price level to maintain the expected price of trade.

Advice and Recommendations

13.1. When placing orders with the Company, the Company may advise the Client about the merits of a particular transaction or provide some form of investment advice. However, the Client acknowledges that the services do not include the provision of investment advice in CFDs or the Underlying Markets unless the Client enters into a specific investment advice agreement with the Company. The Client is solely responsible for making decisions and entering into transactions based on his own judgment. In asking the Company to enter any transaction, the Client represents that he has independently appraised and investigated the risks associated with the transaction, and that he has sufficient knowledge, market sophistication, professional advice, and experience to make his own evaluation of the merits and risks of any transaction. The Company gives no warranty as to the suitability of the products traded under this Agreement and assumes no fiduciary duty in its relations with the Client.

13.2. The Company will not be under any duty to provide the Client with any legal, tax, or other advice relating to any transaction. The Client should seek independent expert advice if he is in any doubt as to whether he may incur any tax liabilities. The Client is hereby warned that tax laws are subject to change from time to time.

13.3. The Company may, from time to time and at its discretion, provide the Client (or in newsletters which it may post on its website or provide to subscribers via its website or the trading platform or otherwise) with information, recommendations, news, market commentary, or other information, but not as a service. Where it does so:

The Company will not be responsible for such information.

The Company 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.

This information is provided solely to enable the Client to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client.

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 Client agrees that he will not pass it on to any such person or category of persons.

The Client accepts that prior to dispatch, the Company may have acted upon it itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that he will receive such information at the same time as other clients.

13.4. It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

No Guarantees of Profit

14.1. The Company provides no guarantees of profit nor of avoiding losses when trading. The Client has received no such guarantees from the Company or from any of its representatives. The Client is aware of the risks inherent in trading and is financially able to bear such risks and withstand any losses incurred.