LX PRIME

RISK DISCLOSURE STATEMENT

LIRUNEX LTD

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In consideration of Lirunex Ltd, operating under the trading name LX PRIME (hereafter the "Company") agreeing to enter into over-the-counter (**"OTC"**) contracts for differences (**"CFDs"**) and foreign exchange contracts ("**FX Contracts**") with the undersigned (hereinafter referred to as the **"Customer", "you", "your"**), Customer acknowledges, understands and agrees that:

1. Trading is very speculative and risky

Trading CFDs and FX Contracts is highly speculative, involves a significant risk of loss and is not suitable for all investors but only for those customers who:

a) understand and are willing to assume the economic, legal and other risks involved;
b) are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
c) are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

Trading CFDs carries a high risk of losing money rapidly, since leverage can work both to the investor's advantage and disadvantage.

"36.84% of retail investors accounts lose money when trading CFDs"

Neither CFDs nor FX Contracts are appropriate investments for retirement funds. CFD and FX transactions are among the riskiest types of investments and can result in large losses. Customer represents, warrants and agrees that Customer understands these risks, is willing and able, financially and otherwise, to assume the risks of trading CFDs and FX Contracts and that the loss of Customer's entire account balance will not change Customer's lifestyle.

Before deciding to trade customers should consider whether they understand how CFDs work and all the risks involved by taking into account their investment objectives and level of experience, and whether they can afford to take the high risk of losing their money.

2. Charges and Taxes

The Provision of Services by the Company to the Client may be subject to fees, in accordance with the Cost and Associated Charges Policy. Before the Client begins to trade, he should obtain details of all fees, commissions, charges for which the Client may be liable. It is the Client's responsibility to check for any changes in the charges.

If any charges are not expressed in monetary terms (but, for example, as a percentage or formula), the Client should ensure that he understands what such charges are likely to amount to.

The Company may change its costs and associated charges, according to the provisions of the Client Agreement.

There is a risk that the Client's trades in any financial instruments may be or become subject to tax and/or any other duty for example because of changes in legislation or his personal circumstances. The Company does not warrant that no tax and/or any other stamp duty will be payable. The Company does not offer tax advice and recommends that the Client seek advice from a competent tax professional if the Client has any questions.

The Client is responsible for any taxes and/or any other duty which may accrue in respect of his trades.

It is noted that taxes are subject to change without notice.

If required by applicable Law, the Company shall deduct at source from any payments due to the Client such amounts as are required by the tax authorities to be deducted in accordance with applicable Law.

It is possible that other costs, including taxes, relating to Transactions carried out on the Trading Platform may arise for which the Client is liable and which are neither paid via us nor imposed by the Company. Although it is the Client's sole and entire responsibility to account for tax due and without derogating from this, the Client agrees that the Company may deduct tax, as may be required by the applicable law, with respect to his trading activity on the Trading Platform. The Client is aware that the Company has a right of set-off against any amounts in the Client's Trading Account with respect to such tax deductions.

3. Third Party Risks

It is understood that the Company will promptly place any Client money it receives into one or more segregated account(s) (denoted as 'clients' accounts') with reliable financial institutions (within or outside Cyprus or the EEA) such as a credit institution or a bank in a third country. The Company shall exercise due skill, care and diligence in the selection of the financial institution according to Applicable Regulations, it is understood that there are circumstances beyond the control of the Company and hence the Company does not accept any liability or responsibility for any resulting losses to the Client as a result of the insolvency or any other analogous proceedings or failure of the financial institution where Client money will be held.

The financial institution above, where Client money will be held may be within or outside Cyprus or the EEA. It is understood that the legal and regulatory regime applying to any such financial institution outside Cyprus or the EEA will be different from that of Cyprus. Hence, in the event of the insolvency or any other equivalent failure or proceeding of that person, the Client's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in Cyprus.

The financial institution to whom the Company will pass Client money may hold it in an omnibus account. In the event of the insolvency or any other analogous proceedings in relation to that financial institution, the Company may only have an unsecured claim against the financial institution on behalf of the Client, and the Client will be exposed to the risk that the money received by the Company from the financial institution is insufficient to satisfy the claims of the Client with claims in respect of the relevant account. The Company does not accept any liability or responsibility for any resulting losses. In general, accounts held with institutions, in communication including omnibus account(s), face various risks, including the potential risk of being treated as one (1) account in case the financial institution in which the funds are held defaults. Under such circumstances, any applicable deposit guarantee scheme may be applied without consideration of the Client as the ultimate beneficial owners of the omnibus Account. In addition, resolution measures may be taken in such a case, including the bail-in of Client funds.

The Company may deposit Client money with a depository who may have a security interest, lien or right of set-off in relation to that money.

A Bank or Broker through whom the Company deals with could have interests contrary to the Client's Interests.

It is understood that the Company does not execute Client Orders on own account basis, i.e. as principal to principal against the Client; the Company receives and then transmits and executes Client Orders with

a third party (the Liquidity Provider). This is known and straight through process and is explained in the "Order Execution Policy". In the event of luck of liquidity of the Liquidity Provider after a successful Order for the Client, the Company will not be in a position to settle the transaction for the Client (i.e. pay the Client the Difference of his successful trade).

4. Risks related to long CFD positions, i.e. for purchasers of CFDs

Being long in CFD means you are buying the CFDs on the market by speculating that the market price of the underlying will rise between the time of the purchase and sale. As owner of a long position, you will generally make a profit if the market price of the underlying rises whilst your CFD long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your CFD long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

5. Risks related to short CFD positions, i.e. for sellers of CFDs

Being short in CFD means you are selling the CFDs on the market by speculating that the market price of the underlying will fall between the time of the purchase and sale. As owner of a short position, you will generally make a profit if the market price of the underlying falls whilst your CFD short position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your CFD short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

6. High leverage and low margin can lead to quick losses

The high degree of "gearing" or "leverage" is a particular feature of both CFDs and FX Contracts. The effect of leverage makes investing in CFDs riskier than investing directly in the underlying asset. This stems from the margining system applicable to CFDs which generally involves a small deposit relative to the size of the transaction, so that a relatively small price movement in the underlying asset can have a disproportionately dramatic effect on your trade. This can be both advantageous and disadvantageous. A small price movement in your favour can provide a high return on the deposit, however, a small price movement against you may result in significant losses. Your losses will never exceed the balance of your account, which is balanced to zero, if the losses are higher than the amount deposited. Such losses can occur quickly. The greater the leverage, the greater the risk. The size of leverage therefore partly determines the result of your investment.

7. Margin Requirements

Customer must maintain the minimum margin requirement on their open positions at all times. It is Customer's responsibility to monitor his/her account balance. Customer may receive a margin call to deposit additional cash if the margin in the account concerned is too low. The Company has the right to liquidate any or all open positions whenever the minimum margin requirement is not maintained, and this may result in Customer's CFDs or FX Contracts being closed at a loss for which you will be liable.

8. Cash Settlement

Customer understands that CFD and FX Contracts can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

9. Prices, Margin and Valuations are set by the Company and may be different from prices reported elsewhere

The Company will provide prices to be used in trading, valuation of Customer positions and determination of Margin requirements. The performance of your CFD or FX Contract will depend on the prices set by the Company and market fluctuations in the underlying asset to which your contract relates. Each underlying asset therefore carries specific risks that affect the result of the CFD concerned.

10. 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.

11. Abnormal Market Conditions

The Client acknowledges that under Abnormal Market Conditions the period during which the Orders are executed may be extended or it may be impossible for Orders to be executed at declared prices or may not be executed at all.

Abnormal Market Conditions include but not limited to times of rapid price fluctuations of 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, or there is lack of liquidity, or this may occur at the opening of trading sessions.

12. Currency Risk

Investing in FX Contracts and CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD or FX Contract is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

13. One click trading and immediate execution

The Company's online trading system provides immediate transmission of Customer's order once Customer enters the notional amount and clicks "Buy/Sell." This means that there is no opportunity to review the order after clicking "Buy/Sell" and Market Orders cannot be cancelled or modified. This feature may be different from other trading systems you have used. Customer should utilize the Demo Trading System to become familiar with the Online Trading System before actually trading online with the Company. Customer acknowledges and agrees that by using the Company's online trading system, Customer agrees to the one-click system and accepts the risk of this immediate transmission/execution feature.

14. The Company is not an adviser or a fiduciary to 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 buy or sell, or the solicitation of an offer to buy or sell, any Foreign Exchange Contracts or Cross Currency Contracts. Each decision by Customer to enter into a CFD or FX Contract with the Company and each decision as to whether a

transaction is appropriate- ate or proper for Customer, is an independent decision made by the Customer. The Company is not acting as an advisor or serving as a fiduciary to Customer. Customer agrees that the Company has no fiduciary duty to Customer and no liability in connection with and is not responsible for any liabilities, claims, damages, costs and expenses, including attorneys' fees, incurred in connection with 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.

15. 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. Customer acknowledges that Customer enters into any Transactions relying on Customer's 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 CFDs and/or FX Contracts.

16. No guarantees of profit

The Company provides no guarantees of profit nor of avoiding losses when trading in Financial Instruments. The Company cannot guarantee the future performance of the Client's Trading Account, promise any specific level of performance or promise that Client's investment decisions, strategies, will be successful/profitable. Customer has received no such guarantees from the Company or from any of its representatives. Customer is aware of the risks inherent in trading in Financial Instruments and is financially able to bear such risks and withstand any losses incurred. The Client acknowledges and accepts that there may be other additional risks apart from those mentioned above.

17. Internet Trading

When Customer trades online (via the internet), the Company shall not be liable for any claims, losses, dam- ages, costs or expenses, caused, directly or indirectly, by any malfunction, disruption or failure of any trans- mission, communication system, computer facility or trading software, whether belonging to the Company, Customer, any exchange or any settlement or clearing system.

18. Trading Platform

The Client is warned that when trading in an electronic Trading Platform he assumes risk of financial loss which may be a consequence of amongst other things:

- Failure of Client's devices, software and poor quality of connection.
- The Company's or Client's hardware or software failure, malfunction or misuse.
- Improper work of Client's equipment.
- Wrong setting of Client's Terminal.
- Delayed updates of Client's Terminal.

The Client acknowledges that only one Instruction is allowed to be in the queue at one time. Once the Client has sent an Instruction, a new Instruction can be given to the Company.

The Client acknowledges that when the Client closes the order placing/ deleting window or the position

opening/closing window, an Instruction, which has been sent to the Server, shall not be cancelled.

Orders may be executed one at a time while being in the queue. Multiple orders/Instructions from the same Trading Account in the same time may not be executed.

The Client acknowledges that when the Client closes the Order, it shall not be cancelled.

In case the Client has not received as a result of Force Majeure Events the execution of the previously sent Order but decides to repeat the Order, the Client shall accept the risk of making two Transactions instead of one.

19. Quoting Errors

Should a quoting error occur (including responses to Customer requests), the Company is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by the Company in its sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices the Company has posted on our screen, the Company will attempt, on a best efforts basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices, which are ultimately reflected on the Customer statements. This may or may not adversely affect the Customer's realized and unrealized gains and losses.

20. Insolvency

The Company's insolvency or default or the insolvency or default of any parties involved in Transactions undertaken by the Company on the Client's behalf (including without limitation brokers, execution venues and liquidity providers), may lead to positions being liquidated or closed out without the Client's consent and as result the Client may suffer losses. In the unlikely event of the Company's insolvency, segregated client funds cannot be used for reimbursement to the Company's creditors. If the Company is unable to satisfy repayment claims, eligible claimants have the right to compensation by the Investor Compensation Fund as stated below.

21. Investor Compensation Fund

The Company participates in the Investor Compensation Fund for clients of Investment Firms regulated in the Republic of Cyprus. Customers will be entitled to compensation under the Investor Compensation Fund where we are unable to meet our duties and obligations arising from your claim. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand euro (EUR 20.000). This applies to your aggregate claims against us. For more details, please refer to the "Investor Compensation Fund" policy on our website.

22. Regulatory and Legal Risk

A change in laws and regulations may materially impact a Financial Instrument and investments in a sector or market. A change in laws or regulations made by a government or a regulatory body or a decision reached by a judicial body can increase business operational costs, lessen investment attractiveness, change the competitive landscape and as such alter the profit possibilities of an investment. This risk is unpredictable and may vary from market to market.

23. Force Majeure Events

In case of a Force Majeure Event, the Company may not be in a position to arrange for the execution of Client Orders or fulfil its obligations under the Client Agreement with the Client. As a result the Client may suffer financial loss.

The Company will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under the Client Agreement where such failure, interruption or delay is due to a Force Majeure Event.