

ALB LIMITED (“ALB”) believes that its customers (the “client”, “customer”, “you”, or “your”) should be aware of the risks involved in entering over-the-counter contracts for foreign currency, precious metals, and contracts for difference (CFDs) and spot foreign exchange contracts (“Spot FX”) (collectively, “OTC Contracts”). The following is a brief, non-exhaustive summary of certain significant factors and special risks you should take into account when deciding whether to trade OTC Contracts. For the avoidance of doubt, this document does not constitute a form of investment advice, nor has the character of an investment advice.

Before deciding whether to carry out a transaction in OTC Contracts, you are obliged to examine whether concluding such transactions is relevant to your investment targets and in regard to your experience, knowledge and willingness to take risks. If you have any doubts as to the essence of the functioning of financial instruments and their economic sense, you are obliged to ask ALB for an explanation.

This Statement, which constitutes an addition to the Client Agreement and the Terms of Business of ALB, does not disclose or explain all of the risks and other significant aspects involved in trading OTC Contracts. Engaging in transactions offered by ALB can carry a high risk to your capital, where there is the potential that it is lost completely. If more information on the risks involved is required please contact ALB.

In order to open and operate a trading account with ALB, you must indicate that you have read and understood this Risk Disclosure Statement (the “Statement”). Please read this Statement in its entirety and then sign below.

#### RISKS

**1. Terms and Conditions:** You have the responsibility to fully understand the trading rules and/or terms and conditions of the transactions to be undertaken and/or the Terms of Business and Client Agreement, including, but without limitation any terms describing risk factors, such as volatility, liquidity, and so on.

**2. Leverage Trading:** Leveraged trading in OTC Contracts carries a high level of risk and may not be suitable for everyone. Before deciding to transact in OTC Contracts, you should carefully consider your investment objectives, level of knowledge and experience and risk appetite. Most importantly, before trading, you are strongly advised to read and ensure that you understand the relevant risk disclosures and warnings contained in this Statement. There is a substantial risk that you may lose all of your initial investment. Do not

invest money you cannot afford to lose. We advise you to consider whether trading leveraged products is appropriate for you in light of your own personal circumstances. We recommend that you seek independent financial advice and ensure that you fully understand all risks involved before trading. Trading through an online platform carries additional risks. Refer to our Regulation section herein.

**3. Sophisticated Investments:** In view of the risks, you should trade in OTC Contracts only if you understand the contracts (and contractual relationships) into which you are entering. Trading in OTC Contracts is only appropriate for sophisticated individuals and institutional investors and is not appropriate for many members of the public. You should consider whether trading is appropriate for you in light of your experience, objectives, financial resources, risk tolerance and other relevant circumstances. Transactions, that are subject to a variety of financial instruments having a diversified risk scale, are possible to be carried out via ALB’s transactional system, which is provided by ALB’s web platforms. In particular, it is possible to conclude transactions on OTC Contracts, which, due to their complex nature, should be used by clients with relevant expertise and experience or with their acceptance of the consequences of entering into such transactions. CFD and Spot 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, and is willing and able, financially or otherwise, to assume the risks of trading CFD’s and Spot FX Contracts; and that the loss of Customer’s entire account balance will not change Customer’s lifestyle.

**4. Risks when trading in CFDs:** CFDs are complex financial products, most of which have no set maturity date. Therefore, a CFD position matures on the date you choose to close an existing open position. CFDs, which are leveraged products, incur a high level of risk and can result in the loss of all of your invested capital. Trading in CFDs is highly speculative and therefore is suitable only for those Clients who (a) understand and are willing to assume the economic, legal and other risks involved, (b) are financially able to assume the risk of losses up to their invested capital and (c) understand and are knowledgeable about CFDs and the underlying assets. You represent, warrant and agree that you understand these risks, are willing and able, financially and otherwise, to assume the risks of trading in CFDs. Before deciding to trade, you should ensure that you understands the risks involved and take into account your level of experience, and if necessary seek independent advice.

When trading in CFDs you need to take into account the following main risks:

a) CFDs are leveraged products; therefore, they carry a higher level of risk to your capital compared to other financial products and may result in the loss of all of your invested capital. However, it should be noted that ALB operates on a 'negative balance protection' basis; this means that you cannot lose more than your initial investment.

b) The value of CFDs may increase or decrease depending on market conditions, and the potential for profit should be balanced alongside the significant losses that may be generated over a very short period of time when trading CFDs.

c) CFD trading, unlike traditional trading, enables you to trade the markets by paying only a small fraction of the total trade value. However, this entails that a relatively small market movement may lead to a proportionately much larger movement in the value of your position.

d) You need to make sure that you have sufficient margin in your trading account, at all times, in order to maintain an open position. In addition, you need to continuously monitor any open positions in order to avoid positions being closed due to the unavailability of funds; ALB is not responsible for notifying you for any such instances.

More information relating to the use of CFDs and Spot FX and the related risks are set out in the website under the section entitled "CFD Trading", "Spot FX Trading", "Margin Requirements" and "Use of Leverage".

**5. No guarantees of profit.** There are no guarantees of profit nor of avoiding losses when trading in OTC Contracts. You acknowledge that you have not received any guarantees from ALB or from any of its representatives. You are aware of the risks inherent in trading OTC Contracts and are financially able to bear such risks and withstand any losses incurred.

**6. Terms of OTC Contracts:** The terms of each OTC Contract are set out in ALB's [Terms of Business and/or Client Agreement], which applies to every transaction you enter into with ALB, establishes the prices at which it offers to trade with you based on prices that are made or quoted to ALB by the banks, financial institutions, exchanges and counterparties with which it does business and which may not be the same as prices available from other sources. These prices depend on fluctuations in the financial markets which are outside ALB's control. Financial markets in general and these products in particular are volatile and can move rapidly, particularly in response to news events. In addition the assets underlying CFDs are different from one another and there are specific risks for each item. These assets also differ from currencies (and different currencies also carry different risks). The past performance of an underlying asset, CFD or currency is not an indicator of future performance.

There may be instances where ALB does not receive a price in respect of certain or all underlying assets due to market disruption or closure. ALB may prohibit opening or closing a position if there is no pricing data available in respect of the underlying asset or currency. These situations involve risk for you as there may be market changes while you are unable to trade and this could adversely affect any open positions which you may have.

**7. Prices are set by ALB and may be different from prices reported elsewhere.** ALB will provide the prices to be used in trading and valuation of your positions in accor-

dance with its trading policies and procedures established by ALB. As such, they may not directly correspond to real time market levels at the point in time at which the sale of options occurs.

**8. Quoting Errors:** Should a quoting error occur ALB 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 ALB in its sole discretion and acting in good faith, from the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices ALB has posted on its screen, ALB 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 your statements. This may or may not adversely affect your realized and unrealized gains and losses.

**9. Transactions in OTC Contracts carry a high degree of risk.** The amount of initial margin is small relative to the value of the OTC Contracts so that transactions are "leveraged" or "geared". A small market movement will have a proportionally larger impact on your position and this may work against you as well as for you. The possibility exists that you could sustain a total loss of initial margin funds and any additional deposits made to maintain your position. We recommend that you familiarize yourself with CFD and currency trading with ALB using a Demo account before getting into a transaction. You are advised to refer to the "Margin Requirements" section in the website for further details on margin requirements and the relevant risks.

Risks include, without limitation, the following:

(i) it is possible to incur a loss if, after your acquisition of an investment, exchange rates change to your detriment, even if the price of the underlying currency to which the Trade relates remains unchanged; and

(ii) you may sustain a total loss of the Margin Requirement in respect of your account that you deposit with or pay to us to establish or maintain a position, and, if the market moves against you, you may be required to pay substantial additional funds at short notice, but if you fail to do so within the required time, your investment position may be liquidated at a loss to you.

Specifically, if your margin deposit is less than required to maintain the open positions in your account, then a margin closeout will occur without warning and all your open positions will be closed. In instances where the market for an open position is not currently trading, such open position will be automatically closed at the next available market price. You are responsible for monitoring your account to avoid unexpected margin calls. To limit your losses ALB encourages you to employ such risk-reducing strategies as "stop-loss" or "stop-limit" orders, but you should be aware that market conditions may make it impossible to close out your order at the level specified.

**10. Spreads:** The difference between our bid price and our ask price is "Our Spread". Our Spreads are set in our absolute discretion, since we are acting as market maker, and any changes are effective immediately. Information in relation to Our Spread, Leverage, Rollover Fees and Trading



Hours for each market is stated in CFD Trading Conditions and FX Trading Conditions pages of ALB's website.

At ALB's discretion, including during weekends, illiquid hours and periods of low volume trading, Our Spreads increase. This will impact trade prices as well as the value of open positions. It is your responsibility to ensure you have adequate funds in your account to prevent a margin close-out. To avoid margin closeouts, reduce the margin you are using by closing some trades, adding more funds or reducing your leverage. To prevent unwanted order execution, adjust your take profit/stop loss to account for market conditions.

**11. Weekend Risk:** Various situations may arise over a weekend (Friday from [10:00 PM GMT] till Sunday at [10:00 PM GMT]), or during a holiday when the financial markets generally close for trading, that may cause the markets to open at a significantly different price from where they closed. You will not be able to use ALB's trading system to place or change orders over the weekend, on market holidays or/and at other times when the markets are generally closed. There is a substantial risk that stop-loss orders left to protect open positions held during these periods will be executed at levels significantly worse than their specified price.

**12. Internet Risks:** There are also risks associated with using an internet-based trade execution software application including, but not limited to, the failure of hardware, software and internet connection. ALB does not control signal power, reception, routing via the internet, network latency, configuration of your equipment or the reliability of your connection to the internet. The result of any failure of the foregoing may be that your order is either not executed according to your instructions, is executed at a price that differs from the one shown or is not executed at all. ALB is not responsible for communication failures or delays. ALB employs backup systems and contingency plans to minimize the possibility of system failure. Trading via telephone is always available in case of system/technical malfunction.

**13. Catastrophic Risk:** There is a risk that a catastrophic failure of ALB's internal systems could result in the loss of data recording individual account balances. ALB mitigates this risk by the frequent backup of data, by maintaining backup systems and through contingency plans to minimise the possibility of system failure.

**14. Negative Balance Protection:** This provider protects retail clients so as to ensure that their maximum losses from trading CFDs, including all related costs are limited to the funds related to trading CFDs that are in the retail client's CFD trading account. This includes any funds yet to be paid into the account due to net profits from the closure of open CFDs connected to the account. Retail clients shall not incur any additional liability connected with their trading of CFDs. The aim of negative balance protection is to ensure that retail clients are protected in exceptional circumstances where there is a price change in the underlying that is sufficiently large and sudden, so that this provider is not required to close out the retail client's position as required by the margin close-out protection, such that the retail client ends up with a negative account value. This is because large market events may prevent the automatic margin close-out protection from being effective. Where a retail client's account also includes other financial instruments, only the funds explicit-

ly dedicated to CFD trading and not those dedicated to other financial instruments are at risk.

**15. Content of website:** The content on the website is subject to change at any time without notice, and is provided for the sole purpose of assisting clients to make independent investment decisions. ALB has taken reasonable measures to ensure the accuracy of the information on the website, however, does not guarantee its accuracy, and will not accept liability for any loss or damage which may arise directly or indirectly from the content or your inability to access the website, for any delay in or failure of the transmission or the receipt of any instruction or notifications sent through this website.

**16. Restrictions:** This website is not intended for distribution, or use by, any person in any country where such distribution or use would be contrary to local law or regulation. None of the services or investments referred to in this website are available to persons residing in any country where the provision of such services or investments would be contrary to local law or regulation. It is the responsibility of visitors to this website to ascertain the terms of and comply with any local law or regulation to which they are subject.

**17. ALB is not an adviser or a fiduciary to customer.** In entering into OTC Contracts you should understand that ALB is acting solely in the capacity of an arm's length contractual counterparty to you and not in the capacity of your financial advisor or fiduciary. Accordingly, you should not regard any information, proposal, suggested trade or trading strategy or other written materials or oral communications from ALB as investment recommendations or advice or as expressing ALB's views as to whether a particular transaction is appropriate for you or meets your financial objectives.

**18. Rights and Obligations when ALB deals on own account:** When you enter into an OTC Contract with ALB, you will be entering into a privately negotiated contract with ALB as principal. This means that ALB acts as the seller when you buy and the buyer when you sell. OTC Contracts are not transferrable to other providers, and must be closed with ALB. OTC Contracts are not executed on an exchange and are not cleared on a central clearing organisation. They are obligations of ALB and you may not be afforded all of the regulatory and financial protections offered by exchange-traded contracts. Both you and ALB are obliged to perform your respective obligations under each transaction in accordance with its terms. You have no rights or obligations in respect of the underlying instruments or assets relating to the CFDs.

**19. Conflicts of Interest:** ALB is the counterparty to all transactions entered into under the [Terms of Business / Client Agreement] and, as such, ALB's interests may be in conflict with your interests. The Conflicts of Interest Policy of ALB is available on ALB's website.

**20. Trading Platform:** Although the trade platform is available 24/5, not all products are available for trading at all times. Please consult the ALB's website for specific trading times for each product.

**21. Telephone Orders and Immediate Execution:** Market orders executed over the telephone through ALB's Trading Department are completed when ALB's telephone operator says "deal" or "done" following your placing of an order. Upon such confirmation of the telephone operator, you would have bought or sold and cannot cancel the



order. By placing orders through the ALB's Trading Department, you agree to such immediate execution and accept the risk of this immediate execution feature.

**22. Costs:** Prior to investing in CFDs you need to be aware of any costs involved, such as spread(s), commission(s) and swap(s). For the purposes of this Statement, a swap means the interest added or deducted for holding a position open overnight. Before you begin to trade, you should obtain from us details of all commissions and other charges for which you will be liable. These charges will affect your net profit or loss.

**23. Clients' Money:** All cash that ALB holds belonging to you will be held by ALB as client money in accordance with the MFSA's Client Money Rules and will be held in a segregated account with an approved bank. Details of approved banks will be identified on the website of ALB. ALB will take reasonable care in the selection and continued use of such bank to hold your money but, subject to [Customer Agreement/Terms of Business], ALB will not be responsible to you in the event of that bank's default or the bank's errors or other omissions. ALB cannot ensure that you would not lose any money if the approved bank enters administration, liquidation or a similar procedure.

If the approved bank is unable to repay all of its creditors, your client money would be pooled with that of ALB's other customers with that entity and any shortfall would be borne by all the customers of that pool proportionately to each one's respective interest, entitlement and share in the account balance. The likelihood of any shortfall may be affected by whose rights have priority upon insolvency and the operations of the applicable compensation scheme. In the event of ALB's administration or insolvency, however, your money will be subject to the Client Money Rules, so you will be entitled to share in any distribution under the Client Money Rules. In these circumstances, your money will be protected.

**24. Investor Compensation Scheme:** ALB participates in the Investor Compensation Fund for clients of Investment Firms regulated by the MFSA. Customers will be entitled to compensation under the Investor Compensation Fund in the event that ALB is unable to meet its duties and obligations arising from your claim, save where customers are themselves caught by the exclusions under applicable regulations. Any compensation provided to you by the Investor Compensation Fund shall not exceed twenty thousand Euro (€20.000). This applies to your aggregate claims against us.

**BY SIGNING BELOW YOU ACKNOWLEDGE THAT YOU HAVE RECEIVED A COPY OF THIS RISK DISCLOSURE STATEMENT AND THAT YOU HAVE READ AND UNDERSTAND IT. YOU FURTHER REPRESENT, WARRANT AND AGREE THAT YOU UNDERSTAND THE ABOVE-MENTIONED RISKS AND ARE WILLING AND ABLE, FINANCIALLY AND OTHERWISE, TO ASSUME THE RISKS OF FOREIGN CURRENCY TRADING AND OTHER INSTRUMENTS AS PER ABOVE.**

**PLEASE PRINT A COPY OF THIS STATEMENT FOR YOUR RECORDS.**

## **25. Other risks:**

**Internet Trading:** When you trade online (via the internet), ALB shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction or failure of any transmission, communication system, computer facility or trading software, whether belonging to you, ALB, any exchange or any settlement or clearing system.

**Telephone Orders:** ALB is not responsible for disruption, failure or malfunction of telephone facilities and does not guarantee its telephone availability. For the avoidance of doubt, you acknowledge and accept that you are aware that ALB may not be reachable by telephone at all times and only in limited circumstances and thus you are primarily expected to place your orders through online access to ALB's Trading Platform.

**Market Conditions:** You acknowledge that under abnormal market conditions the period during which the instructions and requests are executed may be extended. ALB will not be responsible for any losses arising out of the delay in the execution of such instructions and requests. Furthermore, due to market conditions which may cause any unusual and rapid market price fluctuations, or other circumstances, ALB may be unable to close out your position at the price which you specified and the risk controls imposed by ALB might not work. You agree that ALB will bear no liability for a failure to do so.

**Communication:** ALB is not responsible for any financial loss caused as a result of delayed or unreceived notices.

You acknowledge that the unencrypted information transmitted by email is not protected from any unauthorized access. ALB is not responsible in respect of any unreceived or unread internal messages sent to you through the trading platform(s) as they are automatically deleted if not received or read within [[3] ([three]) calendar days].

You are solely responsible for the privacy of any information received from ALB. ALB has no responsibility regarding any loss as a result of authorized/unauthorised access to all information between ALB and you by third persons.

**Force Majeure Event:** In case of a force majeure event you shall accept the risk of financial losses.

**Taxes:** You shall make sure that investing in CFDs is not subject to tax and/or any other duty in your jurisdiction. You are responsible for any taxes and/or any other duty which may accrue in respect of your trades.

Printed Name

Dated (day/month/year)

Signature

