



BANXSO PROPRIETARY LIMITED
RISK DISCLOSURE



RISK DISCLOSURE STATEMENT

BANXSO PROPRIETARY LIMITED (hereinafter referred to as "BANXSO") is authorized and regulated by the Financial Sector Conduct Authority ("FSCA") under license number 37699, to provide intermediary services in connection with derivative instruments. This disclosure is provided to you in compliance with the Financial Advisory and Intermediary Services Act (37 of 2002, "FAIS Act") and contains very important information about the risks associated when dealing with Contracts for Difference ("CFDs"), or other financial derivative products. This disclosure cannot and does not disclose or explain all of the risks and other aspects involved in trading in CFDs, or any other financial derivative products. The Company does not conduct market making, nor will it be the counterparty to your trades in CFDs. The Company merely provides a website through which you may visit the product supplier's website in order to decide whether you wish to open a trading account. In this respect, you are advised to carefully read and understand the product supplier's Risk Disclosure statement and any other relevant disclosures and documents.

All the Customers are informed to carefully read the following risk disclosures before engaging into any trading transactions, you should also be informed that said policy may not contain all possible risk that can be found in dealing with financial instruments, offered by BANXSO PROPRIETARY LIMITED, a South African registered Financial Services Provider, regulated by the South African Financial Sector Conduct Authority (FSCA No. 37699), (hereafter the "Company").

Company offers investment services in the following financial instruments:

- Contracts for Differences (CFDs)

The Customer acknowledges, understands, and agrees with the risks, including but not limited to:

TRADING IS VERY SPECULATIVE AND RISKY

Trading in Forex is highly speculative and is suitable only for those Customers who understand and are willing to assume the economic, legal and other risks involved and are financially able to assume the loss of their total investment, understand, and are knowledgeable about CFDs, Forex trading and the underlying assets. You are responsible for all the losses absorbed in your trading account. Consequently, you should be prepared to lose all your invested capital due to fluctuations in value. Please do not invest any money that you cannot afford to lose.

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 67% of retail investor accounts lose money when trading CFDs with this provider. You should consider whether you understand how CFDs work, and whether you can afford to take the high risk of losing your money.



Before deciding to trade on margin, you should carefully consider your investment objectives, level of experience, and risk appetite. CFDs involve greater risk than investing in on-exchange products, as market liquidity cannot be guaranteed and it may be more difficult to liquidate an existing position. The prices and other conditions are set by us in accordance with our obligation to provide best execution as, set out in our order execution policy, to act reasonably and in accordance with the applicable Terms and Conditions. The characteristics of our CFDs can vary substantially from the actual underlying market or instrument. If the market moves against you, you may sustain a total loss greater than the funds invested in a specific position. You are responsible for all losses in your account.

OPEN POSITIONS FALL UNDER REGULATION AND/OR OPERATION RISKS

All the Customers acknowledge that open positions can close before expiring by the Company and may result to loss if the trading account is found to be in violation with the Company's policies or illegal under regulation.

PRICES OFFERED BY THE COMPANY MAY BE DIFFERENT FROM PRICES REPORTED ELSEWHERE

The Company will provide the prices to be used in trading and valuation of the Customer positions, in accordance with its Terms and Conditions. The trading rates assigned to the assets on the Company's website, are the ones at which the Company is willing to sell FX Contracts 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.

RIGHTS TO UNDERLYING ASSETS

You have no rights or obligations in respect of the underlying instruments or assets relating to your CFDs or FX Contracts. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies, and commodities.

COMPANY'S SOCIOPOLITICAL ENVIRONMENT

Company is subjected to the governing business laws of the hosting country, and is directly affected by society and view on financial services companies. Any political, legal and/or social change in the hosting country view of the financial service industry may interfere with Company's operations, and may result to loss of funds for the Customer.

THE COMPANY IS NOT AN ADVISER OR A FIDUCIARY TO THE 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 Forex Trading. Each decision made by the Customer to trade in Forex with the Company, and each decision as to whether a transaction is appropriate or proper for the Customer, is an independent decision



made by the Customer. The Company is not acting as an advisor or serving as a fiduciary to the Customer.

The Customer agrees that the Company has no fiduciary duty to the Customer and no liability in connection with him and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with the 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.

FOREIGN CURRENCY

When Financial Instruments are traded in a currency other than the currency of the Customer's account, any changes in the exchange rates may have a negative effect on its value, price and performance, and may lead to losses for the Client.

Your account with us might be held in a currency, which may be different from the currency you used to deposit. Accordingly, you should be aware of currency fluctuations.

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. The 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 Forex.

CONFLICTS OF INTEREST

In any dealing between the Customer and the Company, there is a potential that the interests of the Company may be in contrast with the Customers' interests resulting in a conflict.

COUNTERPARTY RISK

The Company operates as a counterparty for your transactions and therefore is the seller when you are buying, and the buyer when you sell, and therefore the company may be in conflict of interest with you. When trading with us, you are trading with the Company as the counterparty to each Transaction. By using our Services, you are exposed to the risk of us not being able to repay our obligations.



APPROPRIATENESS

During registration process all Customers pass a suitability test questionnaire that assesses the ability of the Customer to invest in financial instruments. According with this assessment you are provided with a message, which is considered to be a risk warning on your future endeavors with the Company. Carefully read the message, as any decision to proceed indicates that you understand all the risks that lie ahead and this policy.

NO GUARANTEES OF PROFIT

There are no guarantees of profit, nor of avoiding losses when trading in Forex. The Customer has received no such guarantees from the Company, or from any of its representatives. The Customer is aware of all the risks inherent in trading in Forex, and is financially able to bear such risks and withstand any losses incurred.

INTERNET TRADING

When the Customer trades online (via the internet), he acknowledges that third parties are implicated in the communication of orders from the Customer to the Company, and that the said third parties may cause losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction or failure of any transmission, communication system, computer facility or trading software, which does not belong to the Company, and that in such occurrences any liability of the Company towards the the Customer, may be waived.

MALICIOUS INTERNET ACTIVITY AND/OR BLACK HACKING

The Customer is aware that the account username and password are connected to it's funds and must take all measures to avoid disclosing log-in information to inappropriate persons and/or make sure the technology he/she uses is secure from third party software that aims to steal this information. Company, or any person related to the Company will never ask for the account password, other log-in information, such as username, may requested only for verification purposes, and only in situations that the Company needs to identify the Customer.

COMMUNICATION BETWEEN THE CUSTOMER AND COMPANY

Any form of communication is subjected to additional factor of miscommunication of time delays, that gradually increase the inability of the Company to execute an order effectively and efficiently for the Client.



EXPIRY SYSTEM ERRORS

In case the expiry system fails for any reason, it will auto detect unexpired 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 the Compliance Officer, detailing all position information, in order to be resolved manually.

MARKET VOLATILITY

Movements in the price of underlying assets/markets can be volatile and unpredictable. "Force majeure", political events, and other factors can cause high market volatility. This will have a direct impact on the Customer's profits and losses.

The prices of the Company will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, and commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant market place. Therefore, Stop Loss order cannot guarantee the limit of loss.

ADDITIONAL RISKS

You (the Customer) are aware that additional risks of trading CFDs may exist that have not been set forth in our Policy, and you understand that it is your responsibility to carefully assess all the risks and determine whether your financial standing and tolerance for risk are suitable for buying, selling, or trading CFDs. You understand that the Company does not provide any investment, legal, or tax advice and you must not consider the information contained in the Website as a substitute for professional advice. You must understand the tax implications of any profits, gains or losses you may make trading CFDs or other derivative financial instruments. You should consult a professional tax consultant for taxation advice. At no point will the Company consider your financial situation, investment or trading objectives, or other personal circumstances, and it is your responsibility to seek independent, professional advice, prior to using the Services and the Website.

You should carefully consider and evaluate each of the abovementioned risks and any additional potential risks, before using any of the Services.

There are no guarantees of profit or of avoiding losses when trading in CFDs and Forex.

ACKNOWLEDGEMENTS

You hereby acknowledge and declare that you have read, understood, and thus accept without any reservation all the information included in this risk disclosure statement.