

General Risk Disclosure

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Risk Disclosure

This is the General Risk Disclosure of Scope Prime, a brand name of MMCD Resources Ltd (hereafter “the Company”). The Company is incorporated in Seychelles with Company Registration No. 8426976-1 and is authorized and regulated by the Seychelles Financial Services Authority (hereafter “FSA”) with License No. SD069.

This disclosure is provided to you (our client and prospective Client) in compliance to the rules and regulations of Seychelles FSA, because you are proposing to undertake dealings in financial instruments in the form of Foreign Exchange Contracts and/or Contracts for differences with Scope Prime. The purpose of this disclosure is to help you understand the nature and risks of our products and services. All Clients and prospective Clients should read carefully the following risk disclosure contained in this document, before applying to the Company for a trading account and before they begin to trade with the Company. However, it is noted that this document cannot and does not disclose or explain all the risks and other significant aspects involved in dealing in Financial Instruments. The disclosure 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.

The Company, before offering its services and products will be classifying its Clients as retail or professional.

“Retail Client” means a client who is not a professional Client.

“Professional Client” is a client who –

- (a) Is an entity required to be authorized or regulated by the relevant body to operate in the financial markets as:
 - A credit institution
 - An investment institution
 - Any other authorized or regulated financial institutions
 - An insurance company
 - A collective investment scheme and management company of such scheme
 - A pension funds and management company of such fund
 - A commodity and commodity derivatives dealer
 - A local company
 - Any other institutional investor
- (b) Is an entity who satisfies at least two of the following conditions:
 - its balance sheet total is at a minimum of US\$ 20 million or the equivalent in any other currency; or
 - its net turnover is at a minimum of US\$ 40 million or the equivalent in any other currency; or
 - its own funds are at a minimum of US\$2 million or the equivalent in any other currency.
- (c) Are governments, including public bodies managing public finance and debt and licensed financial institutions

- (d) Are other institutional investors whose main activity is to invest in financial instruments, including entities dedicated to the securitization of assets or other financing transactions
- (e) individuals who can be classified as a Professional Client only if they meet the specified net assets and expertise requirements, pursuant to the Company's Client Categorization Policy.

Trading in complex instruments such as Contract for Differences involves significant risk and may not be suitable for all investors. Prices may fluctuate, and securities may become valueless. Such complex instruments require appropriate knowledge and understanding, and you should consider whether you can afford the high risk of losing your invested capital. In the case of professional clients, losses may exceed the invested capital.

Contracts For Differences are commonly referred to "restricted speculative investments" as per the Securities (Conduct of Business) (Amendment) Regulations 2024, which means:

- (i) a leveraged contract for differences;
- (ii) a leveraged rolling spot forex contract;
- (iii) an option over a contract referred to in paragraphs (i) or (ii); or
- (iv) any other leveraged investment similar in nature to an instrument referred to in paragraphs (i), (ii) or (iii);

(hereinafter referred to as "CFDs")

FX contracts are defined in the Securities Regulations 2024, as amended, is referred to as a contract that allows you to speculate on the movement of one currency against another without taking ownership of the underlying currencies. The contract is automatically rolled over until it is closed, and its value changes according to fluctuations in the relevant foreign exchange (FX) rate (hereinafter referred to as "rolling spot forex contracts" or "FX Contracts").

General Risk Warning for Complex Financial Instruments (Derivative Financial Instruments such as CFDs)

Trading CFDs and FX Contracts is highly speculative, involves a significant risk of loss and is not suitable for all investors but only for those customers who:

- understand and are willing to assume the economic, legal and other risks involved;
- are experienced and knowledgeable about trading in derivatives and in underlying asset types; and
- are financially able to assume losses significantly in excess of Margin ("Margin" refers to the pre-agreed amount a retail client is required to have in the form of money to affect a securities transaction) margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

Neither CFDs nor FX Contracts are appropriate investments for retirement funds. CFD and 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, is willing and able, financially and otherwise, to assume

the risks of trading CFDs and FX Contracts and that the loss of Customer's entire account balance will not change Customer's lifestyle.

You should not engage in this form of investing unless you understand the nature of the Transaction you are entering into and the true extent of your exposure to the risk of loss.

Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets on which the trade is based, and your losses could exceed your initial deposit. If you are in any doubt you should seek independent professional advice.

The purpose of these Transactions is to secure a profit or avoid a loss by reference to fluctuations in the price of the underlying market. In the context of our activities, the underlying instrument may be a single security, a basket of securities, a securities Index, an exchange rate between two currencies, a treasury product, a bullion, a commodity or such other investment as we may from time to time agree in writing.

It is an express term of each Transaction that:

- neither party acquires any interest in or right to acquire or is obliged to sell, purchase, hold, deliver or receive the underlying instrument; neither party acquires any voting rights in relation to the underlying instrument; and
- that the rights and obligations of each party under the Transaction are principally to make and receive such related payments.

You may be called upon to deposit substantial additional margin, at short notice, to maintain your position. If you do not provide such additional funds within the time required, your position may be closed at a loss and you will be liable for any resulting deficit. You should ensure you monitor your positions closely and always have access to our platforms when you have open positions or pending orders.

Risks Particularly Associated with Transactions in CFDs underlined by Cryptocurrencies

Trading in cryptocurrency CFDs involves significant risks, in addition to the general risks associated with transactions in CFDs:

(a) The prices of Cryptocurrencies as well as CFDs based on such prices, are highly volatile, may fluctuate rapidly, widely, irrespective of the overall market conditions and may result in loss of all the invested capital over a short period of time.

(b) Cryptocurrency CFDs are not suitable and/or appropriate for all clients. Such products are highly complex, extremely risky, and highly speculative and as such clients must always make sure that they are fully aware and understand their specific characteristics and risks. Clients should not trade in such products if they don't have the necessary knowledge and expertise or if they cannot bear the loss of the entire invested amount.

(c) It is noted that the information in this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in Cryptocurrency CFDs. The Client should be aware of all the risks associated with trading on such products, and seek advice and consultation from an independent financial advisor if he/she has any doubts. The Company does not provide such advice. If the Client does not understand the risks involved in trading in cryptocurrency CFDs, he/she should not trade at all.

Risks related to long CFD positions, i.e. for purchasers of CFDs

Being long in CFD means you are buying the CFDs on the market by speculating that the market price of the underlying will rise between the time of the purchase and sale. As owner of a long position, you will generally make a profit if the market price of the underlying rises whilst your CFD long position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying falls whilst your CFD long position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

Risks related to short CFD positions, i.e. for sellers of CFDs

Being short in CFD means you are selling the CFDs on the market by speculating that the market price of the underlying will fall between the time of the purchase and sale. As owner of a short position, you will generally make a profit if the market price of the underlying falls whilst your CFD short position is open. On the contrary, you will generally suffer a loss, if the market price of the underlying rises whilst your CFD short position is open. Your potential loss may therefore be bigger than the initial margin deposited. In addition, you might suffer a loss due to the closure of your position, in case you do not have enough liquidity for the margin on your account in order to maintain your position open.

Risks related to options

Transactions in options carry a high degree of risk. Purchasers and sellers of options should familiarize themselves with the type of option (i.e., put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account all transaction costs. If the option is on an equity, assignments take priority over applicable Corporate Action elections. If the purchased option is out-of-the-money when it expires, you will suffer a total loss of your investment, which will consist of the option premium plus transaction costs. If you are contemplating purchasing out-of-the-money options, you should be aware that the chance of such options becoming profitable ordinarily is remote.

Risks related to Futures

Trading futures is highly speculative and involves significant risks. Certain contracts may trade or settle below zero or at negative pricing. This type of trading is suitable only for clients who fully understand and are willing to assume the economic, legal, and other risks involved, and who are financially capable of handling losses that may exceed the value of any margins or deposits.

The low margin deposits associated with volatile price movements can lead to rapid and substantial losses. Clients may lose all funds deposited with MMCD Resources Ltd or an affiliate to establish or maintain a position, and may incur losses beyond these amounts. If the market moves against a client's position, additional margin funds may be required on short notice. Failure to provide these funds within the specified time may result in the liquidation of the position at a loss, with the client liable for any resulting deficit.

You acknowledge that trading commodity interests carries substantial risk. You may lose your initial margin funds and any additional funds deposited to maintain a position. Market conditions may cause your futures account to incur a negative balance, making you liable for any deficit. The exercise of a long option contract or the assignment of a short option contract will result in a futures position.

It is important to study futures trading and consider all financial obligations before deciding if trading commodity interests is appropriate for you. Only genuine “risk funds” (funds you can afford to lose) should be used. All transactions and market price fluctuations in your futures account are at your risk, and you are solely liable for these risks. You must be willing and financially able to sustain any losses from transactions in commodity interests and agree to pay MMCD Resources Ltd Ltd for any such losses.

Trading commodity interests involve a high degree of risk and is not suitable for all investors. You must be fully aware of the risks and determine if such trading is suitable for you, considering your investment objectives, financial circumstances, experience, and knowledge. You must be prepared financially to undertake the risks, which may include a total loss of premium and transaction costs, and losses that may exceed the total value of your futures account.

Cash Settlement

Customer understands that CFD and FX Contracts can only be settled in cash (i.e. there is no delivery of the underlying asset) and the difference between the buying and selling price partly determines the result of the investment.

Not Advice

We provide our services on an execution only basis. We do not provide investment, tax, legal, regulatory or financial advice. Any information we provide to you is purely factual and does not consider your personal circumstances (for example your available funds and risk appetite). We may give you factual market information or information, in relation to a transaction about which you have enquired, as to transaction procedures, potential risks involved and how those risks may be minimized. Any decision to use our products is solely your decision, therefore you 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 us.

Currency Risk

Investing in FX Contracts and CFDs with an underlying asset listed in a currency other than your base currency entails a currency risk, due to the fact that when the CFD or FX Contract is settled in a currency other than your base currency, the value of your return may be affected by its conversion into the base currency.

Gapping

Gapping (or Slippage) refers to an occurrence whereby the market moves past a Stop Loss level. This may be because the particular underlying market has become unusually volatile for a period of time. In such instances

the underlying market may have stopped trading and may only recommence trading at a price below a Stop Loss level. Where this happens, a Stop Loss may not be effective, and the Position will be closed at the current Company's Quote.

Accordingly, where you have an open Position in a volatile market environment you must understand the potential impact of Gapping.

The Company will not advise the Client about the merits of a particular Transaction or give him any form of investment advice and the Client acknowledges that the Services do not include the provision of investment advice in CFDs or the Underlying Markets, The Client alone will enter into Transactions and take relevant decisions based on his own judgement. In asking the Company to enter into any Transaction, the Client represents that he has been solely responsible for making his own independent appraisal and investigation into the risks of the Transaction. He represents that he has sufficient knowledge, market sophistication, professional advice, and experience to make his own evaluation of the merits and risks of any Transaction. The Company gives no warranty as to the suitability of the products traded under this Agreement and assumes no fiduciary duty in its relations with the Client.

The Company will not be under any duty to provide the Client with any legal, tax or other advice relating to any Transaction. The Client should seek independent expert advice if he is in any doubt as to whether he may incur any tax liabilities. The Client is hereby warned that tax laws are subject to change from time to time.

The Company may, from time to time and at its discretion, provide the Client (or in newsletters which it may post on its Website or provide to subscribers via its Website or the Trading Platform or otherwise) with information, news, market commentary or other information but not as a service.

Where it does so:

- a) the Company will not be responsible for such information
- b) the Company gives no representation, warranty or guarantee as to the accuracy, correctness or completeness of such information or as to the tax or legal consequences of any related Transaction;
- c) this information is provided solely to enable the Client to make his own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Client;
- d) if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, the Client agrees that he will not pass it on to any such person or category of persons;
- e) the Client accepts that prior to dispatch, the Company may have acted upon it itself to make use of the information on which it is based. The Company does not make representations as to the time of receipt by the Client and cannot guarantee that he will receive such information at the same time as other clients.

It is understood that market commentary, news, or other information provided or made available by the Company are subject to change and may be withdrawn at any time without notice.

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