

RISK DISCLOSURE STATEMENT

The information in this Risk Disclosure Statement is general information only and does not take into account your personal objectives, financial situation and needs. You should consider these things and seek independent professional advice before making a decision about our financial products.

You must be satisfied that any trading you undertake in relation to the products described in this Risk Disclosure Statement is appropriate in view of your objectives, financial situation and needs. If you wish to conclude any of the Transactions you are required to agree to the terms of the Client Agreement.

You should be aware of the following points:

- All stock market based investment is exposed to a degree of risk.
- Market fluctuations may have an effect on the value, price or income of investments.
- Investment capital is not guaranteed and past performance is not a guide to future investment performance.
- You are responsible for the selection of any transaction that you place on the Transaction Platform. As such, the performance of any transaction will depend mainly on investment decisions made by you. Velocity Trade does not make any representations regarding the performance of any investment.
- Under certain market conditions it may be difficult or impossible to close out a position. This may occur, for example, where trading is suspended or restricted at times of rapid price movement.
- Prior to the commencement of trading, you should require from your broker written confirmation of all current commission, fees and other transaction charges for which you will be liable.

- Your ability to trade depends on the continued operation of, among other things, the Transaction Platform, the internet, and your personal computer or internet enabled device. A fault, delay or failure of any of these things could prevent you from placing Orders and may result in losses on your Open positions.
- You should read all available information on the Transaction Platform including, but not limited to, the client Terms and Conditions and the “frequently asked questions” in order to properly consider your risks.
- You should carefully consider whether your financial position permits you to participate in listed instruments on the JSE.
- You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.
- Before trading listed instruments on the JSE you should be aware of tax consequences and on this you should consult your lawyer, accountant or other tax advisor.

- **System Risks**

Velocity Trade relies on a number of technology solutions to provide you with its on line Transaction Platform. Transacting on the Transaction Platform may differ from trading on other electronic trading systems.

A disruption to the Velocity Trade Trading Platforms may mean you are unable to trade in products offered by Velocity Trade when you wish and you may suffer a financial loss or opportunity loss as a result.

During a disruption of the Transaction Platform, it may be possible for you to continue to use our financial products by contacting us over the phone; however this will not be possible in every case.

- **Electronic Trading**

There are significant risks associated with using and relying on a web-based, electronic Transaction Platform. Such risks include, but are not limited to, risks related to the use of software and/or telecommunications systems such as software errors and bugs, delays in telecommunications systems, interrupted service, data supply errors, faults or inaccuracies and security breaches.

These risks and the occurrence of disruptive events are outside the control of Velocity Trade and, accordingly, you will have no recourse against Velocity Trade in relation to the use of or availability of our Transaction Platform or any errors in the software and/or related information systems.

There are important provisions regarding the use of the Transaction Platform contained in the Client Agreement. You must ensure that you fully understand these provisions and the risks involved in relying on an on-line, electronic trading system and the limitations in the service that Velocity Trade can provide in relation to the Transaction Platform.

- **Transaction Platform Closed**

Due to the dynamic nature of the financial markets, it is possible that the value of your open positions will change while the trading function of the Transaction Platform is unavailable. In this case, you will not be able to trade in a product such as open a new transaction or close out an open transaction until the trading function of the Transaction Platform is available again. You may suffer a financial loss or opportunity loss as a result.

- **Discretionary Powers of Velocity Trade**

Under the Client Agreement, Velocity Trade has a number of discretionary powers which may affect your trading activities. These powers are set out in this Risk Disclosure Statement as well as the Client Agreement and you should ensure that you fully understand them.

- **Market Volatility**

Markets are subject to many influences which may result in rapid fluctuations and reflect unforeseen events or changes in conditions

In certain market conditions such as during times of price volatility in markets, quotes provided by Velocity Trade may 'gap'. A gap means that a price may unexpectedly jump from one price level to another without trading at rates in between those two price levels or quotes. It is not possible for us to predict when a price 'gap' will occur or by how much. Price gaps are generally a result of unexpected news or previously unknown data being released (e.g. news of terrorist attacks, revaluation of a currency, geopolitical upheaval or natural disasters).

- **Client Acknowledgement**

By accepting the electronic check box as part of this online application process I/We confirm receipt of this Risk Disclosure document and have read, understood and agree to its contents.