

GNT Capital

RISK DISCLOSURE NOTICE

GNT CAPITAL (PTY) LTD

This Risk Disclosure Notice ("Risk Disclosure") is issued by **GNT Capital (Pty) Ltd** (herein referred to as "GNT Capital", "the Company", "we", "us" or "our") to existing and prospective clients ("Client", "you" or "your") in connection with the financial services and financial products in respect of which GNT Capital is authorised by the Financial Sector Conduct Authority ("FSCA").

GNT Capital is authorized and regulated by the Financial Sector Conduct Authority of South Africa ("FSCA") under **FSP Licence No. 51065**. GNT Capital is authorised to render financial services in respect of the financial products and categories specified in its FSP licence, including **Derivative Instruments**, subject to the conditions and limitations of its licence.

This Risk Disclosure is provided to Clients and prospective Clients in accordance with the applicable requirements of the **Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS Act")**, the **General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003 ("General Code of Conduct")**, as amended from time to time, and other applicable regulatory requirements.

This disclosure is provided to you (our client and prospective Client) in compliance with the rules and regulations of the FSCA, because you are proposing to undertake dealings in financial instruments in the form of Contracts for differences ("CFDs") with GNT Capital.

This Risk Disclosure is intended to provide Clients with information regarding the principal risks associated with transactions in complex financial products, including Contracts for Difference ("CFDs") and other derivative instruments, where applicable.

You should read this Risk Disclosure carefully before entering into any transaction or using any financial service provided by GNT Capital, as well as before applying to the Company for a trading account and before you begin to trade with the Company. The purpose of this document is to explain the general nature of the risks involved. It does not, however, constitute an exhaustive explanation of all risks associated with derivative instruments, other significant aspects involved in dealing in Financial Instruments or any particular transaction.

Nothing contained in this Risk Disclosure constitutes investment, legal, tax or other professional advice. 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.

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

The value of a derivative transaction may fluctuate rapidly and may be affected by a number of factors, including movements in the price or value of the underlying instrument, market volatility, interest rates, foreign exchange rates, liquidity, economic conditions, corporate events and other market factors.

Trading CFDs 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 or deposits because investors may lose the total value of the contract, not just the margin or the deposit.

CFDs are complex and may be inappropriate for clients whose investment objectives are focused on capital preservation, retirement planning or other objectives for which a high degree of investment risk would be inappropriate.

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 that the loss of Customer's entire account balance will not change Customer's lifestyle.

You should not engage in CFD trading unless you understand the nature of the transaction, the applicable leverage and margin requirements, the costs associated with the transaction and the extent of your potential exposure to loss.

Your profit and loss will vary according to the extent of the fluctuations in the price of the underlying markets. 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. Depending on the products authorised and made available by GNT Capital, the underlying instrument may include a single security, a basket of securities, a securities index, an exchange rate, a treasury product, bullion, a commodity or another permitted underlying instrument.

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It is an express term of each transaction that:

- Neither party acquires ownership of, or an obligation to purchase, sell, hold, deliver or receive, the underlying instrument solely by entering into the CFD, unless otherwise provided in the applicable contractual terms;
- The Client does not acquire voting rights in respect of the underlying instrument solely by entering into the CFD; and
- The rights and obligations of the parties arise from the CFD and the applicable contractual documentation and generally involve payments calculated by reference to movements in the underlying instrument.

You may be required to provide additional margin or funds, at short notice, to maintain an open position. If you do not provide the required additional funds within the applicable timeframe, your position may be closed in accordance with the applicable contractual terms and you may incur a loss. Any liability for a resulting deficit will be subject to the applicable Client Agreement and contractual arrangements. You should ensure you monitor your positions closely and always have access to our platforms when you have open positions or pending orders.

Market Volatility and Slippage:

Financial markets may experience rapid and unpredictable price movements. During periods of significant volatility or reduced liquidity, orders, including stop-loss orders, may be executed at a price materially different from the price requested or anticipated by the Client. A stop-loss order should therefore not necessarily be regarded as guaranteeing a maximum level of loss.

Risks related to long CFD positions

A long CFD position involves taking a position that the market price or value of the relevant underlying instrument will increase between the opening and closing of the position. The Client will generally make a profit if the market price or value of the underlying instrument increases while the long CFD position is open. Conversely, the Client will generally incur a loss if the market price or value of the underlying instrument decreases.

The use of leverage may magnify both potential gains and losses. The potential loss will depend on the size of the position and the extent of the movement in the underlying instrument, as well as any applicable spreads, commissions, financing charges or other costs.

Depending on the applicable contractual arrangements, losses may exceed the initial margin or amount deposited. Where additional margin is required to maintain an open position, the Client may be required to provide additional funds within a specified timeframe.

If the required margin or funds are not provided within the applicable timeframe, the position may be closed in accordance with the applicable contractual terms. Such closure may occur at a price different from the price anticipated by the Client, particularly during periods of market volatility or reduced liquidity.

Clients should ensure that they understand the applicable margin requirements and maintain sufficient funds to meet their obligations.

Risks related to short CFD positions

A short CFD position involves taking a position that the market price or value of the relevant underlying instrument will decrease between the opening and closing of the position. The Client will generally make a profit if the market price or value of the underlying instrument decreases while the short CFD position is open. Conversely, the Client will generally incur a loss if the market price or value of the underlying instrument increases.

The use of leverage may magnify both potential gains and losses. In particular, a significant or rapid increase in the price or value of the underlying instrument may result in substantial losses on a short CFD position. The potential loss will depend on the size of the position and the extent of the movement in the underlying instrument, as well as any applicable spreads, commissions, financing charges or other costs.

Depending on the applicable contractual arrangements, losses may exceed the initial margin or amount deposited. Where additional margin is required to maintain an open position, the Client may be required to provide additional funds within a specified timeframe.

If the required margin or funds are not provided within the applicable timeframe, the position may be closed in accordance with the applicable contractual terms. Such closure may occur at a price different from the price anticipated by the Client, particularly during periods of market volatility or reduced liquidity.

Clients should ensure that they understand the applicable margin requirements and maintain sufficient funds to meet their obligations.

Cash Settlement

Where the relevant CFD is cash-settled, the transaction is settled by payment of the applicable difference between the opening and closing value or price of the underlying instrument, subject to the terms and conditions governing the relevant CFD.

The Client does not acquire ownership of the underlying instrument by entering into a cash-settled CFD and will generally have no ownership or voting rights in respect of the underlying instrument.

The Client's overall profit or loss will depend on the movement in the price or value of the underlying instrument and may also be affected by applicable spreads, commissions, financing charges and other costs or adjustments applicable to the transaction.

Clients should carefully review the applicable Client Agreement, product terms and fee schedule before entering into a CFD transaction.

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Not Advice

GNT Capital provides financial services within the scope of its authorisation as a Category I Financial Services Provider and in accordance with the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS Act"), the General Code of Conduct for Authorised Financial Services Providers and Representatives ("General Code of Conduct") and other applicable regulatory requirements.

Where GNT Capital provides its services on an execution-only basis, GNT Capital does not provide personalised investment advice or recommendations regarding the merits of a particular transaction, unless expressly agreed and permitted within the scope of its regulatory authorisation.

We do not provide investment, tax, legal, regulatory or financial advice. Any general market information, factual information concerning financial instruments, information relating to transaction procedures, or general information concerning the risks associated with a transaction provided by GNT Capital should not be regarded as personalised investment advice or a recommendation. Such information does not take into account the Client's individual circumstances, including, where relevant, the Client's financial circumstances, investment objectives, knowledge, experience or risk tolerance.

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 by a Client to enter into a particular transaction remains the Client's responsibility. Clients should carefully consider whether the relevant financial product or transaction is appropriate for their circumstances and should obtain independent professional advice where they are uncertain about the investment, financial, legal, tax or other implications of a transaction.

Nothing in this section is intended to exclude, restrict or limit any obligation imposed on GNT Capital under the FAIS Act, the General Code of Conduct or any other applicable legislation or regulatory requirement.

Currency Risk

Where a CFD or other derivative transaction, or the relevant underlying instrument, is denominated in a currency other than the Client's account or base currency, the Client may be exposed to foreign exchange risk.

Changes in exchange rates may affect the value of the CFD, the amount payable or receivable under the transaction, and the value of any resulting profit or loss when converted into the Client's account or base currency.

Currency fluctuations may therefore result in additional gains or losses independently of movements in the price or value of the underlying instrument.

Clients should ensure that they understand the currency in which the relevant CFD, underlying instrument and account are denominated, as well as any applicable currency conversion arrangements and charges, before entering into a transaction.

Gapping and Slippage

Gapping (or Slippage) Gapping occurs when the price of an underlying instrument moves rapidly from one price level to another without trading at the intervening prices. This may occur during periods of significant market volatility, following important market announcements or events, or where market liquidity is limited.

Where gapping occurs, a Stop Loss or other order may be executed at a price materially different from the level specified or anticipated by the Client. Accordingly, a Stop Loss order should not necessarily be regarded as guaranteeing a maximum level of loss.

Slippage refers to the execution of an order at a price different from the price requested by the Client. Slippage may occur as a result of market volatility, liquidity conditions, price movements or other market circumstances.

Where an order is executed following a gap or under conditions of significant market volatility, the resulting execution price may differ materially from the Stop Loss level or other price anticipated by the Client.

Clients with open positions should monitor their positions and remain aware of prevailing market conditions, particularly during periods of increased volatility or reduced liquidity. Clients should also ensure that they understand the applicable order execution arrangements and the circumstances in which orders or positions may be closed.

Advice and Recommendations

Where GNT Capital provides its services on an execution-only basis, GNT Capital does not provide personalised investment advice or recommendations regarding the merits of a particular transaction in CFDs or the relevant underlying markets.

The Client is responsible for making its own investment decisions and should independently consider the nature, terms and risks of any transaction before entering into it. The Client should ensure that it has sufficient knowledge and understanding of the relevant financial product and the associated risks.

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.

Nothing in this section is intended to exclude or limit any obligation imposed on GNT Capital under the FAIS Act, the General Code of Conduct or any other applicable legislation or regulatory requirement.

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. GNT Capital does not provide legal, tax or other professional advice. Clients should obtain independent professional advice where they require advice concerning the legal, tax, financial or other implications of a particular transaction. Tax legislation and its application may change from time to time, and Clients are responsible for obtaining appropriate tax advice concerning their individual circumstances.

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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:

- It is provided for general informational purposes and does not constitute personalised investment advice or a recommendation, unless expressly stated otherwise;
- 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;
- 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;
- Where information is subject to restrictions concerning the persons or categories of persons to whom it may be distributed, the Client must comply with those restrictions and must not distribute the information to persons to whom it is not intended to be provided; and;
- 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.

Market commentary, news and other information provided or made available by GNT Capital may be amended, updated or withdrawn where appropriate and may be subject to change without notice.

Nothing in this section limits GNT Capital's obligations under applicable financial services legislation, the FAIS Act, the General Code of Conduct or any other applicable regulatory requirements.