

# **Risk Disclosure Policy**

## 1.0 Introduction

XProGlobal is a brand and operates through the website [www.XProGlobal.com](http://www.XProGlobal.com) (hereinafter referred to as the "Website").

## 2.0 Risk Warnings

- 2.1. The Client should not engage in any investment directly or indirectly in Financial Instruments unless they know and fully understand and acknowledge the risks involved for each one of the Financial Instruments offered by XProGlobal. Therefore, prior to applying for a trading account with XProGlobal, XProGlobal should consider carefully whether investing in a specific Financial Instrument is suitable for them in the light of their personal circumstances and financial resources.
- 2.2. In case the Client does not fully understand the risks involved, they should seek independent advice or consultation from an independent financial advisor, prior to entering to any transaction with XProGlobal. If the Client still is unable to understand the risks involved in trading in Financial Instruments, the Client should not trade at all.

## 3.0 General Risks and Acknowledgments

In consideration of XProGlobal agreeing to engage into a CFD trading business relationship with the Client, the Client hereby acknowledges, understands, agrees, and accepts the risks including, but not limited to, the following:

- 3.1. XProGlobal does not and cannot guarantee that funds deposited in the Client's Trading Account for trading will not be lost as a result of the Client's Transactions.
- 3.2. The Client acknowledges that, regardless of any information which may be offered by XProGlobal, the value of any investment in Financial Instruments may fluctuate downwards or upwards and is even probable that the investment may become of no value.
- 3.3. The Client acknowledges and understands that they run a great risk of incurring losses and damages as a result of the purchase and/or sale of any Financial Instrument and accepts that they are willing to undertake this risk.
- 3.4. Information on previous performance of a Financial Instrument does not guarantee and is no reliable indicator of its current and/or future performance. The use of historical data does not constitute a binding or safe forecast as to the corresponding future performance of the Financial Instruments to which the said information refers.
- 3.5. The Client is hereby advised that the transactions undertaken through the dealing services of XProGlobal may be of speculative nature. Large losses may occur in a short period of time and may be equal to the total value of funds deposited with XProGlobal.

- 3.6. Some Financial Instruments may not become immediately liquid, for example, as a result of reduced demand and the Client may not be in a position to sell them or easily obtain information on the value of the funds deposited with XProGlobal.
- 3.7. When a Financial Instrument is traded in a currency other than the currency of the Client's country of residence, any changes in the exchange rates may have a negative effect on its value, price, and performance.
- 3.8. A Financial Instrument on foreign markets may entail risks different to the usual risks of the markets in the Client's country of residence. In some cases, risks may be greater. The prospect of profit or loss from transactions on foreign markets is also affected by exchange rate fluctuations.
- 3.9. A Derivative Financial Instrument (i.e option, future, forward, swap, contract for difference) may be a non-delivery spot transaction giving an opportunity to make profit on changes in currency rates, commodity, stock market indices or share price called the underlying instrument.
- 3.10. The value of the Derivative Financial Instrument may be directly affected by the price of the security or any other underlying asset which is the object of the acquisition.
- 3.11. The Client should not purchase a Derivative Financial Instrument unless they are willing to undertake the risks of losing entirely all their invested money along with any additional commissions or other expenses incurred.
- 3.12. Under certain market conditions (for example but not limited to the following situations: force majeure event, technical failure, communications, network failure, poor or no liquidity, market news or announcements etc.), it may be difficult or impossible to execute an order.
- 3.13. Placing "Stop-Loss" Orders serves to limit your losses, however, under certain market conditions the execution of a "Stop Loss" Order may be worse than its stipulated price and the realized losses can be larger than expected.
- 3.14. Should the Equity of the Client be insufficient to hold current positions open, the Client may be called upon to deposit additional funds at short notice or reduce exposure. Failure to do so within the required timeframe, may result in the liquidation of positions at a loss and the Client will be liable for any resulting deficit.
- 3.15. The Client's attention is expressly drawn to currencies traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to the absence of a counterparty.
- 3.16. Trading online, no matter how convenient or efficient, does not necessarily reduce the risks associated with currency trading.
- 3.17. There is a risk that the Client's trades in Financial Instruments may be or become subject to tax and/or any other stamp duty, for example, because of changes in legislation or their personal circumstances. XProGlobal does not warrant that no tax and/or any other stamp duty will be payable. The Client is solely responsible for any taxes and/or any other duty which may accrue in respect of their trades.
- 3.18. Before the Client begins to trade, they should obtain details of all commissions and other charges for which the Client will be liable. If any changes are not expressed in monetary

terms (but, for example, a dealing spread), the Client should ask for a written explanation, including appropriate examples, to establish what such changes are likely to mean in specific money terms.

- 3.19. XProGlobal will not provide the Client with any form of Investment Advice relating to investments or possible transactions or make any investment recommendations of any kind. Any market analysis and research provided by XProGlobal, is for marketing and/or educational purposes only and any reference to any specific Financial Instruments are market commentary and/or used to serve as examples for educational purposes only.
- 3.20. There may be situations, movements and/or conditions occurring at the weekend, at the beginning of the week, or intra-day after the release of significant macroeconomic figures, economic or political news that make currency markets to open with price levels that substantially differ from previous prices. In such a case, there exists a significant risk that orders issued to protect open positions and open new positions may be executed at prices significantly different from those designated.

#### 4.0 Third Party Risks

4.1. XProGlobal may be required to hold the Client's funds in an account that is segregated from other Clients and XProGlobal's funds in accordance with current regulations, but

this may not afford complete protection.

4.2. XProGlobal may pass money received from the Client to a third party (e.g. a bank), to hold or control, in order to effect a Transaction through or with that person, or to satisfy the Client's obligation to provide collateral (e.g. initial margin requirement in respect of a Transaction). XProGlobal has no responsibility for any acts or omissions of any third party to whom it will pass money received from the Client.

4.3. The third party to whom XProGlobal will pass money may hold it in an omnibus account and it may not be possible to separate it from other Client's money, or the third party's money. In the event of insolvency or any other analogous proceedings in relation to that third party, XProGlobal may only have an unsecured claim against the third party on behalf of the Client, and the Client will be exposed to the risk that the money received by XProGlobal from the third party is insufficient to satisfy the claims in respect of the relevant account. XProGlobal does not accept any liability or responsibility for any resulting losses.

4.4. A company or bank or broker through which XProGlobal may deal with, could give interests contrary to the Client's interests.

4.5. The insolvency of XProGlobal or of a bank or a broker used by XProGlobal to effect its transactions, may lead to the Client's positions being closed against their wishes.

#### 5.0 Cash Settlements

CFD trading can only be settled in cash.

## **6.0 Conflicts of Interest**

XProGlobal is the counterparty to all transactions entered into under the Client Agreement, which the client has accepted and agreed on and, as such, XProGlobal's interests may be in conflict with the Client's. For further details, the Client should refer to XProGlobal's Conflicts of Interests Policy, which is uploaded on XProGlobal's Website and as amended from time to time, and which forms an inseparable part of the Client Agreement, just like the present Risk Disclosure Statement, as amended from time to time.

## **7.0 Prices are set by XProGlobal and may differ from prices reported elsewhere**

XProGlobal will provide the prices to be used in trading and the valuation of Client's positions in accordance with its Trading policies and practices. The trading rates assigned to the assets on the Website are the ones at which XProGlobal is willing to sell CFDs to its customers at the point and time of sale. As such, the prices may not directly correspond to real time market levels at the point in time at which the sale of CFDs occurs.

## **8.0 Rights to underlying assets**

The Client understands, acknowledges and accepts that they have no rights or obligations in respect of the underlying assets relating to their CFD trading.

## **9.0 Trading Platform Risks**

**9.1** Clients who undertake transactions on an economic trading system, will be exposed to risks associated with the system including the failure of hardware and software (internet/servers). The result of any system failure may be that an order is not executed according to the instructions provided for it, or that the order is not executed at all. XProGlobal does not accept any liability in the case of such failure. The use of wireless connections or dial-up connections, or any other form of unstable connection at the Client's end, may result in poor or interrupted connectivity or lack of signal strength causing delays in the transmission of data between the Client and XProGlobal, when using XProGlobal's Electronic Trading Platform(s). Such delays or disturbances may result in the Client sending out of date "Market Orders". Under these circumstances, XProGlobal will update the price and execute the order at the best available "market price".

- 9.2 The Client acknowledges that only one instruction is allowed to be in queue at one time. Once the Client has sent an instruction, any further instructions sent by the Client are ignored and the notification “order is locked” message appears until the first instruction is executed.
- 9.3 The Client acknowledges and accepts that the only reliable source of quotes information is that of the live Server’s Quotes Base. Quotes Base in the Client Terminal is not a reliable source of Quotes Flow Information because the connection between the Client Terminal and the Server may be disrupted at some point and some of the Quotes simply may not reach the client Terminal.
- 9.4 The Client acknowledges that when an Order is closed or being executed, it may not be cancelled or modified.
- 9.5 The Client may lose all amounts (s) they have deposited with XProGlobal as margin. The placing of certain orders available on the Trading Platform (e.g “stop-loss” or “limit” orders) that are intended to limit losses to certain amounts may not always be effective because market conditions or technological limitations may make it impossible to execute such Orders. The Client acknowledges that for all orders (including take profit and stop loss orders) the Client may sustain the loss (which the Client’s order is intended to limit) in a short period of time. In other cases, the execution of a “Stop-Loss” Order may be worse than its stipulated price and the realized losses can be larger than expected.

## 10.0 Technical Risks

- 10.1 XProGlobal shall not be responsible for the risks of financial losses caused directly or indirectly by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems.
- 10.2 XProGlobal has no responsibility if authorized third persons have access to information, including electronic addresses, electronic communication and personal data when the above are transmitted between XProGlobal and any other party, using the Internet or other network communication facilities, telephone, or any other electronic means.
- 10.3 The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorized access.
- 10.4 At times of excessive deal flow, the Client may have some difficulties to be connected over the phone or XProGlobal’s Trading Platform(s)/ system(s). especially in the fast Market (for example, when key macroeconomic indicators are released).
- 10.5 The Client acknowledges that the internet may be subject to events which may affect their access to the Website and/or XProGlobal’s Trading Platform(s)/ system(s),

including, but not limited to, interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failure or hacker attacks. XProGlobal is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses (including, but not limited to, the loss of profit) which may result from the Client's inability to access the Website and/or Trading System(s), or delay or failure in sending orders or Transactions.

10.6 The Client is warned that when trading is an electronic platform(s), the Client assumes risk of financial loss which may be a consequence of, amongst other things:

- a) Failure of Client's devices, software and poor-quality connection.
- b) XProGlobal's or Client's hardware or software failure, malfunction or misuse.
- c) Improper work of Client's equipment.
- d) Wrong setting of Client's Terminal.
- e) Delayed updates of Client's Terminal.

10.7 In connection with the use of computer equipment and data and voice communication networks, the Client bears the following risks amongst other risks, in which cases XProGlobal has no liability of any resulting loss:

- a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication), that serves the Client.
- b) Physical damage (or destruction) of the communication channels used to link the Client and provider, and the trading or information server of the Client.
- c) Outage (unacceptably low quality) of communication via the channels used by the Client, of the channels used by the provider, or communication operator (including voice communication) that are used by the Client.
- d) Wrong or inconsistent with requirement settings of the Client Terminal.
- e) Untimely update of the Client Terminal.
- f) When carrying out transactions via the telephone (land or cell phone lines) voice communication, the department runs the risk of problematic dialing, when trying to reach an employee of the broker service department of XProGlobal due to communication quality issues and communication channel loads.
- g) The use of communication channels, hardware, and software, generate the risk of non-reception of a message (including text messages) by the Client from XProGlobal.
- h) Trading over the phone might be impeded by overload connection.
- i) Malfunction or non-operability of the trading system(s), which also include the Client Terminal.
- j) Outage (unacceptably low quality) of communication via the channels used by

XProGlobal, in particular physical damage (destruction) of the communication channels by third parties.

## **11.0 Risks particularly associated with transactions in Financial Instruments (CFDs)**

- 11.1. Investing in some Financial Instruments entails the use of “gearing” or “leverage”. In considering whether to engage in this form of investment, the Client should be aware that the high degree of “gearing”, or “leverage” is a particular feature of Derivative Financial Instruments. This stems from the margining system applicable to such trades, which generally involves a comparatively modest deposit or margin in terms of the overall contract value, so that a relatively small movement in the underlying market can have a disproportionately dramatic effect on the Client’s trade. If the underlying market movement is in the Client’s favor, the Client may achieve a good profit, but an equally small adverse market movement can not only quickly result in the loss of the Client’s entire deposit, but also expose the Client to a large additional loss. In regard to transactions in derivative Financial Instruments, a derivative Financial Instrument is a non-deliverable spot transaction giving an opportunity to make profit or loss on changes in currency rates, commodity, stock market indices or share prices called the underlying instrument. The Client must not purchase derivative Financial Instruments unless they are willing to undertake the risks of losing entirely all the money which they have invested and also any additional commissions and other expenses incurred.
- 11.2. Transactions may not be undertaken on a recognized or designated investment exchange and, accordingly, they may expose the Client to greater risks than exchange transactions. The terms and conditions and trading rules may be established solely by the Execution Venue. The Client may also have to close any position with the same counterparty with whom it was originally entered into. In regard to transactions in Financial Instruments with XProGlobal, XProGlobal is using a Trading Platform for transactions in Financial Instruments which does not fall into the definition of a recognized exchange or a Multilateral Trading Facility.

## **12.0 XProGlobal is not an advisor or fiduciary to the Client**

Where XProGlobal provides generic market recommendations, such generic recommendations do not constitute a personal recommendation or investment advice of any form and has not considered any specific Client’s personal circumstances or investment objectives nor is it an offer to trade or the solicitation of an offer to trade in CFDs. Each decision made by the Client to trade in CFDs with XProGlobal and each decision made as to whether a transaction is appropriate for the Client is an independent

decision made by the Client themselves. XProGlobal does not act as an advisor or serving as a fiduciary to the Client. The Client understands, acknowledges and agrees that XProGlobal has no fiduciary duty to the Client and is not responsible for any liabilities, claims, damages, costs and expenses, including attorney's fees, incurred in connection with the Client following XProGlobal's generic trading recommendations or taking or not taking any action based upon any generic recommendation or information provided by XProGlobal.

### **13.0 Recommendations are not guaranteed**

The generic market recommendations provided by XProGlobal are based solely on the judgment of XProGlobal's personnel and/or associates and should be considered as such. The Client acknowledges and agrees that they enter into any transactions relying solely on their own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or the intentions of XProGlobal and/or its affiliates. XProGlobal's generic recommendations are based upon information believed to be reliable, but XProGlobal cannot and does not guarantee the accuracy or completeness thereof, or represent that following such generic recommendations will eliminate or reduce the risk inherent in trading in CFDs.

### **14.0 No guarantee or profit**

There are no guarantees of profit or avoidance of any losses when trading in CFDs. The Client has not and will not receive any such guarantees from XProGlobal or from any of its representatives. The Client must become aware of the risks inherent in trading in CFDs and is financially able to bear such risks and withstand any losses incurred.

**Important Notice:** This document does not disclose, contain or explain all of the risks and other significant aspects involved in dealing in all Financial Instruments and Investment Services. This document 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 in accordance with the relevant legal and regulatory requirements.