



STATEMENT
DISCLOSING TRANSACTION RISKS
IN THE FINANCIAL MARKETS

GrandCapital Ltd.

1 GENERAL TERMS

- 1.1 Present statement is an integral part of The Client Agreement.
- 1.2 This statement is aimed to disclose risks associated with trading transactions on financial markets.
- 1.3 Present statement may not reveal all the information about potential risks due to a large variety of possible situations.

2 MARGINAL TRADING

- 2.1 There can be substantial risk of funds loss when trading financial instruments. You should carefully consider reasonableness of making such transactions in terms of your financial resources.
- 2.2 You are fully responsible for all risks, the use of financial resources and the choice of a corresponding trade strategy.
- 2.3 There is a possibility to lose all the funds on your accounts with the Company (and any additional funds deposited as credit leverage to maintain open positions) in a relatively short period of time if the situation on financial markets is unfavorable for your positions.
- 2.4 To maintain open positions you may be required to provide additional funds of considerable size in a short term if the price movements are unfavorable for you. Your positions could be forcefully closed with loss, and you will be responsible for any losses generated if you cannot provide necessary funds on time.
- 2.5 It is strongly recommended to maintain the Margin Level at least at 1000%, as well as to place Stop Loss orders to limit potential losses.
- 2.6 The Company may need significantly greater amount of time to process requests, including requests to close certain positions due to conditions prevailing in the financial markets. For example, it can happen when prices change rapidly.
- 2.7 Stop Loss orders intended to limit losses may not necessarily limit your losses to the expected level, because in the emerging market situation it may be impossible to execute such a request at a specified price.
- 2.8 You should consider the Company's fees as well as the information on other charges before you begin a transaction.
- 2.9 The Company may act as counterparty for the transactions with financial instruments, and that could lead to a conflict of interests.

3 TECHNICAL RISKS

- 3.1 Client accepts the risks of financial losses caused by informational, communicational, electronic or other systems failure.
- 3.2 When making trade transactions via the Client's terminal, Client accepts the risks of financial losses that may result from:
 - 3.2.1 failure of hardware, software and internet connection quality on the Client's side;
 - 3.2.2 improper operation of the Client's hardware;
 - 3.2.3 incorrect settings of the Client's terminal;
 - 3.2.4 upgrading delays of the Client's terminal;
 - 3.2.5 Client's ignorance of the rules described in the "User's Guide on the Client's terminal", and in the "Help" section.

Client acknowledges that when making trade transactions via the telephone it may be difficult to get an operator on duty at the time of peak hours. Situation like that may arise in a fast market (for example, after key economic news).

4 TRADING PLATFORM

- 4.1 Client acknowledges that in the queue of requests / orders on the server there can be only one request or order. An attempt to send any new request or order will be rejected. At the same time «Order

is locked» will be displayed in the «Order» window.

4.2 Client acknowledges that the only reliable source of information on quoting is the primary server for real Clients. Databases of quotes on the Client's terminal cannot serve as a reliable source of information on quoting. A part of the quotes may not reach the Client's terminal if the connection between the terminal and the server is unstable.

4.3 Client acknowledges that closing of the windows "placement/modification/deletion" of an order and also windows of "opening/closing" positions does not cancel the order or request that has already been sent for processing.

4.4 Client accepts the risk of unplanned trading operations as in a situation when the same order is repeated before the result of the previous order is received by the dealer.

4.5 Client acknowledges that the order for the simultaneous modification of the level of a pending order and the levels of Stop Loss and/or Take Profit received for processing after the order has already been executed, will be processed according to this order only in the modifications part of the levels of Stop Loss and/or Take Profit orders of the open position.

5 COMMUNICATIONS

5.1 Client accepts the risk of any financial losses that may be generated due to delay in communication with the Company.

5.2 Client acknowledges that the information sent by e-mail in an unencrypted form is not protected from unauthorized access.

5.3 Client agrees that the Company has the right to remove messages not received by Client through the internal mail of the trading terminal.

5.4 Client assumes full responsibility for keeping confidential the information received from the Company.

5.5 Client accepts the risk of any financial losses caused by unauthorized access to his/her trading account.

5.6 The client assumes the risk of any financial losses associated with making trading decisions based on investment advice provided by the company's employees, advisers, agents, contractors, affiliated parties or partners by means of vocal communication.

6 FORCE MAJEURE CIRCUMSTANCES

6.1 Client assumes the risk of financial losses caused by force majeure circumstances.

7 PROHIBITIONS AND RESTRICTIONS ESTABLISHED BY LEGISLATION

7.1 Client assumes financial and other risks when trading (and related activities) in the financial markets is prohibited or restricted by the legislation of the Client's country of residence.