

THE COPY TRADING SERVICE. TERMS OF USE AND RISK DISCLOSURE

The purpose of these Terms of Use and Risk Disclosure (hereinafter – the Disclosure) is to disclose the information about using the Copy Trading Service (hereinafter - the Service) and the risks to the Libertex Client related to operations in financial markets made using the Service in order to warn the Client about possible financial losses in connection with these risks. The list of risks defined in this Disclosure is not exhaustive due to the variety of possible situations that may arise while conducting such operations.

1. TERMS OF USE

1.1. The Service is a set of software solutions that allows trade operations from a Master Account to be automatically copied to the Client's trading account.

1.2. The Service is a signal-type copy-trading system. The Client's funds are, therefore, not transferred from a Trading Account to be managed and remain in the full possession of the Client at all times.

1.3. The trading signals may be provided by Libertex or third-party providers.

1.4. The Service is available for real trading accounts registered on the Company's "MetaTrader 4" and "MetaTrader 5" platforms. "Libertex", "Libertex Portfolio" and demo accounts are not supported by the Service.

1.5. All users of the Service are bound by the Agreement for International Financial Services, whereby the Client agrees to make trading operations using his/her personal trading account created by the Client on the Company's Website or through the Company's mobile app.

1.6. A Trading Account becomes available for a subscription only when all mandatory conditions are met. Such conditions may include but are not limited to setting a minimum deposit amount, choosing the multiplier ratio, etc. The Company sets these conditions at its sole discretion and has the right to review them from time to time.

1.7. To subscribe to the Service, the Client must (i) accept the provision of the Service by ticking the field "I agree with the Terms of Use and Risk Disclosure", (ii) read and accept the Terms of Service, Privacy Policy and other required documents of the Service Provider' (if copying signals are provided by a third-party provider), (iii) accept them. After performing all the requirements, the Client will receive access to the Service. The Client has the right to disable the Service and close all opened positions at any time.

1.8. The Company has the right to terminate the provision of the Service to a Client(s) immediately.

2. RISK DISCLOSURE

2.1. Copying trading operations performed on the principle of margin trading involves risks of financial losses that are inherent in margin trading in general. The overview of risks in margin trading can be found in the Risk Disclosure (Appendix 3 to the Agreement for International Financial Services).

2.2. The Service provided is not a recommendation to buy or sell. This Service should only be used by users who are aware of the risk inherent in trading. Because software is inherently complex and may not be completely free of errors, you are advised to closely monitor activity on your accounts. Libertex does not take responsibility for any electronic, technological or any other types of errors that occur while using the Service. In particular, Libertex is not responsible for any costs or losses, including but not limited to those incurred as a result of using the Service. The Client is fully responsible for any trades generated by the Service. By using the Service, the Client acknowledges that he/she is in complete control of the product and can turn it off and modify risk settings and trades at any time. It is highly recommended that the Client tests any signals.

2.3. When investing via the copy-trading system where a trading transaction of a Client and a relevant transaction in the underlying strategy are performed separately, the risk arises that the difference in the time of the given transactions will cause these trades to be performed under different market conditions and/or at different market prices. Despite the fact that such differences may result in either positive or negative outcomes for a Client, the possibility of such discrepancies assumes that the performance of an investment is subject to additional fluctuations over the performance of the underlying strategy.

2.4. The time of copying of trading operations on the Service is not fixed and depends on market conditions, the number and volume of copied operations, the order processing speed of the Company's contractors, and the technical capabilities of the infrastructure. The process of copying begins immediately after the corresponding operation in the Master Account. A trade operation cannot be copied to the Client's account before the relevant operation is completed in the Master Account.

2.5. Using a multiplier to increase the volume of copying operations that is not proportional to the balance on the Client and Master Account accounts implies an inherent additional risk beyond the direct impact of the market. In drawdown situations (i.e., when the market moves against open positions), the Client's account may face margin shortages that lead to an operation being closed while the Master Account with a smaller multiplier is able to sustain such a drawdown. Any Client using copy-trading systems should always consider his/her risk appetite regarding both potential profit and potential losses to the same extent.

2.6. Both Libertex and third-party providers of copy trading systems may charge a commission to the Client, which may cause certain risks for the investment result and affect the final profitability of the strategy. The net result of investment after deducting all commissions and expenses of the Client may be less than the result of investing for the Master Account.

2.7. Investment activity via copy-trading systems usually implies that a number of investors are following a single strategy. Therefore, subscribers automatically perform similar trading operations at the same time as the strategy provider. If the number of investors is significant, a large total volume of transactions is performed for a single security each time a single trade is conducted by a strategy provider. This feature of copy-trading systems imposes additional risks to the performance of an investment as liquidity sources usually offer a finite amount of liquidity available at each price level. As such, large-volume orders tend to be filled at less favourable prices than smaller-volume orders. Such risks are more significant when the set of securities used in a strategy is composed of less-liquid instruments or exotic instruments.