IFC Investments Cyprus Ltd
Registered office: 242 Arch.Makariou III
P. LORDOS CENTRE, BLOCK A, 2nd floor, Office 203
3105, Limassol, Cyprus
Tel: +357 25340396, Fax: +357 25340310, email: info@ifc-center.com
www.ifc-center.com

RISK DISCLOSURE AND WARNINGS NOTICE

1. Introduction

1.1. This risk disclosure and warning notice is provided to you (our Client and prospective Client) in compliance to the Investment Services and Activities and Regulated Markets Law of 2017 L.87(I)/2017 ("the Law"), which is applicable to IFC Investments Cyprus Ltd ("the Company").

1.2. All Clients and prospective Clients should read carefully 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 Financial Instruments. The notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis.

2. Charges and Taxes

2.1. The Provision of Services by the Company to the Client is subject to fees, available on the Company's website. Before the Client begins to trade, he should obtain details of all fees, commissions, 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 contract value), the Client should ensure that he understands 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 the trade may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Company does not offer tax advice.

2.5. The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

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

3. Third Party Risks

3.1. It is understood that the Company will promptly place any Client money it receives into one or more segregated account(s) (denoted as 'clients' accounts') with reliable financial institutions (within or outside Cyprus or the EEA) such as a credit institution or a bank in a third country. The Company shall exercise due skill, care and diligence in the selection of the financial institution according to Applicable Regulations, It is however understood that there may be circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the

insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.
3.2. The financial institution (of paragraph 3.1.) where Client money will be held may be within or outside Cyprus or the EEA. It is understood that the legal and regulatory regime applying to any such financial institution outside Cyprus or the EEA will be different from that of Cyprus. Hence, in the event of the insolvency or any other equivalent failure or proceeding of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Cyprus.
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 OTC counterparty located outside Cyprus or the European Union) 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 will pass money received from the Client.
3.2. The legal and regulatory regime applying to any such third party person will be different from that of Cyprus and 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 which would apply if the money was held in a Segregated Account in Cyprus. 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 will pass money may hold it in an omnibus account and it may not be possible to separate it from the Client's money, or the third party's money. In the event of the insolvency or any other 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 claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses. In general, accounts held with institutions, including omnibus account(s), face various risks, including the potential risk of being treated as one (1) account in case the financial institution in which the funds are held defaults. Under such circumstances any applicable deposit guarantee scheme may be applied without consideration of the Client as the ultimate beneficial owners of the Omnibus Account. In addition resolution measures may be taken in such a case, including the bail-in of Client funds.
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 with could have interests contrary to the Client's Interests.

4. Insolvency

4.1. The Company's insolvency or default or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers), may lead to positions being liquidated or closed out without the Client's consent. In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the

Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund as stated below.
4.2 The Company as the issuer of a CFD may become temporarily or permanently insolvent, resulting in its inability to meet its obligations. The solvency of an issuer may change due to one or more of a range of factors including the financial prospects of the issuing company, the issuer's economic sector and/or the political and economic status of the countries where it and/or its business are located. The deterioration of the issuer's solvency will influence the price of the securities that it issues.

5. Investor Compensation Fund

5.1. The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Certain clients will be entitled to compensation under the Investor Compensation Fund where the Company fails. Compensation shall not exceed twenty thousand Euro (EUR 20.000) for each entitled Client. For more details please refer to the "Investor Compensation Fund" found on our website.

6. 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, he 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 his order is either not executed according to his instructions or it 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 the unencrypted information transmitted by e-mail is not protected from any unauthorized access.

6.4. At times of excessive deal flow the Client may have some difficulties to be connected over the phone, especially in fast Market (for example, when key macroeconomic indicators are released).

6.5. The Client acknowledges that the internet may be subject to events which may affect his access to the Company's Website, 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) which may result from the Client's inability to access the Company's Website or delay or failure 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 amongst other risks in which cases the Company has no liability of any resulting loss:

(a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;
(b) 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;
(c) 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;
(d) Wrong or inconsistent with requirements settings of the Client Terminal;
(e) Untimely update of the Client Terminal;
(f) When carrying out transactions via the 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 loads;
(g) The use of communication channels, hardware and software, generate the risk of nonreception of a message (including text messages) by the Client from the Company; (h) Trading over the phone might be impeded by overload of connection.

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

8. 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 the unencrypted information transmitted by e-mail is not protected from any unauthorised 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 in respect of 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.

9. Force Majeure Events

9.1. In case 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.

10. Abnormal Market Conditions

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

11. 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 the exchange rates may have a negative effect on its value, price and performance and may lead to losses for the Client.

12. General Investment Risks

Currency Risk

In the case of investments in foreign currency, the return and performance of the investment are strongly influenced by the exchange rate development of the foreign currency relative to the base currency. This means that exchange rate fluctuations may increase or decrease the return and value of such investments.

Transfer Risk

Transactions involving a foreign business partner (e.g. a foreign debtor) carry the additional risk that political or exchange control measures in a given country may complicate or prevent the realization of the investment. In addition, problems may occur in connection with the settlement of an order. In the case of foreign currency transactions, such measures may obstruct the free convertibility of the currency.

Country Risk

The country risk represents the credit risk of a given country. If the country concerned poses a risk in political or economic terms, all counterparties resident in that country may be affected.

Liquidity Risk

Tradability (liquidity) refers to the possibility of selling a security or closing out a position at the market price at any given time. The opposite of a liquid market is a narrow market. The market in a particular security is said to be narrow if an average sell order (measured by the usual trading volume) causes perceptible price fluctuations and if the order cannot be settled at all or only at a substantially lower price.

Credit Risk

Credit risk refers to the possibility of the counterparty's default, i.e. the inability of one party to a transaction to meet its obligations such as dividend payments, interest payments, repayment of principal when due, or to meet such obligations for full value. It is also known as repayment risk or issuer risk.

Interest Rate Risk
The risk that losses will be incurred as a result of future movements in the market interest level is termed interest rate risk.
Exchange Risk
This term means the risk of adverse movements in the value of individual investments. In the case of transactions implying a future obligation (foreign currency forwards, futures, selling options etc.) it may therefore be necessary to provide collateral security (margin) or to increase its amount, which means tying up liquidity.
Risk of Total Loss
This term refers to the risk that an investment may become completely worthless.
Buying Securities on Credit
The purchase of securities on credit implies an increased risk. The credit raised must be repaid no matter whether the investment has been profitable or not. Furthermore, the credit costs reduce the return.
12.1 Investment risks related to bonds / debentures / fixed-income securities **Bonds**
(= debentures, fixed-income securities) are securities that obligate the issuer (= debtor) to pay to the holder (= creditor, buyer) interest on the capital invested and to repay the nominal amount according to the bond terms.
Return
The bond yield is composed of the interest paid on the capital and any difference between the purchase price and the price achievable upon sale/redemption of the bond. Consequently, the return can be determined in advance only if the bond is held until redemption. To provide an indication/comparison, an annual yield based on the assumption of bullet repayment is calculated in line with international standards. If the yield of a bond is significantly above the general yield level of bonds with comparable maturities, there must exist good reasons – one of them may be an increased credit risk. The price achievable upon sale of a bond prior to redemption (market price) is not known in advance. This means that the yield may be higher or lower than initially calculated. In addition, transaction charges must be taken into account when calculating the overall return. **Credit Risk** There always is the risk of the counterparty's default, e.g. in the case of the debtor's insolvency.
The credit standing of the debtor must therefore be considered in an investment decision. Credit ratings (assessment of the creditworthiness of a debtor) issued by independent rating agencies provide some guidance in this respect. The highest creditworthiness is "AAA". The lower the rating (e.g. "B" or "C") is, the higher is the repayment risk, but also the higher will be the yield (risk premium).
Exchange Risk
If a bond is kept until maturity, the investor will receive the redemption price as stated in the bond terms. Please bear in mind the risk of a call, i.e. the issuer retires the bond before maturity (this is only possible if a relevant provision is specified in the bond terms). If a bond is sold prior to maturity, the investor will receive the current market price, which is regulated by supply and demand. For instance, the price of fixed-rate securities will fall if the interest rate on bonds with comparable maturities rises. Conversely, bonds will gain in value if the interest rate on

bonds with comparable maturities falls. The market price of a bond may also be affected if the issuer's creditworthiness changes.

Liquidity Risk

The tradability of bonds depends on several factors, e.g. issuing volume, residual life, bond market rules and market conditions. Certain bonds may be difficult or impossible to sell and must be held until maturity.

BOND TRADING

Bonds are traded on a stock exchange or over-the-counter. Company may quote buying and selling rates for bonds upon request.

SOME SPECIAL BONDS Supplementary capital bonds

These are junior securities issued by certain banks. Interest will be paid only if the bank has achieved a sufficient net income (before allocation to reserves) for the financial year, and principal will be repaid only after prorate deduction of the net losses suffered during the full term of the supplementary capital bonds.

Subordinated capital bonds

In the event of an issuer's liquidation or bankruptcy, payments are made to the holder of these bonds only after all other non-subordinated liabilities of the bond debtor had been satisfied. It is not possible to offset claims to redemption of subordinated bonds against amounts owed to the bond debtor.

Cash-or-share bonds issues

These consist of three components, the risk of which is borne by the holder of these bonds: The investor buys bonds (bond component) whose interest rate takes into account the option premium and is higher than the market interest rate of other bond issues with comparable maturities. However, the bonds will be redeemed either in cash or in shares, depending on the price performance of the underlying share (share component). Thus, the bondholder is the writer of a put option (option component), who sells the right to put shares to him to a third party and, thereby, accepts the risk of an adverse movement in the share. In return for accepting the risk, he will receive the option premium, which is determined chiefly by the volatility of the share. Unless the bonds are held until maturity, there will be the additional risk of interest rate fluctuations. Changes in the interest rate level will thus affect the price of the bonds and, consequently, their net yield relative to the holding period. Please note the information on the credit risk, interest rate risk, and exchange risk of the share given in this brochure. Your personal adviser will be pleased to inform you about further special bond types such as bonds with warrants, convertible bonds, zero-coupon bonds etc.

12.2 Investment Risks Related to shares

Shares

Shares (stocks, equities) are securities evidencing an ownership interest held in an enterprise (public limited company). The most important rights of shareholders are the participation in the company's profits and the right to vote in the shareholders' meeting.

Return

The yield on investments in shares is composed of dividend payments as well as price gains or losses and cannot be predicted with certainty. The dividend is the amount of a company's earnings distributed to shareholders. The amount of the dividend is decided by the shareholders' meeting and is expressed either as an absolute amount per share or as a percentage of the nominal value of the share. The return achieved on the dividend in relation to the share price is called dividend yield. Usually, this is considerably lower than the dividend quoted as a percentage of the nominal value. The greater part of the return on investments in shares is usually achieved from their performance/price trend (see exchange risk).

Exchange Risk

Most stocks are traded on a public exchange. As a rule, prices are established on the basis of supply and demand daily. Investment in stocks may involve considerable losses. In general, the price of a stock depends on the business trend of the respective company as well as the general business environment and political conditions. Besides, irrational factors (investor sentiment, public opinion) may also influence the share price trend and thus the return. Statistics show that, in the past, investments in stocks provided higher overall returns in the medium and long term than investments in most other securities categories.

Credit Risk

Shareholders hold an ownership interest in a company. This means that their investments may be rendered worthless, especially if the company becomes insolvent.

Liquidity Risk

Tradability may be limited in the case of shares with a narrow market (especially stocks quoted on the so-called "third market").

STOCK TRADING

Stocks are traded on a public exchange and sometimes over-the-counter. In the case of stock exchange trading, the relevant stock exchange rules (trading lots, order types, contract settlement etc.) must be observed. Foreign shares traded on the Vienna stock market and thus quoted in euro are still subject to a currency risk, in addition to the exchange risk if their local stock exchanges are in countries which are not members of European Monetary Union. Please contact your personal adviser for further details.

12.3 Investment risks related to money market instruments

These include investments and borrowings evidenced by a certificate such as certificates of deposits, deposit funds, government bonds, global note facilities and commercial papers as well as all notes with a maturity of up to five years for the repayment of principal and fixed interest rates for up to about one year.

Return and Risk Components

The return and risk components of money market instruments are largely equivalent to those of bonds/debentures/fixed-income securities. Differences exist mainly in the liquidity risk.

Liquidity Risk

Typically, there are no organised secondary markets for money market instruments. For this reason, there is no guarantee that the instruments can be sold at any time. The liquidity risk is diminished if the issuer guarantees the repayment of the invested capital at any given time and if the issuer's credit standing is satisfactory.

MONEY MARKET INSTRUMENTS – BRIEFLY EXPLAINED	
Certificates of deposit	Money market instruments with terms of usually 30 - 360 days, issued by banks.
Deposit funds	Money market instruments with a term of up to five years, issued by banks.
Federal government bonds	Money market instruments with a term of six months to five years (maximum), issued by the Federal Ministry of Finance.
Commercial papers	Money market instruments, short-term debt instruments with maturities ranging from five to 270 days, issued by large companies.
Notes	Short-term capital money market instruments with maturities ranging from one to five years.

13. Advice and Recommendations

13.1. When placing Orders with the Company, the Company will not advise the Client about the merits of a particular Transaction or give him any form of investment advice and the Client acknowledges that the Services do not include the provision of investment advice in the Underlying Markets,. The Client alone will enter into Transactions and take relevant decisions based on his own judgement. In asking the Company to enter into any Transaction, the Client represents that he has been solely responsible for making his own independent appraisal and investigation into the risks of the Transaction. He represents 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) with information, recommendations, news, market commentary or other information but not as a service. Where it does so:
(a) the Company will not be responsible for such information

Registered office: 242 Arch.Makariou III
P. LORDOS CENTRE, BLOCK A, 2nd floor, Office 203
3105, Limassol, Cyprus
Tel: +357 25340396, Fax: +357 25340310, email: info@ifc-center.com
www.ifc-center.com

(b) 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;
(c) 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;
(d) 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;
(f) the Client accepts that prior to despatch, 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.

14. No Guarantees of Profit

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

15. Regulatory and Legal Risk

A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.