



## Risk Disclosure Policy

### 1. Purpose

In consideration of Spot Capital Markets Limited (hereafter the “Company”) agreeing to engage into binary options trading with the undersigned (hereinafter referred to as the “Customer”, “you”, “your”), Customer acknowledges, understands and agrees with the risks, including but not limited to:

- (i) Trading is highly speculative and risky and is suitable only for those customers who:
  - a) understand and are willing to assume the economic, legal and other risks involved;
  - b) are financially able to assume the loss of their total investment understand and are knowledgeable about binary options trading and the underlying assets.
- (ii) Cash Settlement  
Binary options trading can only be settled in cash.
- (iii) Conflicts of Interest  
The Company is the counterparty to all transactions entered into under the Customer Agreement and, as such, the Company’s interests may be in conflict with yours. Our conflicts of interest policy is available at the Company’s website.
- (iv) Prices are set by the Company and 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 Trading Policies and Procedures. The trading rates assigned to the assets on the Company’s website are the ones at which the Company is willing to sell binary options 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.
- (v) Rights to Underlying Assets  
You have no rights or obligations in respect of the underlying instruments or assets relating to your binary options trading.
- (vi) Right to cancel an order  
The Customer will have the choice to cancel the trade for a period of at least 2 seconds after clicking the CALL or PUT button (cancelling the trade will not affect the Customer’s trading balance and the funds will be returned to the trading account).
- (vii) The Company is not an adviser or a fiduciary to 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 binary options. Each



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decision by Customer to trade in binary options 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 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.

(viii) 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 binary options.

(ix) No guarantees of profit

There are no guarantees of profit nor of avoiding losses when trading in binary options. 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 binary options and is financially able to bear such risks and withstand any losses incurred.

(x) Internet Trading

When Customer trades online (via the internet), the Company 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, whether belonging to the Company, Customer, any exchange or any settlement or clearing system.

(xi) 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 Risk Manager and Compliance Officer, detailing all position information, in order to be resolved manually

(xii) Compensation

The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Customers will be entitled to compensation



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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 (EUR 20,000). This applies to your aggregate claims against us.

### **2. Review of this policy**

The Company may update this Risk Disclosure Policy from time to time. In the event that the Company materially changes this Policy including how it collects, processes or uses clients' personal information, the revised Risk Disclosure Policy will be uploaded in the Company's website. In this respect, the clients hereby agree to accept posting of a revised Risk Disclosure Policy electronically on the website as the actual notice of the Company to its clients. Any dispute over the Company's Risk Disclosure Policy is subject to this notice and the Client Agreement. The Company encourages its clients to periodically review this Risk Disclosure Policy so that they are always aware of what information the Company collects, how it uses it and to whom it may disclose it, in accordance with the provisions of this Policy.