

XF SERVICES LTD

RISK DISCLOSURE STATEMENT

All Customers are informed to carefully read the following risk disclosures before engaging into any trading transactions, you should also be informed that said policy may not contain all possible risk that can be found in dealing with financial instruments offered by XF Services Ltd (hereafter the "Company").

Company offers investment services in the following financial instruments:

- Contracts for Differences (CFDs)

The Customer acknowledges, understands, and agrees with the risks, including but not limited to:

TRADING IS VERY SPECULATIVE AND RISKY

Trading in Forex is highly speculative and is suitable only for those customers who understand and are willing to assume the economic, legal and other risks involved are financially able to assume the loss of their total investment, understand and are knowledgeable about CFDs, Forex trading and the underlying assets.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. The majority of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money.

Before deciding to trade on margin, you should carefully consider your investment objectives, level of experience, and risk appetite. CFDs involve greater risk than investing in on-exchange products, as market liquidity cannot be guaranteed and it may be more difficult to liquidate an existing position. The prices and other conditions are set by us in accordance with our obligation to provide best execution as set out in our order execution policy, to act reasonably and in accordance with the applicable Terms and Conditions. The characteristics of our CFDs can vary substantially from the actual underlying market or instrument. If the market moves against you, you may sustain a total loss greater than the funds invested in a specific position. You are responsible for all losses in your account.

OPEN POSITIONS FALL UNDER REGULATION AND/OR OPERATION RISKS

All Customers acknowledge that open positions can close before expiring by the Company and may result to loss if the trading account is found to be in violation with the Company's policies or illegal under regulation.

PRICES OFFERED BY THE COMPANY MAY BE DIFFERENT FROM PRICES REPORTED ELSEWHERE

The Company will provide the prices to be used in trading and valuation of Customer positions in accordance with its Terms and Conditions. The trading rates assigned to the assets on the Company's website are the ones at which the Company is willing to sell FX Contracts to its Customers 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 options occurs.

RIGHTS TO UNDERLYING ASSETS

You have no rights or obligations in respect of the underlying instruments or assets relating to your CFDs or FX Contracts. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies, and commodities.

COMPANY'S SOCIOPOLITICAL ENVIRONMENT

Company is subjected to the governing business laws of the hosting country, which is our case is Cyprus, and is directly affected by Cyprus society and view on financial services companies. Any political, legal and/or social change in Cyprus view of the financial service industry may interfere with Company's operations and may result to loss of funds for the Customer

THE COMPANY IS NOT AN ADVISER OR A FIDUCIARY TO THE CUSTOMER

Where the Company 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 Trading. Each decision made by the Customer to trade in Forex with the Company and each decision as to whether a transaction is appropriate or proper for Customer is an independent decision made by the Customer. The Company is not acting as an advisor or serving as a fiduciary to Customer.

Customer agrees that the Company has no fiduciary duty to Customer and no liability in connection with him and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with Customer following the Company's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by the Company.

FOREIGN CURRENCY

When Financial Instruments are traded in a currency other than the currency of the Customer's account, any changes in the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client.

Your account with us might be held in a currency which may be different from the currency you used to deposit. Accordingly, you should be aware of currency fluctuations.

RECOMMENDATIONS ARE NOT GUARANTEED

The generic market recommendations provided by the Company are based solely on the judgment of the Company'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 the Company and/or its affiliates. The generic market recommendations of the Company are based upon information believed to be reliable, but the Company 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.

CONFLICTS OF INTEREST

In any dealing between the Customer and the Company there is a potential that the interests of the Company may be in contrast with the Customers interests resulting to a conflict, this is call Conflict of Interest and it is disclosed **in the Conflict of Interest Policy**.

COUNTERPARTY RISK

The Company operates as a counterparty for your transactions and therefore is the seller when you are buying, and the buyer when you sell and therefore the company may be in conflict of interest with you. When trading with us, you are trading with the Company as the counterparty to each Transaction. By using our Services, you are exposed to the risk of us not being able to repay our obligations.

APPROPRIATENESS

During registration process all Customers pass a suitability test questionnaire that assesses the ability of the Customer to invest in financial instruments. According with this assessment you are provided with a message which is considered to be a risk warning on your future endeavors with the Company. Carefully read the message as any decision to proceed indicates that you understand all the risks that lie ahead and this policy.

NO GUARANTEES OF PROFIT

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

INTERNET TRADING

When Customer trades online (via the internet) he acknowledges that third parties are implicated in the communication of orders from Customer to the Company, and that the said third parties may cause losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction or failure of any transmission, communication system, computer facility or trading software, which does not belong to the Company, and that in such occurrences any liability of the Company towards the Customer may be waived.

MALICIOUS INTERNET ACTIVITY AND/OR BLACK HACKING

Customer is aware that account user name and password are connected to it's funds and must take all measures to avoid disclose log in information to inappropriate persons and/or make sure the technology he/she uses is secure from third party software that aim to steal these information. Company or any person related to the Company will never ask for the account password, other log in information such as username (may requested only for verification purposes and only in situations that the Company needs to identify the Customer).

COMMUNICATION BETWEEN CUSTOMER AND COMPANY

Any form of communication is subjected to additional factor of miscommunication of time delays that gradually increase the inability of the Company to execute an order effective and efficiently for the Client.

EXPIRY SYSTEM ERRORS

In case the expiry system fails for any reason, it will auto detect un-expired options and expire them in accordance to the rates stored historically in the archive. If any position did not expire on time, the system will issue a notification to the Compliance Officer, detailing all position information, in order to be resolved manually.

COMPENSATION AMOUNT IS CAPPED

The Company participates in the Investor Compensation Fund, as stated in **Compensation** of said Policy, for Customers 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. Compensation shall not exceed 90% of the culmulative covered claims or the amount of EUR 20.000, whichever is lower,. for each entitled Client.

MARKET VOLATILITY

Movements in the price of underlying assets/ markets can be volatile and unpredictable. "Force majeure", political events and other factors can cause high

market volatility. This will have a direct impact on the Customer's profits and losses and the Company will not be liable or have any responsibility.

The prices of XF Services Ltd will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, and commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore, Stop Loss order cannot guarantee the limit of loss to the intended amounts, because market conditions may make it impossible to execute such an Order at the stipulated price. In addition, under certain market conditions the execution of a Stop Loss Order may be worse than its stipulated price and the realized losses can be larger than expected.

ADDITIONAL RISKS

You are aware that additional risks of trading CFDs may exist that have not been set forth in our Policy, and you understand that it is your responsibility to carefully assess all the risks and determine whether your financial standing and tolerance for risk are suitable for buying, selling or trading CFDs. You understand that the Company does not provide any investment, legal, or tax advice and you must not consider the information contained in the Website as a substitute for professional advice. At no point will the Company consider your financial situation, investment or trading objectives or other personal circumstances, and it is your responsibility to seek independent, professional advice prior to using the Services and the Website

You should carefully consider and evaluate each of the above-mentioned risks and any additional potential risks before using any of the Services.