

A large, stylized red bull head graphic is positioned in the background on the right side of the page, partially obscured by the text. It is a simplified, geometric representation of a bull's head in profile, facing left.

Tauro Markets Risk Associated with Transactions in Derivative Financial Instruments (CFDs)

**CLIENT DECLARATION:**

By entering into an agreement with the Company and every time the Client decides to place an Order in a CFD, the Client acknowledges and accepts that (s)he runs a great risk of incurring losses and damages as a result. Trading in CFDs is highly speculative and is suitable only for those clients who:

- a) Declare that they understand and are willing to assume the economic, legal, and other risks involved.
- b) Declare that they are financially able to assume the loss of their total investment, understand and are knowledgeable about CFD trading and the underlying assets.

CONTENTS

1. Introduction
2. Acknowledgement of risks associated with Derivative Financial Instruments (CFDs).
3. Leverage
4. Volatility of price and limitation on the available market
5. Additional obligations.
6. Margin requirements
7. Information Provided by Tauro Markets
8. Internet Trading
9. Right to cancel an order
10. Expiry System Errors.
11. Review

1. Introduction

- 1.1. The present Risk Disclaimer for Derivative Financial Instruments (CFDs) is provided to you (our Client and prospective Client) in accordance with the European Markets in Financial Instruments Directive (MiFID) and in compliance to the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 144(I)/2007, as subsequently amended from time to time (“the Law”), which is applicable to Tauro Markets (hereafter “the Company”).
- 1.2. Before applying to the Company for a trading account and before you begin to trade with the Company, all Clients and prospective Clients should carefully read the following risk disclosures and warnings contained in this document relating to Derivative Financial Instruments offered by the Company for trading (such as CFDs) and the General Risk Disclosure Statement found on the Company’s website tauromarkets.com.
- 1.3. It is noted that this document and the General Risk Disclosure Statement cannot and do not disclose, contain or explain all of the risks and other significant aspects involved in dealing in Derivative Financial Instruments offered by the Company (such as CFD trading). 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, according to the Law. Therefore, the Client should become aware of all the risks associated with trading in CFDs prior to trading and seek advice and consultation from an independent financial advisor if (s)he has any doubts. The Company does not provide such advice. If the Client does not understand the risks involved in trading in CFDs, (s)he should not trade at all.
- 1.4. The Company is counterparty to all transactions entered into under the Client Agreement and, as such, the Company’s interests may be in conflict with yours. Our Conflicts of Interests Policy is available on the Company’s website for your consideration.
- 1.5. CFD trading can only be settled in cash.
- 1.6. There are no guarantees of profit or of avoiding losses when trading in CFDs. 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 in CFDs and is financially able to bear such risks and withstand any losses incurred.
- 1.7. A CFD is an agreement to either buy or sell a contract that reflects the performance of, including amongst others but not limited to, forex, precious metals, futures and shares; the profit or loss is determined by the difference between the price the CFD is bought at, and the price is sold at and vice versa. CFDs are traded on margin, and it should be noted that there is no physical delivery of the CFD or the underlying asset.
- 1.8. CFDs fluctuate in value during the day; the price movements of CFDs are determined by a number of factors including but not limited to speculation and availability of market information.

1.9. It should be noted that past performance of CFDs is not a useful indicator of future performance.

2. Acknowledgement of risks associated with Derivative Financial Instruments (CFDs)

2.1. Prior to trading in CFDs, the Client has to ensure that (s)he understands the risks involved.

CFDs are leveraged products and therefore carry a higher level of risk to the Client's capital compared to other financial products and can result in the loss of the entire Client's invested capital. Hence the Client should not commence CFD trading unless (s)he understands the risks involved.

2.2. It shall be further noted that due to market conditions and fluctuations, the value of CFDs may increase or decrease, or may even be reduced to zero. Regardless of the information the Company may provide to the Client, the Client agrees and acknowledges the possibility of these cases occurring.

2.3. The Client is aware and acknowledges that there is a great risk of incurring losses and damages as a result of the investment activity (purchase and/or sale of Financial Instruments) through the Company and the Company's Trading Platform and accepts that (s)he is willing to undertake this risk upon entering into this business relationship. You agree to use the Company's Website at your own risk. Without limiting the foregoing, the financial services contained on this Website are suitable only for Clients who can bear the loss of all the money they invest, who understand the risks involved and have experience in taking risks involved in the acquisition of financial contracts.

2.4. The Client declares that (s)he has read, understood, and unreservedly accepted the following:

- a) Information of the previous performance of a Financial Instrument does not guarantee its current and/or future performance. Historical data are not and should not be considered as reflective of the future returns of any Financial Instrument.
- b) In cases of Financial Instruments traded in currencies other than the currency of the Client's country of residence, the Client is running the risk of a change in the exchange rate that will decrease the value and price of the Financial Instruments and in effect their performance.
- c) The Client must be aware that he is running the risk of losing all of his funds invested and must only purchase Financial Instruments if (s)he is willing to do so, if happened. Further, all expenses and commissions incurred will be payable from the Client.

2.5 The maximum loss that may be incurred by any Client is the amount of money paid by him/her to the Company including rolling fees for daily trade deals. Each financial contract purchased by a Client via the Company's Website is an individual Agreement made

between that Client and the Company, and is not transferable, negotiable or assignable to or with any third party.

- 2.6 The Client acknowledges and accepts that there may be other risks which are not contained in this document and that (s)he has read and accepted all information under the title "GENERAL RISK DISCLOSURE STATEMENT" as this information is loaded on the Company's website and is available to all Clients.

3. Leverage (or gearing)

- 3.1. CFD trading, unlike traditional trading, enables the Client to trade the markets by paying only a small fraction of the total trade value. However, it should be noted that leverage or gearing, means a relatively small market movement or a comparatively modest deposit or margin in terms of the overall contract value may lead to a proportionately much larger movement in the value of the Client's position or can have a disproportionately dramatic effect on the Client's trades.
- 3.2. Consequently, you hereby acknowledge and accept that, regardless of any information which may be offered by the Company, the value of the CFDs provided by the Company may fluctuate downwards or upwards and it is not unlikely that the investment may become of no value.
- 3.3. It should be further noted that the Company will monitor the leverage applied to the Client's positions at all times and the Company reserves the right to decrease the leverage depending on the Client's trade volume. For Cryptocurrencies the maximum leverage offered is 1:10.

4. Volatility of price and limitation on the available market

- 4.1. CFDs provided by the Company are derivative financial instruments, where their price is derived from the price of the underlying asset to which the CFD refers to. Derivative Financial instruments and the relevant markets can be highly volatile including Cryptocurrencies. The prices of CFDs and the underlying assets may be volatile and unpredictable. They may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by you or by the Company. These movements will affect the Company's prices, whether or not you can open or close a position and the price at which you can do so. As a result, under abnormal market conditions, the Company may be unable to execute the Client's instructions at the declared price. Even a "stop loss" order, whereby your trade will be executed only when the CFD you want to buy or sell reaches a particular price (the stop price), cannot guarantee the limit of loss. "Stop-loss" orders are not guaranteed to be filled at the price you state. Once the "stop-loss" order has been triggered, it turns into a

market order, which is filled at the best possible price. This price may be lower than the price specified by the “stop-loss” order.

Under certain trading conditions it may be difficult or impossible to liquidate an open position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the underlying market is suspended or restricted.

This may occur, for example, at the following cases:

- (a) During market opening,
 - (b) During news times,
 - (c) During volatile markets where prices may move significantly up or down and away from the declared price,
 - (d) Where there is rapid price movement, if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted,
 - (e) If there is insufficient liquidity for the execution of the specific volume at the declared price.
- 4.2. CFD prices are influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial, trade programs and policies, national and international socioeconomic & political events and the prevailing psychological characteristics of the relevant marketplace.
- 4.3. Some of the CFDs underlying assets may not become immediately liquid as a result of reduced demand for the underlying instrument and Client may not be able to obtain the information on the value of these or the extent of the associated risks.
- 4.4. Trading in CFDs is speculative and involves a high degree of risk. In particular, because it will be conducted using a margin (which covers only a small percentage of the value of the underlying asset being traded), as such, even small price changes in the underlying assets of CFDs can result in significant losses. You should be aware that by trading with CFDs you may lose the margin held at the Company that serves for the purposes of collateral for opening and maintaining your trading positions.
- 4.5. Transactions in derivative Financial Instruments provided by the Company are not undertaken on a recognized exchange, rather they are undertaken through the Company’s Electronic Trading Platform and accordingly, they may expose you to greater risks than regulated exchange transactions. The terms and conditions and trading rules are established solely by the counterparty, which in this case is the Company. You may be obliged to close an open position of any given Financial Instrument during the opening hours of the Company’s Electronic Trading Platform.

4.6. Non-Guaranteed Stops:

Placing non-guaranteed stop order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order if the underlying market moves straight through the stipulated price.

4.7. Weekend Risk:

Various situations, developments or events may arise over a weekend, when the financial markets generally close for trading, that may cause the derivative Financial Instruments to open at a significantly different price from where they closed on Friday. Our customers will not be able to use the trading platform to place or change orders over the weekend and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held over the weekend will be executed at levels significantly worse than their specified price.

5. Additional obligations

- 5.1 Before you begin to trade, you should obtain details of all the commissions and other charges for which you will be liable. This information can be found on the Company's Website(s). If any charges are not expressed in money terms (but, for instance, as a dealing spread), you should obtain a clear written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms.
- 5.2 When you engage in CFD trading you are placing a trade in relation to movements of prices set by the Company. Prices quoted to you by the Company will include a spread, mark-up, or mark-down when compared to prices that the Company may receive or expect to receive if it were to cover transactions with you by a trade in the interbank market or with another counterparty. You are advised that the total impact of spreads may be significant in relation to the size of the margin you deposit and may make it more difficult for you to achieve a profit from your trading. You should carefully consider the effect of spreads, mark-ups, or markdowns on your ability to profit from trading.
- 5.3 The value of open positions in the CFDs provided by the Company is subject to financing fees. The price of long positions in Financial Instruments is reduced by a daily financing fee throughout the life of the CFD. Conversely, the price of short positions in CFDs is increased by a daily financing fee throughout its life. Financing fees are based on prevailing market interest rates, which may vary over time. Details of daily financing fees applied are available on the Company's website(s).
- 5.4 You should take reasonable care to maintain sufficient available funds to avoid negative account equity due to position size and overnight financing fees, especially

when trading CFDs on cash indices and CFDs on shares where financing fees are being applied to reflect corporate actions.

5.5 You should be aware that your trades in CFDs may be or become subject to tax and/or any other stamp duty, for example due to changes in legislation or your personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. You are personally responsible for any taxes and/or any other duties which may accrue in respect of your trades. Seek independent tax advice, if necessary, to establish whether you are subject to any tax and/or stamp duty.

6. Margin requirements

6.1 CFD transactions have a contingent liability, and the Client should be aware of the implications of this, in particular the margining requirements of the Company, and the Client is required to deposit funds in his trading account in order to open a position and/or ensure that (s)he has sufficient margin on his/her trading account at all times, in order to maintain an open position. In addition, the Client needs to continuously monitor any open positions in order to avoid positions being closed due to unavailability of funds; it should be noted that the Company is not responsible for notifying the Client for any such instances.

6.2 Margin requirements will depend on the underlying asset of the CFD, the chosen level of leverage and the value of position to be established.

6.3 The Company will not notify you of any 'Margin Call' to sustain a loss-making position.

6.4 The Company has the discretionary right (a) to start closing positions when 'Margin Level' decreases to about 50% of the required 'Margin Level' for any particular Financial Instrument.

7. Information provided by Tauro Markets

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. The Client acknowledges that (s)he enters into any transactions relying on his/her 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 CFDs.

8. Internet trading

When the Client 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 or to the Client or to any exchange or any settlement or clearing system.

9. Right to cancel a trade

The Customer has the right to cancel a CFD order by deleting it. This action can be taken up to the point where the order has been filled by the market.

10. Expiry System Errors

In case the expiry system fails for any reason and the CFD does not close at the available market price when the instructed price has been met, the system will issue a notification to a Risk Manager or Compliance Officer, in order for the position to be resolved manually. The affected client will be placed in the same position had the CFD closed at the available market price when the instructed price has been met.

11. Cryptocurrencies

You should be aware that trading in Cryptocurrencies is not appropriate for all investors if they do not have the necessary knowledge and expertise in this specific product. You should be fully aware of and understand the specific characteristics and risks related to these products. When you trade in Cryptocurrencies you should be aware that they are not recognized as Financial Instruments for the purpose of MIFID II and there is no specific EU regulatory framework governing the trading in such products. You should be aware that prices can widely fluctuate due to high volatility and there is a high risk of having a significant loss in a short time or even the risk of losing all invested capital. For the avoidance of doubt, all terms of the Agreement are fully applicable to you when you trade CFDs in Cryptocurrencies.

12. Review

The Company reserves the right to review and/or amend its Risk Disclosure statements, at its sole discretion, whenever it deems necessary, without prior notice to the Client.