

PRIME XBT

**RISK DISCLOSURE
POLICY**

Version 5.

This document is not intended for residents of the European Economic Area or the United Kingdom. Certain products, services, or promotions may be restricted or unavailable in specific jurisdictions.

RISK DISCLOSURE POLICY

Introduction

Company Overview:

PrimeXBT (PTY) LTD is an authorised financial services provider in South Africa with license number 45697, with registration no. 2013 / 099697 / 07 and having its registered address at 180 Lancaster Road, Gordons Bay, Gordons Bay, Western Cape, 7140 (hereinafter referred to as "the Company"). PrimeXBT (PTY) LTD acts as an intermediary between the investor and the market maker which is the counterparty to the products purchased through PrimeXBT. The laws of the Republic of South Africa shall govern any claim relating to or arising from the contents of this document.

The Company is not the market maker or product issuer and acts solely as an intermediary in terms of the FAIS Act between the client and the liquidity provider (the Market Maker), rendering only an intermediary service (i.e., no market making is conducted by the Company) in relation to the products offered. Therefore, the Company does not act as the principal or the counterparty in any of its transactions.

Risk Acknowledgement

You hereby acknowledge, understand, and accept that the purpose of opening a trading account with the Company is for speculative trading. You are aware that trading involves inherent risks, as outlined in this Policy, and you confirm that you will only invest funds you can afford to lose.

Risk Disclosure Policy

This Risk Disclosure Policy (the "Policy") outlines the inherent risks associated with the Products and Services available on the Company's Trading Platform. All Clients must carefully read and understand this Policy before deciding to open a trading account with the Company and before commencing any trading activity. Clients should not trade without understanding the risks involved or risk more than they are prepared to lose.

Important Notices

- 1. Read and Understand:** You should carefully read and consider this Policy and the Company's General Terms and Conditions before opening a trading account or engaging in any trading activity. If you have any questions or uncertainties, you should seek independent legal or financial advice.
- 2. Acceptable Risks:** If any of the following disclosures are unacceptable to you, you should not use the Company's Trading Platform or engage in any trading activity with the Company.
- 3. Limitation of Liability:** To the extent permitted by law, you agree not to hold the Company and its respective past, present, and future employees, officers, directors, contractors, consultants, equity holders, suppliers, vendors, service providers, parent companies, subsidiaries, affiliates, agents, representatives,

predecessors, successors, and assigns liable for any losses or any special, incidental, or consequential damages arising from, or in any way connected to, trading with margin, including losses associated with trading with margin.

Risk Warning

The Company's trading services include complex products that inherently carry significant risk, including the potential for substantial losses. Clients acknowledge that speculative trading is highly volatile and may result in the loss of the entire invested amount or more, depending on market conditions.

Clients are advised to invest only funds they can financially afford to lose. The Company urges all clients to carefully evaluate their financial capacity to bear potential losses including their entire capital and to ensure they understand the risks associated with speculative trading.

1. Nature of Leveraged Products

1.1 Complex Instruments: Our products are complex instruments and come with a high risk of losing money rapidly due to leverage. These products are not suitable for all investors. You should consider whether you understand how these products work and whether you can afford to take the high risk of losing your money. Seek independent advice if necessary.

1.2 OTC Trading: Leveraged products are traded off-exchange or Over the Counter ('OTC'); Your ability to open and/or close trades is dependent on the availability of our service in your jurisdiction.

1.3 No Physical Delivery: You understand that you are not entitled to the physical delivery of the underlying instrument of the leveraged product you are trading, and you have no rights in the underlying instrument.

2. Market Risks

2.1 Leverage Impact: The Company enables you to use leverage to open a trade by depositing a fraction of the total trade value; this means that a relatively small market movement may lead to a proportionately much larger movement in the value of your trade.

2.2 Market Volatility: Markets may fluctuate rapidly to reflect events that are outside the control of the Company and/or your control; as a result, prices will become volatile. This can be caused, for example, by unexpected economic events or market announcements, within or outside trading hours. In addition, if prices move against you, this will have a direct and real-time impact on your trades, which may automatically stop out.

2.3 Order Execution: The Company's liquidity provider may be unable to execute your instructions at the requested price. Therefore, even 'stop-loss orders', whereby your trade will be executed only when the instrument 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 orders' have 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 orders'.

2.4 Performance Uncertainty: Past performance, simulation, or prediction does not constitute an indication of future results. You should note that the value of your investment can decrease or increase as the market price of the underlying asset may fluctuate downwards or upwards.

2.5 Liquidity Risks: Some of the instruments may not become immediately liquid as a result of reduced demand for the underlying instrument, and you may not be able to obtain information on the value of these or the extent of the associated risks.

3. Margin & Liquidation Risks

3.1 Margin Requirements: You should be aware of the implications of leveraged products trading and, in particular, the specific margin requirements which are applied thereto. You shall be required to deposit funds ("margin") in your trading account in order to open a leveraged position, and the funds deposited should reflect the specific margin required.

3.2 Margin Information: You shall be able to see the margin requirements and fees for each individual instrument before you begin trading. Such information shall be available within the Fees Section on the Company's Website. Margin requirements will depend on the underlying asset, level of leverage applied, and the value of the position to be established.

3.3 Margin Responsibility: The Company has no obligation to inform you about the critical margin utilization levels. It shall be your sole responsibility to maintain sufficient margin in your account at all times to avoid stop-out.

4. Cryptocurrency (derivatives) Related Risks

4.1 Market Uncertainty: The market for cryptocurrency is still new and uncertain. No-one should have funds invested in cryptocurrency or speculate in cryptocurrency that they are not prepared to lose entirely. Whether the market for one or more cryptocurrencies will move up or down, or whether a particular cryptocurrency will lose all or substantially all of its value, is unknown. This applies both to traders that are going long and to traders that are shorting the market. Participants should be cautious about holding cryptocurrency.

4.2 Liquidity Variability: Markets for cryptocurrency have varying degrees of liquidity. Some are quite liquid while others may be thinner. Thin markets can amplify volatility. There is never a guarantee that there will be an active market for one to sell, buy, or trade cryptocurrency or products derived from or ancillary to them. Furthermore, any market for cryptocurrency may abruptly appear and vanish. Any cryptocurrency is subject to delisting without notice or consent.

4.3 Technical Advances: Advances in cryptography, or technical advances such as the development of quantum computers, could present risks to cryptocurrencies which could result in the theft or loss of cryptocurrency.

4.4 Legal Uncertainty: The legal status of certain cryptocurrency may be uncertain. This can mean that the legality of holding or trading them is not always clear. Whether and how one or more cryptocurrencies constitute property, assets, or rights of any kind may also seem unclear. Participants are responsible for knowing and understanding how cryptocurrency will be addressed, regulated, and taxed under applicable law. There is a risk that in some jurisdictions, cryptocurrency might be considered to be a security, or that it might be considered to be a security in the future. The Company does not give warranties or guarantees that any cryptocurrency is not a security in all jurisdictions.

4.5 Legal Compliance: You are fully responsible to check if acquisition and disposal of cryptocurrency is legal in your jurisdiction, and you should not use cryptocurrency or trade in our Products if it is illegal in your jurisdiction.

5. Risk of Theft & Hacking

5.1 Cybersecurity Threats: Hackers or other groups or organizations may attempt to interfere with the Website and/or the Trading Platform in any number of ways, including without limitation denial of service attacks, Sybil attacks, spoofing, smurfing, malware attacks, or consensus-based attacks. You hereby agree that the Company shall have no liability for any loss you incur in relation to hacking or malicious third-party activities.

5.2 Credential Security: You acknowledge that the Company is not responsible for any losses or damages of any kind arising either directly or indirectly from a withdrawal of funds from your account by a third party due to the loss of credentials.

6. Technical Risks

6.1 Online Trading Risks: You hereby acknowledge that there are risks associated with online trading, including but not limited to the failure of hardware, software, and Internet connections. You acknowledge that the Company shall not be responsible for any communication failures, disruptions, errors, distortions, or delays you may experience when using the website or our services.

6.2 Transaction Interference: You acknowledge that you may be prevented from sending a transaction request or email, which may not be received by the Company due to hardware, software, or network connectivity issues. You accept that the Company is not responsible for any loss or damage whatsoever arising directly or indirectly due to any such issues.

7. Communication Risks

7.1 Email Security: You must be aware of the risk that information sent via unencrypted email may be accessed by unauthorized parties.

7.2 Delayed or Failed Messages: We are not responsible for financial losses arising from delayed or failed receipt of a company message.

7.3 Credential Confidentiality: You are responsible for the security of the credentials for your Personal Area and trading accounts as well as the confidential information that we send you. We are not responsible for financial losses arising from your disclosure of this information to third parties.

8. Force Majeure Events

8.1 Uncontrollable Circumstances: We are not responsible for financial losses arising from force majeure events. These events are extreme and irresistible circumstances that are independent of the will and actions of the agreement participants, that cannot be foreseen, prevented, or eliminated, including but not limited to natural disasters, fires, man-made accidents and disasters, emergencies at utility works and on utility lines, DDOS attacks, riots, military actions, terrorist attacks, uprisings, civil unrest, strikes, and the regulatory acts of state and local government authorities.

9. Fund Transfer Risks

9.1 Transfer Timing: You acknowledge that the Company cannot be held liable for the number of days passing between the transfer of funds from your account on the Company until the time that the transferred funds are booked into the account with the receiving financial institution.

9.2 Transfer Delays: You acknowledge that the Company cannot be held liable for the number of days passing between the transfer of funds by the sending financial institution until the time that the transferred funds are received by the Company and booked on your account.

10. No Investment Advice

10.1 No Advisory Services: The Company does not provide investment, financial, legal, tax, regulatory, or other advice relating to investments or trading. Any material or information or other features, which may be provided to you through our website, trading platforms, marketing, or training events or otherwise, is generic and shall not be treated as advice appropriate for you or based on a consideration of your personal circumstances. You should seek independent professional advice from a suitably qualified advisor, if necessary, prior to engaging in trading with us.

11. Taxation

11.1 Tax Responsibility: You are solely responsible for withholding, collecting, reporting, paying, and/or remitting any and all taxes to the appropriate tax authorities in such jurisdiction(s) in which you may be liable to pay tax. The Company shall not be responsible for withholding, collecting, reporting, paying, and/or remitting any taxes (including, but not limited to, any income, capital gains, sales, value-added, or similar tax) which may arise from your online trading activities.

12. Changes to the Risk Disclosure Policy

12.1 Amendments: The Company reserves the right to amend this Risk Disclosure from time to time, at its sole discretion, whenever it deems necessary, without prior notice to Clients. In case there is a material change to this Policy, we will inform clients by publishing an updated version of this Policy on our website. The latest and prevailing version of the Policy will, at all times, be available on the Company Website.

13. Client Declaration

13.1 Acknowledgment of Risks: You hereby acknowledge, confirm, and accept that by opening an account with the Company, you run a high risk of incurring losses and damages as a result of the risks disclosed herein, and you therefore declare that you shall only proceed with this kind of trading if you are willing to undertake such risks.