This Notice provides a description of certain risks related to transactions on foreign exchange (or "Forex") and precious metals (or "Bullions") instruments (the "Forex and Bullion Transactions").

RISK WARNING

Clients and prospective clients (referred to as “Clients”) should study the following risk warnings very carefully. Please note that FlowBank SA ("FlowBank", "we", or "us") does not disclose or explain all the risks and other significant aspects involved in Forex and Bullion Transactions. The information provided in this Notice is not a substitute for professional financial advice. In addition, FlowBank has no obligation to inform Clients about possible tax and legal aspects relating to margin trading and will not monitor the Client’s or the Client’s attorney’s trading activity.

This Notice shall be read in conjunction with the General Terms and Conditions and the terms of the relevant Forex and Bullion Transactions as displayed on the trading interface of the Client's account. The Client shall also read all other risk disclosures, fact sheets and information provided by FlowBank in relation to Forex and Bullion Transactions.

SCOPE

This Notice applies to Forex and Bullion Transactions. Forex and Bullion Transactions include transactions on foreign exchange and precious metal options ("Forex and Bullion Options"), contracts for difference ("CFDs") having currency pairs or precious metals as their underlying, as well as other foreign exchange instruments and financial instruments having precious metals as their underlying assets. This Notice does not apply to exchange-traded derivatives.

This Notice also applies to Before investing in CFDs on foreign exchange instruments or precious metals, Clients are strongly advised to read FlowBank’s CFD Risk Disclosure Notice. A number of Forex and Bullion instruments tradable through FlowBank are over-the-counter derivatives. Clients who wish to invest in such derivatives should read FlowBank's OTC Derivatives Risk Disclosure Notice.

RISKS COMMON TO ALL FOREX AND BULLION TRANSACTIONS

1. No central pricing

All Forex and Bullion Transactions are priced based on or using exchange rates between currencies. There is no central market for currencies and exchange rates are negotiated individually by market participants.

Unless otherwise indicated, any exchange rate used by FlowBank to price Forex and Bullion Transactions is a rate that FlowBank has set in its discretion, taking into account the rate(s) available to it. Rates set by FlowBank may be different from rates published or applied by other financial institutions, financial information systems and media.

2. Spread applied by FlowBank

In Forex and Bullion Transactions, FlowBank will generally act as the Client’s counterparty and not as a broker. FlowBank will therefore not execute the Client’s orders on trading venues, but will directly buy or sell the relevant foreign exchange instrument to the Client. When FlowBank does so, the pricing of the relevant Forex and Bullion Transactions will include a spread (also referred to as a mark-up). The spread is the difference between the price that FlowBank is able to
secure for itself and the price FlowBank quotes to the Client.

The spread applied by FlowBank is determined by FlowBank in its sole discretion and is not indicated in FlowBank's quotations. The spread may be significant and may increase depending on market conditions, FlowBank's overall exposure in the market and the size of Forex and Bullion Transactions. Furthermore, FlowBank may apply different spreads to different Clients. The Client is responsible for determining whether the price quoted by FlowBank is appropriate for him/her.

3. Counterparty risk

FlowBank is the Client's counterparty in Forex and Bullion Transactions. The Client is therefore directly exposed to a default or insolvency of FlowBank. Should FlowBank default or become insolvent, the Client's positions may be liquidated without prior notice. Such liquidation, and the default or insolvency of FlowBank generally, may cause substantial losses to the Client.

FlowBank is also under no obligation to enter into Forex and Bullion Transactions or offer prices for Forex and Bullion Transactions. If the Client enters into a transaction and wishes to exit such transaction before its maturity date (if any), the Client will only be able to do so if and when FlowBank is willing to transact with the Client.

5. Limited risk mitigation tools available

FlowBank may make available certain types of orders or instructions that are commonly used to reduce risk, such as stop orders, trailing stop orders and “one cancels the other” or "OCO" orders. The availability and functioning of these order types is indicated on the trading interface of the Client's account.

Using these order types is not a guaranteed way to limit risks. The

significantly impacted by circumstances affecting other participants of the foreign exchange markets. Such circumstances may include (without limitation) high volatility in foreign exchange and other markets, the default of an important market participant, decisions of government, central banks and other governmental agencies or exchange control restrictions. Although the foreign exchange market is frequently referred to as being very liquid, it may experience periods of illiquidity. Additionally, FlowBank may be unwilling or unable to enter into Forex and Bullion Transactions if FlowBank is unable to enter into hedging transactions with third parties.

Various events may arise over a weekend or, more generally, outside of Business Days (as defined in FlowBank's General Terms and Conditions), which may cause the markets to open at a significantly different price from where they closed. Forex and Bullion Transactions cannot be entered into, and orders cannot be executed, outside of Business Days. This may cause considerable losses. Stop loss orders may be executed at prices that depart significantly from the price desired by the Client. The Client’s open orders may also not be cancelled outside of Business Days or outside the hours of operation of FlowBank's platform.
execution of these orders remain subject to FlowBank being willing and able to execute them. In certain circumstances, especially in case of disruption or increased volatility, such orders may therefore not be executed, or be executed with possibly significant delays, and FlowBank shall not be liable in such cases. The Client remains bound by Forex and Bullion Transactions executed at prices that differ from those indicated upon submission of an order.

FlowBank has no obligation to refrain from entering into Forex and Bullion Transactions when the Client suffers losses and/or the assets on the Client's account decrease, even substantially.

**Certain Forex and Bullion Transactions can generate losses that are, at least in theory, unlimited.** In particular, the Client may be allowed to enter into short positions on foreign exchange instruments. The price of such instruments can increase without limit, thereby causing losses that are also without limit. In such circumstances, the Client may lose considerably more than his/her investment, and even considerably more than is deposited on his/her account. The risks of substantial losses in excess of the Client's investment are even higher when using leverage, as further described below.

6. **Constant monitoring is required**

Forex and Bullion Transactions require constant monitoring. When the Client is entering into such a transaction, he/she should monitor his/her account constantly until the relevant position has been closed or otherwise terminated.

The foreign exchange and precious metal markets are extremely volatile and their movements are unforeseeable. The Client must continually monitor his/her account as long as there are open positions on the account. The Client is solely responsible for doing so, and FlowBank shall have no obligation to monitor the status of the Client’s account and raise the Client’s attention to the status of his/her open positions.

7. **No advice**

FlowBank does not provide any financial, tax or legal advice. Any information provided by FlowBank to the Client is purely factual and does not take into account any personal circumstances (for example available funds and risk appetite). In response to a Client's enquiry, FlowBank may provide factual market information or information relating to Forex and Bullion Transactions, including as to FlowBank's procedures, potential risks involved and how those risks may, in general, be minimized. The provision of such information is not and must not be construed as an advice of any kind. Any decision to enter into any Forex and Bullion Transaction with FlowBank is solely the Client's decision, and he/she may wish to obtain independent professional advice from a suitably qualified advisor on any investment, financial, legal, regulatory, tax or similar matter before dealing with FlowBank.

Furthermore, FlowBank does not examine whether the Forex and Bullion Transactions chosen by the Client are appropriate, suitable or recommended in view of his/her situation. It is up to the Client to assess whether his/her financial resources are adequate and what level of risk to take. Decisions made by the Client regarding the opening of an account or the entering into Forex and Bullion Transactions are the Client's sole responsibility.

**RISKS RELATING TO LEVERAGE**
1. Leverage increases risks

For certain Forex and Bullion Transactions, we may allow the Client to trade on margin, i.e. to use leverage. Trading on margin means that the Client can execute trades in an amount larger than his/her deposit (or “equity”). If FlowBank allows the Client to use a 100:1 leverage, it means that the Client can open positions 100 times larger than his/her margin.

Leveraged Forex and Bullion Transactions are highly speculative. The leverage effect carries substantial risks which suit only persons who can assume the risk of a total loss of funds. Therefore, the Client should only trade with funds he/she can afford to lose, and if he/she can bear substantial losses in excess of the funds he/she has invested.

2. The risk of losses is amplified

While leveraged Forex and Bullion Transactions sometimes offer opportunities for high profits, they at the same time bear a high risk of losses since small variations in the prices can lead to a considerable loss. In other words, the greater the leverage effect, the greater the chance of gain and the risk of loss. The Client should use the leverage effect that is suitable to him/her. FlowBank does not examine whether the leverage effect used by the Client is suitable or recommended in view of the Client’s situation.

Forex and Bullion Transactions may, by their nature, generate losses that are in theory unlimited. In the absence of prior intervention or in case of exceptional market conditions, the Client’s losses could greatly exceed all the Client’s assets deposited with FlowBank.

3. Margin requirements

When entering into Forex and Bullion Transactions using leverage, the Client will be required to comply with margin requirements, as described in FlowBank's Terms and Conditions and as communicated to the Client through his/her account with FlowBank. The applicable maximum leverage, as well as the required margin are set by FlowBank in its sole discretion and for the sole purpose of protecting FlowBank's interest. Maximum leverage and margin requirements may change at any time. As soon as the Client opens a position, it is the Client's sole responsibility to keep himself/herself informed of the applicable requirement and maximum applicable leverage effect and to take all consequent decisions.

If margin or leverage requirements are not met, FlowBank is entitled (but not obliged) to close all of the Client's positions and sell all the Client's assets deposited with FlowBank. Before closing the Client's positions or selling assets, FlowBank is entitled to contact the Client by sending the latter Notices (as defined in FlowBank's General Terms and Conditions), to attempt to contact the Client via phone or to display a corresponding message on the Client's account.

FlowBank may decide not to notify the Client that additional margin is required and instead close the Client's positions and sell the Client's assets deposited on the account. If we decide to ask the Client to provide additional margin, FlowBank may also set very short deadlines to provide additional funds, or amend deadlines it had previously set.

The Client may thus not have sufficient time, or not be granted the possibility to increase the margin or reduce leverage on the account before his/her positions are closed.
4. Client confirmations

In view of the above, by accepting this Notice, the Client declares that he/she knows and understands the nature and the risks associated with leveraged Forex and Bullion Transactions. In particular, the Client confirms that he/she will not engage in such operations before having fully understood:

- the nature and characteristics of the Forex and Bullion Transactions and those of the markets underlying these transactions;
- the extent of the economic risk to which the Client is exposed as a result of these transactions (and determine that this risk is suitable for him/her in light of his specific experience with the transactions, his/her financial objectives, the circumstances and his financial resources);
- the legal terms and conditions of these transactions.

The Client should also be aware of his responsibility to fully understand the terms and conditions of Forex and Bullion Transactions to be undertaken, including, but not limited to:

- the terms as to price, duration, expiration date, restrictions on exercising a derivative as well as the material conditions of the Forex and Bullion Transactions;
- all conditions describing risk factors, such as volatility, liquidity, and so on; and
- the circumstances under which the Client may be required to make or take delivery of the underlying asset under Forex and Bullion Transactions.

RISKS RELATING TO FOREX AND BULLION DERIVATIVES

Forex and Bullion Options and other Forex and Bullion derivative instruments (“Forex and Bullion Derivatives”) are subject to certain special risks in addition to those common to all Forex and Bullion Transactions described elsewhere in this Notice. Some of those additional risks are described below.

1. Limitations on trading

Forex and Bullion Derivatives should be expected to be non-standardized products and illiquid instruments. There is no market for the Forex and Bullion Derivatives and Forex and Bullion Derivatives are not transferrable. The Client cannot sell, assign or otherwise transfer Forex and Bullion Derivatives to a third party.

FlowBank may not offer order types designated to mitigate risks (e.g. stop orders) in relation to Forex and Bullion Derivatives. The Client may therefore be unable to rely on common risk mitigating measures and incur significant additional risks.

2. Pricing and complexity of Forex and Bullion Derivatives

Forex and Bullion Derivatives are derivatives on extremely volatile underlying assets and entail significant risks for the Client.

Forex and Bullion Derivatives are complex instruments and their pricing is based on a methodology set by FlowBank or the issuer of such Forex and Bullion Derivatives in their sole discretion. The price of Forex and Bullion Derivatives may depend on multiple factors, including the volatility of the Forex and Bullion Derivatives' underlying assets. The Client acknowledges that the price of Forex and Bullion Derivatives is set by FlowBank or the issuer in their sole discretion.
discretion. FlowBank or the issuer may use different exchange rates for different Forex and Bullion Derivatives, or exchange rates that differ from the spot rates quoted by FlowBank for other services.

3. Forex and Bullion Options

FlowBank may allow the Client to buy and sell Forex and Bullion Options. The Client may, in this respect, be the buyer or seller of Forex and Bullion Options, with FlowBank acting as seller or buyer (as applicable) of the same Forex and Bullion Options.

Forex and Bullion Options can be "call" or "put" options. Buying a call option or selling a put option can generally be profitable if the price of the underlying asset rises. Conversely, buying a put option or selling a call option can generally be profitable if the price of the underlying asset decreases.

If the Client is the seller of an option that is a call option, the Client may experience losses that are unlimited. In such a case, there may indeed not be any upward limit to the price of the underlying asset. If FlowBank decides to exercise the option as buyer of the call option, the Client will consequently be asked to make a payment representing, or deliver an underlying asset worth, far more than the amounts deposited on the Client's account. Even if the Client's losses are limited (e.g. to the amount of the premium to acquire the relevant option), they may still exceed the amount of the Client's initial deposit if he/she is trading on margin. The Client may lose more than his/her initial deposit.

If the Client sells an option to FlowBank, FlowBank is free to exercise such option in accordance with the option's terms, even if it means that the Client will be required to make a payment potentially in excess of the amounts he/she has deposited with FlowBank or deliver an underlying asset worth more than the amounts deposited with FlowBank.

Although the Client may wish to benefit from price movements occurring prior to the maturity of Forex and Bullion Options, his/her ability to do so may be limited. FlowBank does not undertake to make a market or offer prices to repurchase or sell Forex and Bullion Options at any time. The Client may therefore be unable to exit a position in Forex and Bullion Options before the maturity date of such Forex and Bullion Options.

OTHER RISKS

Forex and Bullion Transactions bear risks inherent to Internet and technology, as described in the General Terms and Conditions. Such risks include risks associated with latency, which the Client shall reduce by ensuring that his/her IT and mobile devices used for carrying out Forex and Bullion Transactions benefit from the fastest possible internet connectivity.

CLIENT’S CONFIRMATIONS

By accepting this risk disclosure and entering into Forex and Bullion Transactions, the Client expressly consents to the limitation of liability contained in FlowBank's General Terms and Conditions. The Client further acknowledges that FlowBank is not responsible for monitoring or supervising the Client's trading activity in relation to the Forex and Bullion Transactions.

The Client acknowledges the risks of this Notice and further acknowledges that he/she:
a. has read and understood FlowBank’s Terms and Conditions, and has read or will read the terms of the relevant Forex and Bullion Transactions as displayed on the trading interface of the Client’s account as well as all other risk disclosures, fact sheets and information provided by FlowBank in relation to Forex and Bullion Transactions before entering into Forex and Bullion Transactions;

b. is bound by the provisions of FlowBank’s Terms and Conditions concerning FlowBank’s right of pledge and set-off, the applicable law and jurisdiction;

c. has understood and accepts the role of FlowBank within the Forex and Bullion Transactions and the risks and conflicts of interest related thereto;

d. has understood that FlowBank is entitled to liquidate open positions that are not adequately margined and the Client will be liable for all losses as a result of such liquidation. The Client acknowledges that FlowBank reserves the right to change margin requirements at any time and may liquidate positions without informing the Client in certain circumstances;

e. neither FlowBank nor its directors, managers, officers, employees, agents and other representatives guaranteed or guarantee to the Client that Forex and Bullion Transactions will generate profits for the Client. Moreover, past yields and profits are no indication of future performance;

f. understands that FlowBank is not providing any advice regarding Forex and Bullion Transactions;

g. understands that, in some cases, losses can greatly exceed the amounts deposited with FlowBank, in which case the Client will be liable towards FlowBank for the uncovered amount;

h. understands that he/she is solely responsible for deciding whether the Forex and Bullion Transactions that he/she carries out are suitable in view of his/her personal (in particular financial and tax) situation, his/her investment objectives and other relevant circumstances; and

i. Forex and Bullion Transactions are not suitable for retirement funds.

I declare to have read, understood and accepted this Forex Risk Disclosure and Acknowledgment Notice as well as FlowBank’s Terms and Conditions.