

Risk Warning Notice for trading on margin instruments (2015)

The purpose of this disclosure is to provide you with information to help you understand the nature and risks of trading with margin instruments.

This disclosure is not exhaustive. You should read all information provided to you either on our Website and Platform. Unless you fully understand the risks involved, do not enter into trades with us. If in doubt, you should seek independent professional advice.

We assess your knowledge and experience with investing in such instruments during your application to open a live account with us and we will inform you of the results thereafter. This assessment does not displace the need for careful consideration when investing in our instruments.

I. DEMO ACCOUNT

- 1.1. The purpose of our demo account is to help you understand the risks involved in margin instruments. You should not commit to a live account without using our demo account first.

2. WE DO NOT PROVIDE INVESTMENT, TAX, LEGAL, REGULATORY OR FINANCIAL ADVICE

- 2.1. We do not provide investment, tax, legal, regulatory or financial advice relating to investments or possible trades in investments. We only provide factual information that does not take into account your personal circumstances (for example, information about trading processes or minimizing potential risks). Any trading analysis available on our website are supplied by third parties are for reference purposes only. You should obtain independent professional advice from a suitably qualified advisor on any investment, financial, legal, regulatory, tax or similar matter before trading with us. We will not be liable for any losses sustained by you as a result of reliance on these references.

3. OUR INSTRUMENTS ARE OTC DERIVATIVES

- 3.1. You enter into a non-transferable 'over-the-counter' or OTC derivatives when you enter a trade through our platform. Your trades are entered directly with us and therefore can only be closed by us. This means that your ability to open and close position(s) is solely dependent on our platform being in a position to accept and execute them. Therefore, you are solely responsible to open and close a position(s) with us. There will be circumstances in which you may be prevented from opening or closing a position(s) with us. (See Clauses 7, 8 and 9 of this Risk Disclosure Statement)
- 3.2. All of your trades with us are settled in cash, debit or credit terms and you do not have any rights to any underlying instrument (including ownership or voting rights in any underlying instrument).
- 3.3. Your profits are purely from the changes in our instrument prices. This is different from other financial instruments like such as equities where you may be entitled to dividends or interest.

4. PRINCIPAL-TO-PRINCIPAL RELATIONSHIP

- 4.1. The prices generated by our platform take into account of current exchange and market data from various liquidity sources, however, executed prices may differ slightly from quoted prices upon execution, due to fluctuations in market conditions. This means that our executed prices may differ from other financial product providers. The profits or losses that you make from trading on our Platform will be in relation to the market prices solely, and not to prices prevailing or shown anywhere else.

5. LOSING MORE THAN YOUR INITIAL DEPOSIT

- 5.1. You are at risk of losing more than your initial deposit when you trade with us. This is different from investing in other financial instruments like equities where you may lose only up to the principal amount invested. Our platform has features designed to minimize your risk of loss, but none of these are guaranteed and you should never rely solely on them.
- 5.2. Losses from your trades:
 - 5.2.1. Leveraging on our instruments can result in losing more than your initial deposit. Leverage allows you to participate in market fluctuations, both in profits or losses. The level of risk involved is proportional to the leverage rate: a higher leverage rate results in higher risk. The amount of loss from an individual trade will be the amount due to us upon closing a position.
 - 5.2.2. The impact of price movements is dependent on the size of your position in the relevant margin instrument and the rates applicable to that position. A small movement in price will therefore have a significant impact on your trades and account if you entered into a large trade with a small margin.
 - 5.2.3. Unrealised profits or loss displayed on our platform may not reflect the realised profit or loss if you close your position(s) immediately. The realised profit or loss will be based on the executed price rather than desired price.

6. YOUR TRADES AND POSITIONS MAY BE CLOSED AUTOMATICALLY

- 6.1. You are to ensure that the amount in your account exceeds the close-out level specified by our platform at all times or you will risk having the whole or portion of your position(s) closed by our platform. We will attempt to notify you through various means when your Account Value falls below the Maintenance Margin Level, or a certain percentage or an absolute amount specified on our platform but you should not rely solely on our platform's notifications. To prevent any potential loss or costs from your trades due to a partial or full closure of your position(s), you should always monitor your account and deposit sufficient funds into your account. An amount that you previously deposited and may deem sufficient at that time but can quickly become insufficient due to your position(s) size and ever-changing market conditions.
- 6.2. The purpose for the automatic closure of your position(s) is to prevent you from incurring further losses, this does not limit to trades that in losses only. This means that your profits and losses will be realized, even if prices move against you temporarily.

7. MARKET CIRCUMSTANCES MAY IMPACT YOUR TRADES

- 7.1. The availability of prices and liquidity in the markets has a direct impact on our platform's ability to generate prices and execute your orders. In addition, because we maintain our own financial stability by hedging with other counterparties, we may be unable to execute your orders where we cannot enter into a corresponding trade to hedge our own risk (for example, due to the activities of an issuer of shares to which your trades relate, which can sometimes restrict the market liquidity in those shares). Therefore, market circumstances may impact on your ability to place an order or close a trade with us. In contrast, if we enter into a corresponding trade, to hedge our risk, this may have an influence on the underlying market conditions and consequently also on the prices we quote on our platform and your trades and account.
- 7.2. The prices of our margin instruments may fluctuate rapidly depending on the financial markets. All movements in our prices have a direct impact on your trade(s), position(s) and account.
- 7.3. Price volatility may also be as a result of "gapping", where there is a sudden shift in price from one level to another. Gapping may be caused by unexpected economic events or market announcements, particularly occurring outside trading hours. The effects of "gapping" may prevent you from placing or executing an order at a price between those two levels and can result in you incurring significant losses or profits on an affected trade. Certain markets with limited trading hours can also impose a risk on your ability to enter or close trade(s).

8. TECHNICAL RISKS

- 8.1. There may be instances preventing you from accessing our platform or preventing us from executing your orders, including but not limited to maintenance downtime, Internet connectivity issues from ISP or electricity outages and system errors. These technical issues and other unforeseen circumstances can pose a significant amount of risk to the execution of your orders.

9. FOREIGN MARKETS ADD FURTHER RISKS L RISKS

- 9.1. Foreign markets may have greater or lesser risks than the local market that you are trading from. Greater risks may occur, for example, where those foreign markets are less well supervised, are more susceptible to rapid market fluctuations or when those markets are less liquid. This can impair our ability to generate prices. The potential for profit or loss from trades relating to foreign markets will also be affected by fluctuations in foreign exchange rates.
- 9.2. In particular, if you are trading in a product that is denominated in a currency different to the account currency of your account, your losses and profits are subject to our conversion rate at the relevant time (and in respect of unrealized profits or losses, in real time). Depending on our currency conversion rates and currency fluctuations, this may have an impact on your account revaluation amount on an ongoing basis (and therefore on whether or not your trades might be automatically closed), and on any eventual profits that you make or losses that you incur.

10. DIFFERENCE IN PRICE YOU SEE ON OUR PLATFORM AND WHEN YOU PLACE AN ORDER

- 10.1. Based on ever-changing market conditions, you are at a risk of entering at a price that is not identical to what is reflected on our platform. Technical conditions like the transfer rate of data networks or quality of your internet connection together with market fluctuations may also result in a change in prices between the time your order is placed and the time we receive and execute it. The changes in price are due to price fluctuations in the markets rather than on arbitrary interventions made by us. This difference may be disadvantageous to you. You can reduce the risk of such occurring by placing a pending order.

11. RISKS FROM DIFFERENT PRODUCTS

- 11.1. The margin instruments offered by us are derived from very different underlying instruments and each of them are widely different from one another. Each of them poses specific risks with regards to the range and speed of price fluctuations. By entering a trade, you warrant that you accept the specific risks of a certain margin instrument before entering a trade with us.
- 11.2. A “Basket” is a financial product comprising multiple instruments and the risk involved in such product is dependent on its constituents. Baskets that are from similar sector or country can therefore increase the risk of the product. You should familiarize and understand the risks involved in trading a basket product and how their respective weightings may affect your trade(s). The constituents of a basket may vary from time to time.

12. YOU SHOULD REFRAIN FROM FINANCING YOUR TRADES WITH US ON CREDIT

- 12.1. You increase your risk when you fund your trades with us using credit. You will have to repay the principal loan amount and the interest regardless of whether your trades are profitable. Therefore, you should not rely on being able to redeem borrowed funds with any profits from trades with us.

13. PAST PERFORMANCE DOES NOT CONSTITUTE TO FUTURE PERFORMANCE

- 13.1. You cannot and must not rely on any past performance, simulation or prediction to be used as an indicator of future performance.

14. WE CANNOT GUARANTEE PROTECTION OF YOUR MONEY

- 14.1. Subject to Applicable Law, money that we hold on your behalf will be held in a segregated client money bank account separate from our own money, although this may not provide complete protection (for example, if the bank that we use becomes insolvent).
- 14.2. Money that is owed by you to us under this Agreement and any agreement therein (for example, net unrealized losses and holding costs) will be transferred from the segregated client money bank account to our own account and will then be treated as our own money.

15. TAX TREATMENT MAY VARY

- 15.1. Taxes levied on your trading activities depends on your individual circumstances and may change from time to time.

16. ACCESS TO OUR PLATFORM VIA MOBILE APPLICATIONS

- 16.1. Mobile applications and/or similar functions that enable you to access our platform may not provide you with identical functions and features as those accessed from your desktop computer. You may be shown limited information at any particular time and this may affect your ability to make careful considerations.
- 16.2. C 7 Traders shall not be liable to any person for any losses, damages, costs or expenses (including, but not limited to, loss of profits, loss of use, direct or indirect, incidental or consequential damages) resulting from the Customer's use of an iPhone, iPad, Blackberry or other handheld mobile device.

17. LIMITATIONS OF FEATURES AND THIRD PARTY CONTENT R PLATFORM VIA MOBILE APPLICATIONS

- 17.1. The accuracy, completeness and availability of any features or third party content (including market data) available on our Website, our Platform and emails cannot be guaranteed, and they are provided on an "as is" and "if available" basis.