



RISK DISCLOSURE POLICY

VERSION 1.0

SPECTRA GLOBAL LTD

AN INVESTMENT DEALER (FULL-SERVICE DEALER EXCLUDING UNDERWRITING) LICENCE AND
GLOBAL BUSINESS COMPANY LICENSED BY THE FSC

If you have any questions, please contact us at support@sgfx.com

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OVERVIEW

The following statements are intended to inform the Customer of the potential risks involved in trading on financial markets. Customers should be aware of the potential losses associated with such risks. This document forms an integral part of the Agreement between the Company and the Customer. Should there be no clear definition of a term set out in this document, the interpretation of that term shall be governed firstly by the definition given in the Customer Agreement. This document cannot disclose all risks involved in trading and other significant aspects of Foreign Exchange Trading (FOREX) due to the wide range of feasible situations.

FOREX is highly speculative and is only suitable for Customers who understand and are willing to assume the economic, legal, and other risks involved, and are financially able to assume losses up to or in excess of Margin or Deposits. No return is guaranteed. Future returns may differ from past returns and investors may lose some or all of their money invested

In issuing a licence to Spectra Global Ltd (the "Company"), no regulatory authority has vouched for:

- i. the reliability and financial soundness of the products offered or products on which the Company provides its service; and
- ii. the correctness of statements or opinions expressed by the Company, if any.

Every Customer should deal with the Company at their own risks and shall not be protected by any statutory compensation arrangements in any event whatsoever.

Every person intending to trade on the products and services offered by the Company is recommended to seek independent advice on the investment viability and risk associated with such products and services proposed by the Company.

NO ADVICE

Spectra Global offers an execution only service. We do not provide investment advice nor do we provide any legal, regulatory, tax or other advice. We may provide our clients with factual market information about the transaction procedures and potential risk exposure, and how risks may be minimised. However, any decision to use our Services or trade in particular Products is made by you. You may wish to seek independent advice in relation to any transaction you propose to enter into with us.

Our Products and Services

We offer execution-only services and CFDs across a wide range of Underlying Markets. Although the prices at which you open Positions are derived from the Underlying Market, the characteristics of the Products we offer can vary substantially from the actual Underlying Market or instrument.

RISK STATEMENTS

Online trading and opening a trading account to speculate or assume risk of any sort on FOREX and other products through the Over the Counter “OTC” market provided by the Company on a “Spot” basis means assumptions/involvement of substantial risks, as indicated hereunder. Prospective Customers should be aware that they can benefit as well as lose all or part of their funds when engaging in trading activities.

In making a decision to trade in the Company's products, Customers must rely on their own examination of the products, including the merits and risks involved. The Company does not provide advice of any kind, including tax, investment, or legal advice other than general consultations to Customers. The Customer should not risk more than what he/she is prepared to lose. The Customer must ensure that he/she understands the risks involved and take into account his level of experience before deciding to trade independent advice. Consultation must be sought if the Customer deems it necessary.

Online trading involves a high degree of risk. Customers may not receive the amount that they initially invested due to any of these risks and may lose all or part of their funds.

We are not required to assess whether a product or service offered to you is appropriate in the context of the necessary levels of experience and knowledge you may need in order to understand the risks involved in relation to the Product or Service offered, and to transact with Spectra Global.

We do not monitor on your behalf the amount of money you have sent to us or your profits or losses. It is up to you to assess whether your financial resources are adequate for your financial activity with us and your risk appetite in the Products and Services you use.

INVESTMENT SPECIFIC RISKS

You should not trade any margined products unless you fully understand all the risks involved in doing so and that you have sufficient resources available to you so that in the event, however unlikely you may deem it to be, that there is an adverse movement in the price of that product, you can meet the financial obligations required from you with respect to margin payments and losses.

EFFECT OF LEVERAGE

Before you are allowed to place an Order with us, you will generally be required to deposit money with us – this is called Margin. The Margin required for an Order will usually be a relatively modest proportion of the overall Order value. This means that you will be using ‘leverage’ or ‘gearing’ and this can work for or against you; a small price movement in your favour can result in a high return on the Margin utilised for the Position, but a small price movement against you may result in substantial losses.

At all times during which you have open Positions, you must ensure that the Balance in your Account, taking into account all running profit and loss, is equal to at least the total Margin required for your Positions. Therefore, if the price of a Position moves against you, you may need to provide us with significant additional funds immediately to meet your Margin requirement and maintain your open Positions. If you do not do this, we will be entitled to close one, more or all of your open Positions. You will be responsible for any losses incurred as a result.

The need to monitor your Positions is of greater importance because of the effect of gearing. Gearing magnifies the rate at which profit or loss can be incurred and, as a result, it is important that you monitor your Positions closely.

When executing trading operations under margin trading conditions, even small market movements may have a great impact on a Customer's Trading Account due to the effect of leverage. High Leverage allows the Customer to assume more risk, magnifying both losses and profits, which can result in loss up to and more than Deposits and Margin. The Customer must take into consideration that if the trend on the market is against them, the Customer may sustain a total loss of their Initial margin funds and any additional funds deposited to maintain open positions. The Customer shall be held fully responsible for all risks, financial resources used and the chosen trading strategy.

Many instruments are traded within wide ranges of intraday price movements. Consequently, Customers must carefully consider the fact that there is not only a high probability of profit, but also one of loss.

Margin Calls and close outs

You must at all times ensure the Equity in your account is sufficient to cover the Margin required to maintain your open Positions. If the Equity in your Account falls below an amount set by Equiti from time to time, in its sole discretion, you must:

- (a) immediately pay into the account additional sums to cover the Margin required to maintain your open Positions; or
- (b) close one or more of your open Positions such that the Equity in your Account becomes sufficient to cover the Margin required to maintain your open Positions; or
- (c) a combination of the above

Unless your Positions are fully paid, in the event that the Margin Level in your trading account falls to an amount that equals to, or below, the level notified to you from time to time, your Account will be in Margin Call and you will not be able to increase your overall exposure. If the Margin Level falls below the Margin notified to you from time to time, the system will automatically start closing out your open Positions.

It is important to remember that Spectra Global is not under an obligation to keep you informed of the Balance in your Account, and it is strongly advised that you maintain sufficient Balance in your Account to avoid being closed out.

Limit or stop Order

Limit orders are contingent orders by clients looking to open a trading position upon the market moving to the requested price (or better), and until such time it remains unfilled. A stop order is a request to automatically close out an open position upon the market moving to a requested price (or worse). Such Order types may be used to limit downside risks of moving markets and are recommended to be used for those purposes. However, they do not guarantee that the fill price will be available at the requested price (which is dependent on available liquidity), especially in market gaps or fast-moving markets.

Non-guaranteed stops

Where you have added a non-guaranteed stop-loss as part of your trading strategy, when such a stop-loss is triggered it effectively issues an Order from you to us to close your Position. Your Position may not necessarily be closed immediately when the stop-loss is triggered. We aim to deal with such Orders fairly and promptly, but the time taken to fill the Order and the price at which the Order is filled depends upon the Underlying Market. In fast-moving markets, a price for your Order might not be available or the market might move quickly and significantly away from the stop-loss level before we are able to fill such an Order. In such cases, your Position may be closed out at a worse price than the price you originally placed the Order for. We only offer non-guaranteed stops.

Quoted prices

You should note that all prices quoted on the Platform or the website are indicative only. Upon you agreeing place an Order, an executable price may or may not differ from the quoted price. Although the quoted prices are, in normal market conditions very similar to the executed prices, the executed prices may vary if the market has moved (even in a split second) since you have place an Order.

Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures CFDs you may sustain a total loss of the Margin you deposit to establish or maintain a Position. If the market moves against you, you may be called upon to pay substantial additional Margin at short notice to maintain the Position. If you fail to do so within the time required, your Position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a Product is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you placed the Order.

Weekend and holiday risk

Not all Products are available for trading 24 hours a day. Many are subject to strict opening and closing times which can fluctuate. Our Product trading hours are available on the Platform and upcoming holiday hours are posted on our Website, which we endeavour to keep up to date, without an obligation or liability on us to do so, or for its accuracy. For example, national holidays and daylight savings changes will affect the times when you can trade. Also, a market may be suspended for a variety of reasons and during this time you will not usually be able to trade.

Electronic Trading Service

The use of an Electronic Trading Service and communication networks to facilitate trades exposes you to risks associated with the system including the failure of hardware and software system or network down time, access, or connection failures.

Third-party applications and software

You accept that you take sole responsibility for any third-party applications that you may install either directly or indirectly on an Electronic Trading Service, and also the use of any software provided on the Platform when downloaded. It is your sole responsibility to do due diligence on the respective software and then decide if you are willing to take the risk of installing and using it on your trading account. Equiti is not responsible in any capacity for decisions, trades or signals generated by the use of third party applications or software or your use of them or with for the resulting profits or losses generated by them. Some third party applications or software may generate a high number of trades and at times leverage a client to their maximum possible exposure to a market given their available funds. It is your sole responsibility to monitor these Positions and the profit and loss generated by them, as it is at all times on your Account.

TECHNICAL RISKS

The operational systems risk inherent in online trading systems apply to every trade placed. Customers shall assume the risk of financial loss caused by the failure of information, disruptions to communication, electronic systems, software or hardware errors, or other such systems that delay, interrupt, or otherwise effect the systems operation. In the event such a disruption to the Company systems does occur, the Customer may suffer a financial loss or loss of opportunity and loss of expected gain. In accordance with our Terms of Business, the Company makes no warranties and shall not be liable in relation to the operation of the trading platform or any other related service offered by the Company.

When executing trading operations through the Client Terminal, the Customer shall assume the risk of financial loss, which can be caused by:

- (i) the failure of the Customer's hardware, software, and internet connection;

- (ii) the improper operation of the Customer's equipment;
- (iii) the wrong settings in the Client Terminal;
- (iv) delayed Client Terminal updates; and
- (v) the Customer's ignorance of the applicable rules described in the user guide for the Client Terminal and in the Help section.
- (vi) Meta Trader Failure on Customer's Computer.

The Customer acknowledges that at the moment of peak load there may be some difficulties in getting telephone communication with a company representative, especially on the fast market (for example, when key economic indicators are released).

The Customer acknowledges that under abnormal market conditions, the execution time for Customer Instructions may increase.

TRADING PLATFORM

There are several risks relating to our ability to execute an order placed (both in opening and closing a position) on the Trading Platform. These are included but not limited to:

(A) Transmission Risk

The Customer acknowledge that once a Transmission is made from the Client Terminal and enters the execution queue and begins being processed it cannot be cancelled. Any other instruction pertaining to the Transmission will be ignored until the Transmission is completed. The Customer should always verify thoroughly the details of Volume, Product and Price Level prior to submitting any Transaction. All transactions are performed on a First-In-First-Out basis.

(B) Slippage / Gapping

There are occasions when there are larger than ordinary 'gaps' in the depth of orders on both the buy and sell side. This is usually due to a change in liquidity circumstances and effects the volatility and volume of available matching orders. This is commonly referred to as 'slippage'. It will generally occur prior to, during and after the release of fundamental news. This creates conditions where orders are difficult to execute at desired prices, as there are large 'gaps' in the buying and selling depth of a particular financial instrument. This can cause significant losses where this occurs when we are attempting to automatically close your position or where you have placed a stop loss at a particular point. The next best available price may be significantly lower than the trigger point for an automatic close of your position or you are elected to place a stop loss.

C) Delays in Execution

The risk is that an execution you place is delayed or not executed due to a delay in the transmission of data between your trading platform and the Company's servers (see System Risk). This may result in the available price you had placed an order at no longer being available. As you will generally be

accessing the trading platform over a third-party Internet service provider there is a risk that this may be caused by your computer not maintaining a constant connection with the Company's servers.

The Customer acknowledges that only one Request or Instruction is allowed in the queue. Once the Customer has sent a Request or Instruction, any other Request or Instruction sent by the Customer will be ignored. In the "Order" window, the "Order is locked" message will appear.

The Customer acknowledges that the only reliable source of quoting information is the server for Customers with live accounts. The quote base in the Customer terminal shall not be considered a reliable source of quoting information given that in the case of a bad connection between the Client Terminal and the server, some of the quotes simply may not reach the Client Terminal.

The Customer acknowledges that when the Customer closes the window to place/modify/delete an Order, as well as the window to open/close a position, the Instruction or Request which has been sent to the server will not be cancelled.

The Customer assumes the risk of executing unplanned Transactions in the event that the Customer sends another Instruction before receiving the result from the Instruction sent previously.

The Customer acknowledges that if an Order has already been executed but the Customer sends an Instruction to modify the level of a pending Order and the levels of Stop Loss and/or Take Profit orders at the same time, the only Instruction that will be executed is the Instruction to modify the Stop Loss and/or Take Profit levels on the position opened on that Order.

MARGIN RISK

Margins are set by the company which may differ from other firms and amended without prior notice, from time to time, at our sole and absolute discretion. The company will exercise discretion in setting and collecting the margin. Margin requirements may be set or amended in order to cover any realised or unrealised losses arising from or in connection with Positions, including subsequent variation of any Margin rates set at the time Positions are opened. If we increase our Margin requirements, it may prevent you from adding Positions or hedging existing Positions if you have insufficient Equity. If your Margin requirement has increased, you may have to deposit additional Equity in advance or your Positions may be liquidated.

The company is authorized to convert funds in the Customer's Trading Account for margin into and from such foreign currency at a rate of exchange determined set by the company in its sole discretion based on then-prevailing money market rates. The Customer must always maintain the minimum margin level requirement on the Customer's Open Positions. The Customer assumes the responsibility to monitor the Customer's Required Margin. The company has the right to liquidate any or all Open Positions whenever the minimum Margin requirement is not maintained.

VOLATILITY RISK

Foreign exchange trading can involve a high degree of volatility, which may result in substantial movements in the level of the Customer's multi-currency exposure, possibly leading to significant losses.

The Customer acknowledges that market regulations and/or a significant imbalance of supply and demand, or a lack of liquidity may result in the temporary inability to process the orders. This may result in the Customer holding positions for longer than desired or having to liquidate due to insufficient margin, which may result in losses up to or more than deposits. These risks could arise in or outside normal business hours and can result in the Balance in your Account changing rapidly.

RISK REDUCTION

Stop Loss Orders or Stop Limit Orders, which are intended to limit losses may reduce the losses incurred by price fluctuations, however, such orders may not be able to execute under certain abnormal market conditions.

PRODUCT RISK

The profit and loss in any given Transaction may be affected by a currency rate that is used to convert to the Account base currency. Accounts shall be opened in USD, or any other currency which the company may choose to accept in its sole discretion.

TRADING AGENTS

If the Customer grants trading authority to a third party, the "Trading Agent", whether on a discretionary or non-discretionary basis, the Company shall in no way be responsible for reviewing the Customer's choice of such Trading Agent and is in no way liable for any losses incurred by such a party and any disputes that may arise between Customer and Trading Agent. In case of an unnamed Trading Agent on the Customer's Account, the company shall not be liable for rejecting any instruction from a non-authorized party on the Customer's Trading Account.

Currency

If you trade in a Position other than your base currency, currency exchange fluctuations will impact your profits and losses. All Margin, profit, loss, and financing in relation to that Position will be calculated using the currency of that market and thus, your profit or loss will be further affected by fluctuations in the exchange rates.

Price and commissions

The prices quoted may not necessarily reflect the broader interbank market. We aggregate pricing to determine the Margin requirements and in periodically marking to market the Positions in your Account. Although we expect that these prices will be reasonably related to those available on what is known as the interbank market, prices we use may vary from those available to banks and other participants in the interbank market. Consequently, we may exercise considerable discretion in setting Margin requirements and collecting Margin.

COMMUNICATIONS

The Customer understands that during peak trading hours that the Customer may experience some difficulties in contacting the company due to high volume. Spectra cannot be held liable for any disruptions in service due to any Force majeure.

The Customer shall assume the risk of any financial loss caused by the Customer either not receiving a notification from the Company or it being delayed.

The Customer acknowledges that unencrypted information transmitted by email is not protected from unauthorized access. The Customer also agrees that the Company shall have the right to delete messages sent to the Customer through internal mail 5 (Five) days after they have been sent, despite the fact that the Customer may not have received them yet.

The Customer assumes full responsibility for the safekeeping of information received from the Company and shall bear the risk of any financial loss caused by unauthorized access to the Customer's trading account by any person.

The Customer understands that any error that is made by the company employee that results in any position opened at an "untraded" price cannot be honoured and will subsequently be deleted.

The Customer shall bear all risks of financial loss caused by a Force Majeure Event.

The Customer shall bear all financial and other risks when completing operations (or actions connected with these operations) on financial markets that are statutorily prohibited or restricted by the legislation of the jurisdiction in which the Customer is resident. The Customer must be aware of commissions and other charges before trading. Charges may be expressed in monetary terms, percentage terms or in other unit of measurement and it is therefore the responsibility of the Customer to understand what such charges amount to.

SCALPING POLICY

We permit scalping with the following conditions:

1. Traders must hold their positions for a minimum of 2 minutes period between the opening & closing.
2. Each trade should result in a movement of at least 5 pips profit and loss. For example, if you open gold at 2392.10 you must wait at least 2 minutes before you can close, additionally, the price should have moved 50 cents, so at minimum he makes a profit of 50 cents or loses 50 cents.

BANKRUPTCY

In case of Bankruptcy, creditors retain priority. All transactions entered with Spectra by the Customer are not traded on an exchange. Therefore, under the regulating code of law, the Customer's funds may not receive the same protections as funds used to guarantee exchange-traded futures or options contracts. If the company becomes insolvent, the Customer's claim for deposits and profits may not receive priority. The customer is a general creditor and will be paid as such from any monies still available after priority claims are paid.

REIMBURSEMENT OF INVESTMENT

In case the company disengages with an investor whose status (e.g., he/she becomes a PEP) or fitness and propriety changes (e.g., there are hits or adverse media reports or sanctions in the investor) during the business relationship, investments made will then be up to the administrator/intermediary bank's discretion. Investments are made via credit card / wire transfers / Virtual Cards. The withdrawals are made on source-to-source basis. For example, if a deposit is made via wire transfer, the funds will be reimbursed by wire transfer itself.

The customer hereby confirms that he/she is informed of the risks associated with trading in forex on a leveraged basis and has expressly accepted these risks. The customer further confirms that he/she will review the company risk disclosure statement each it is amended. The customer agrees that in effecting any opening transaction it is deemed and implied that the customer has read, understood, and accepted the company's revised risk disclosure statement as in effect at the time of such opening transaction. The Customer hereby certifies that the Customer understands these risks and that the Customer is willing and able financially and otherwise to assume the risks of Forex and that loss of the Customer's entire Trading Account Balance will not result in a negative change to the Customer's lifestyle.