



RISK DISCLOSURE STATEMENT



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BAAZEX International Limited (hereinafter referred to as the "Company", " BAAZEX", "We" or "Us"), is incorporated under the laws of Saint Vincent and the Grenadines with Registration 24533 IBC 2018 having its registered office at First Floor, First Saint Vincent Bank Limited Building, James Street, P. O. Box 1574, Kingstown, VC0100, Saint Vincent and the Grenadines. The Company is authorized as an International Business Company under the International Business Companies (Amendment and Consolidation) Act, Chapter 149 of the Revised Laws of Saint Vincent and Grenadines, 2009 (herein the "Law").

This Risk Disclosure Statement (herein the "Notice") is provided to the Company's Clients and any Prospective Client who is willing to enter into an agreement with the Company for opening a trading account with the Company (herein the "You", "Client" or "Customer"), under the provisions of the Law as amended from time to time.

It is noted that this Notice cannot and do not disclose or explain all of the risks and other significant aspects involved in dealing in Derivative Financial Instruments offered by the Company for. The notice was designed to explain in general terms the nature of the risks involved when dealing in Financial Instruments on a fair and non-misleading basis, according to the Law. The Client should be aware of all the risks associated with trading and seek advice and consultation from an independent financial advisor if he has any doubts. The Company does not provide such advice. If the Client does not understand the risks involved in trading, he should not trade at all.

Foreign Exchange and any other Over-the-Counter ("OTC") derivative products' trading is highly speculative and is only suitable for Customers who understand and are willing to assume the economic, legal and other risks involved, and are financially able to assume losses up to or in excess of investment. The client should first and foremost be aware of the potential losses related to this activity.

The client hereby acknowledges, understands and agrees that:

PRODUCTS

While some OTC markets are highly liquid, transactions in OTC derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may not be possible to liquidate an existing position, to assess the value of the position arising from an OTC derivative transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments. Consequently, it may be difficult to establish what a fair price is.



You should not deal in OTC derivative products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position.

LEVERAGE

OTC derivative products involve a high level of leverage. Whilst the use of leverage can work in your favor, it can also work against you. Even a slight fluctuation in the market could lead to a proportionately much larger movement in the value of your investment, and your potential losses may be far greater than the money you deposit into your trading account.

MARGIN FX CONTRACTS

The price of a Margin FX Contract is based on the underlying instrument, which is the price of one currency relative to another. Please note that at no stage will you take any physical delivery of currency (being the underlying instrument) when trading Margin FX Contracts.

Margin FX Contracts can be differentiated from other foreign exchange products in that they allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency. This "gearing" or "leverage" often obtainable in trading Margin FX contracts means that a relatively small market movement can lead to a proportionately much larger movement in the value of your investment. Leverage can work against you as well as for you and in some cases, may result in you losing more money than your original deposit.

CFDs

A CFD is a leveraged financial instrument that fluctuates in value based on the price of the underlying instrument - which could be the price of gold, a share index, a currency or of a particular commodity. A CFD does not provide ownership or any rights to the underlying instrument and does not entitle you to the delivery of the underlying instrument at any stage.

A CFD is an agreement between you and us to exchange the difference in value of an underlying instrument from when a position is opened to when it is closed. If the value of the CFD has moved in your favor, you will be paid an amount into your account. Should the value of the CFD move against your position, an amount will be deducted from your account. The amount of profit or loss you make will be the difference between the price when the CFD is opened and the price when it is closed, adjusted to reflect notional dividends and interest payments, where applicable.

VOLATILITY

Movements in the price of underlying markets can be volatile and unpredictable and are outside of our control. This will have a direct impact on your profits and losses. Understanding the volatility of an underlying market will help you to manage the risks in relation to your trades.



INSOLVENCY

Our insolvency or default may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payment in cash. We accept no responsibility for insolvency of, or default by, other brokers involved with your transactions.

SYSTEM RISK

Operational risks in relation to our trading platform are inherent in every product that we offer. For example, disruptions to our operational processes such as communications, computers, servers, computer networks, software or external events may lead to delays in the execution and settlement of a position. You may be unable to trade in a particular product that we offer and you may suffer a financial loss or opportunity loss as a result.

REGULATORY AND LEGAL

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in OTC derivative products.

TECHNICAL

The Customer is responsible for any technical issues sustained on the Customer's side. These issues include but are not limited to:

- Failure of Customer's hardware, software or internet connection
- Improper operation of Customer equipment
- Improper settings on the Customer's Terminal
- Delay of Customer Terminal updates
- Meta Trader Client Terminal Failure on Customer's Computer

FORCE MAJEURE

In case of Force Majeure the Customer shall accept the risk of financial losses.

TOTAL LOSS MIGHT EXCEED THE INITIAL AMOUNT

The Client acknowledges and understands that risk of loss arising from trading can be substantial and the Client might lose more than the initial investment and any additional investment, including the Margin Requirement. While trading typically only requires depositing a small percentage of the total trade volume (the margin requirement), profits and losses can quickly exceed the Margin Requirement, requiring the margin requirement to be adjusted at the initial amount.

LACK OF TRANSPARENT QUOTATION

Prices quoted by the Company are set by us in its absolute discretion. The Client may only offer to enter into a Transaction at the price currently quoted by BAAZEX International Limited. A price may change or cease to be valid at any time after it has



been quoted and before the Client's offer to enter into a Transaction is accepted. As trading takes place "Over the Counter", there is no adequate standard of comparison to assess the adequacy of prices quoted by the Company. Furthermore, a position acquired through us can only be closed at Company and hence, can only be closed at the prices quoted by the Company. Due to the absence of a standard of comparison, the assessment of the adequacy of prices quoted by us would only be possible in practice by an effort, which may not be realistically available to a retail customer.

LIQUIDITY RISK

Clients should take into consideration that some financial instruments may not become immediately liquid due, for example, to reduced demand and clients may not be able to trade them quickly enough to prevent a possible loss, or to easily obtain information on the value of these financial instruments or the extent of the associated risks.

COMMUNICATION

We bear no responsibility for any loss that arises as a result of delayed or un-received communication sent to clients by us.

We bear no responsibility or any un-received or unread internal messages sent to clients through the trading platform.

In addition, we bear no responsibility for any loss that arises as a result of unencrypted information sent to clients by us that has been accessed via unauthorized means.

The client is solely responsible for the privacy of any information contained within the communication received by the Company.

Additionally, the client accepts that any loss that arises as a result of unauthorized access of a third party to his trading account is not the responsibility of the Company.

ACCURACY OF INFORMATION

The content on this document or the website is subject to change at any time without notice, and is provided for the sole purpose of assisting traders to make independent investment decisions.

Company 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.

ENQUIRIES

For further RISK DISCLOSURE enquiries, please contact us at support@baazex.com