Sky Curve Bank

Risk Warning and Disclosure Notices

Protecting investors, investing partners, partners and affiliates of Sky Curve Bank –Sky Curve **Finance**

Risks associated with all financial instruments

Introduction:

- This risk disclosure and warning notice is provided to you, our investor or client in compliance with the Provision of Investment Services and Activities and Regulated Markets Law, and the Markets in Financial Instruments Directive – MIFID II – as subsequently amended from time to time, which is applicable to Sky Curve Bank referred herein as the bank.
- All clients and investors and prospective clients and investors should read carefully the following risk disclosure and warnings contained in this document, before applying to the bank for a trading account and before they begin to accept any services. However, it is noted that this document cannot and does not disclose or explain all of the risks and other significant aspects involved in dealing in financial instruments. 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.

Charges and taxes:

- The provision of services by the bank to the client and investor is subject to fees, before the client and investor begins to accept any services from the bank, he or she or it should obtain estimates of all fees, commissions and charges for which the client and investor will be liable. The bank is required under MIFID II legislation to provide an estimate of the charges based on initial discussions and investment amounts referred to, this is a guide based on a percentage which is fixed by product or service, as per the bank s published rate schedule of fees – however the actual costs could vary if the actual investment amount changes between initial discussion and advice and the implementation of the transaction, for this reason the bank will confirm after the transactions have taken place the exact charges.

  For non-transactional ongoing clients, annual statements will be provided which will confirm any charges during the period and any value implications on the aggregated investments.

- If any charges are not expressed in monetary term, the bank will ensure that he or she understands what such charges are likely to amount to by demonstrating the cost of that on a fixed value as an example. The bank may change its charges at any time; however these charges will be notified by the bank to all clients and investors in advance and according to the provision of the client agreement.
- There is a risk when a client or investor trades in any financial instruments that he or she or it may be or become subject to tax or any other duty for example because of changes in legislation or personal circumstances. The bank does not warrant that no tax or any other liability will become payable. The bank does not offer tax advice. The clients and investors is responsible for any taxes or any other duty which may accrue in respect of their trades. It is noted that taxes are subject to change without notice.

Third party risks:

- The bank has no responsibility for any acts or omissions of any third party to whom it will pass on transfer instructions received from the client or investor. The legal and regulatory regime applying to any such third party outside of its jurisdiction will be different from that of its jurisdiction and in the event of insolvency or any other equivalent failure of that third party, a client or investor money may be treated differently from the treatment which would apply if the money was held in its jurisdiction s. The bank will not be liable for the solvency, acts or omissions of any third party referred to in this clause.
- Any third party to whom the bank may pass a transfer instruction to, may hold money in an omnibus account and it may not be possible to separate it from the client and investor money, or the third party s money. In the event of the insolvency or any other analogous proceedings in relation to that third party, the bank may only have an unsecured claim against the third party on behalf of the client or investor, and the client or investor will be exposed to the risk that the money received by the bank from the third party is insufficient to satisfy the claims of the client or investor in respect of the relevant account. The bank does not accept any liability or responsibility for any resulting losses.

- Any other financial institution or brokerage through whom the bank deals with could have interests contrary to the interests of the client or investor.

Insolvency:

- The insolvency or default of the bank, may lead to positions being liquidated or closed out without the consent of the client or investor.

Technical risks:

- The client or investor and not the bank shall be responsible for the risks of financial losses caused by failure, malfunction, interruption, disconnection or malicious actions of information, communication, electricity, electronic or other systems. If the client or investor undertakes transactions on an electronic system, he or she will be exposed to risks associated with the system including the failure of hardware, software, servers, communication lines and internet failure. The result of any such failure may be that his order is either not executed according to his instructions or it is not executed at all. The bank does not accept any liability in the case of such a failure.
- The client or investor acknowledges that any unencrypted information transmitted by them via e-mail is not protected from any unauthorized access. The bank will always transmit information encrypted by email. The client or investor acknowledges that the internet may be subject to events which may affect his or her access to the system and website of the bank including but not limited to interruptions or transmission blackouts, software and hardware failure, internet disconnection, public electricity network failures or hacker attacks.

  The bank is not responsible for any damages or losses resulting from such events which are beyond its control or for any other losses, costs, liabilities, or expenses which may result from the inability of the client to access the system and website of the bank or delay or failure in sending orders or transactions. In any such events the bank recommends that the client or investor contact the bank via telephone.

- The client or investor may suffer financial losses caused by the materialization of the above risks, the bank accepts no responsibility or liability in the case of such a risk materializing and the client or investor shall be responsible for all related losses he or she may suffer.

Communication between the client or investor and the bank:

- The client or investor shall accept the risk of any financial losses caused by the fact that the client or investor has received but with delay or has not received at all, any notice from the bank. The client or investor acknowledges that any unencrypted information transmitted by e-mail is not protected from any unauthorised access.

- The bank has no responsibility if any unauthorised third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the bank and the client or investor or when using the internet or other network communication facilities, telephone, or any other electronic means.

Force majeure events:

- In case of a force majeure event, the bank may not be in a position to arrange for the execution of client or investor orders or fulfill its obligations under the agreement with the client or investor. As a result, the client or investor may suffer financial loss. According to the client or investor agreement the bank will not be liable or have any responsibility for any type of loss or damage arising out of any failure, interruption, or delay in performing its obligations under this agreement where such failure, interruption or delay is due to a force majeure event.

Abnormal market conditions:

- The client or investor acknowledges that under abnormal market conditions, the period during which the orders are executed may be extended or it may be impossible for orders to be executed at declared prices or may not be executed at all.

General risk types:

- The price or value of an investment will depend on fluctuations in the financial markets outside the control of anyone. Past performance is no indicator of future performance. The nature and extent of investment risks varies between countries and from investment to investment.

  These investment risks will vary with, amongst other things, the type of investment being made, including how the financial products have been created or their terms, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the issuer, the diversification or concentration in a portfolio, the complexity of the transaction and the use of leverage.

Advice and recommendations:

- The bank will not be under any duty to provide the client or investor with any legal, tax or other advice relating to any transaction. The client or investor should seek independent expert advice if he is in any doubt as to whether he may incur any tax liabilities.

  The client or investor is hereby warned that tax laws are subject to change from time to time, vary by country and domicile and may be multi-jurisdictional. The bank may, from time to time and at its discretion, provide the client or investor – or in newsletters, which it may post on its website or otherwise – with information, recommendations, news, and market commentary or other information but not as a service.

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

General information on risks associated with specific financial instrument

Introduction:

- The investment decisions made by the client or investor and the investment advice provided by the bank to eligible clients or investors are subject to various markets, currency, economic, geographical, political, business risks etcetera and will not necessarily be profitable.

  The client or investor acknowledges and without any reservation accepts that, notwithstanding any investment advice or information, which may have been given by the bank, the value of any investment in financial instruments, may fluctuate either upwards or downwards.

  The client or investor acknowledges and without any reservation accepts the existence of a substantial risk of incurring losses and damages as a result of buying or selling any financial instrument and acknowledges his willingness to take such risk.

  Set out below is an outline of the major categories of risk that may be associated with certain types of Financial Instruments:

Shares and other types of equity instruments:

- A risk with an equity investment is that the company must both grow in value and, if it elects to pay dividends to its shareholders, make adequate dividend payments, or the share price may fall. If the share price falls, the company, if listed or traded on-exchange, may then find it difficult to raise further capital to finance the business, and the performance of the bank may deteriorate vis a vis its competitors, leading to further reductions in the share price. Ultimately, the company may become vulnerable to a takeover or may fail. Shares have exposure to all the major risk types. In addition, there is a risk that there could be volatility or problems in the sector that the company is in.

Money – market instruments:

- A money-market instrument is a borrowing of cash for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend – or advance – it to the borrower. Unlike in an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments, money-market instruments may be exposed to the major risk types, in particular credit and interest rate risk.

Swaps:

- A swap agreement is a derivative where two counterparties exchange one stream of cash flows against another stream, calculated by reference to an underlying – such as securities indices, bonds currencies, interest rates or commodities, or more intangible items.
- The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation to cover swaps trading over a broad range of underlying assets. As a result, the swap market for certain underlying assets has become more liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.