TradeZero Europe B.V - **Risk Warnings Disclosure Statement**

This document provides you with information about the risks associated with opening an account with TradeZero for the purpose of trading U.S. financial instruments (the "Services"), but it cannot explain all of the risks nor how such risks relate to your personal circumstances. It is important that you fully understand the risks involved before deciding to enter into a relationship with us. If you choose to enter into a relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks, and that you monitor your activity carefully.

If you are in doubt, you should seek professional advice.

1. GENERAL RISK WARNINGS

1.1. Risk of Investment: The risk of using our Services, is that you could lose all your money which you have invested. Therefore, you should not trade or invest money that you cannot afford to lose. It is important that you fully understand the risks involved before deciding to place a trade in light of your financial resources, level of experience, and risk appetite. If required, you should seek advice from an independent financial advisor.

1.2. Returns: The actual returns and losses experienced by you will vary depending on many factors, including, but not limited to, market behaviour, market movement, and your trade size. The value of your investments may go up or down. Past performance is not a guide to future performance.

1.3. Inflation: Inflation will reduce the real value of an investment as the years go by. If the return produced is less than the rate of inflation, your money will have less buying power in the future.

1.4. Interest rates: Changes in interest rates can have an effect on the value of securities. The value of securities, especially bonds, can fall with a rise in interest rate as other investments reflecting the new higher interest rate offer greater returns. Alternatively, if interest rates fall, then the value of bonds and other securities may rise.

1.5. Currency: If you trade in a market denominated in a currency other than your base currency, currency exchange fluctuations will impact your profits and losses.

1.6. Volatility: Movements in the price of underlying markets can be volatile. This will have a direct impact on your profits and losses. It should be noted that volatility can be unexpected and unpredictable.

1.7. Market liquidity: Market conditions can change significantly in a very short period of time, so that if you wish to sell an instrument or close a contract, you may not be able to do so under the same terms as when you purchased or opened it. Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange, trading is suspended or restricted.

1.8. Legal risks: Legal actions or changes, including those taken by governments or regulators, can cause risks to the value and ability to sell your investments. This includes regulatory actions to de-list or ban trading of a U.S. financial instrument, which can lead to you not being able to sell your U.S. financial instrument. While such actions are relatively rare, they can be very impactful and unexpected.

1.9. Gapping: Gapping is a sudden shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore our derived price) can be markedly different from the closing price, with no opportunity to sell your instruments before the market opens.

1.10. Stop orders: Stop orders may reduce, but not eliminate, your trading risk. A stop market order is an order, placed, to buy or sell a particular stock at the market price if and when the price reaches a specified level. Stop orders are often used by traders in an effort to limit the amount they might lose. If and when the market reaches whatever price you specify, a stop order becomes an order to execute the desired trade at the best price immediately obtainable.

1.11. Fees and charges: It is important that you obtain a clear explanation of all transaction, dealing, third-party and ancillary charges and other fees for which you will be liable. These charges will affect your net profit (if any) or may increase your loss. You should also ensure that you understand the extent of your exposure to potential loss.

1.12. Taxation: Tax treatment depends on your individual circumstances. Additionally, the levels and bases of taxation may change. We will not be responsible for assessing your personal tax implications. You should always take independent, professional tax advice.

2. U.S. MARKET RISKS

2.1. Transactions on markets in the U.S. may expose you to additional risk. These markets may be subject to regulation which may offer different or diminished investor protection. Before you trade you should enquire about any rules relevant to your particular transactions. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been affected.

2.2. U.S. markets will involve different risks to your domestic market. The risk can be greater. The potential for profit or loss from transactions on U.S. markets or in foreign currency denominated contracts will be affected by fluctuations in foreign exchange rates.

3. INVESTMENT SPECIFIC RISKS

Shares

3.1. Shares, known as equities, represent a portion of a company's share capital. The extent of your ownership in a company depends on the number of shares you own in relation to the total number of shares in issue. Shares are bought and sold on stock exchanges and their values can go down. In respect of shares in smaller companies, there is an extra risk of losing money when such shares are bought or sold. There can be a big difference between the buying and selling price of these shares. If they have to be sold immediately, you may get back much less than you paid for them. Shares in companies incorporated in emerging markets may also be harder to buy and sell than those shares in companies in more developed markets and such companies may also not be regulated as strictly. Investments in shares issued by a company with little or no operating history or published information involves greater risk than investing in a public company with an operating history and extensive public information.

3.2. Additionally, if the company becomes insolvent, it is likely that the value of its shares will fall sharply. A share will usually be delisted from the stock exchange when insolvency becomes likely or when insolvency processes are formally triggered. At this point, it will not be possible to buy or sell any shares you hold in this company on most occasions. Where an insolvency occurs, shareholders will usually rank lowest in the priority for receiving any funds back, meaning that there is a higher risk that you will receive either nothing at all or a fraction of what you invested. If shareholders receive any funds back following an insolvency, it will typically take a long time for this to be confirmed and for any funds to be received.

Options

3.3. An option is a type of derivative that gives the holder a contractual right to acquire or dispose of certain investments, instruments, commodities and or any currency.

3.4. Options involve risks and are not suitable for all investors. You should familiarise yourself with the type of option (i.e., a put or a call option) which you contemplate trading and the associated risks.

3.5. Typically, buying options involves less risk than selling options because if the price of the underlying asset moves against you, you are able to allow the option to lapse. The maximum loss is limited to the premium plus any commission or other transaction charges. On the other hand, if you write an option, the risk involved is considerably greater than buying options. This is because you may be liable for the margin to maintain the position and your loss could be greater. When you write an option, you have accepted the legal obligation to purchase or sell the underlying asset if the option is exercised against you. The risk degree will vary substantially depending on whether you own the underlying asset or not.

3.6. Before entering into an option contract, you should obtain a description of how the option is traded and the related terms and conditions.

3.7. Options are complex instruments and come with a high risk of losing money rapidly due to leverage. For example, aggressive positions in options have a greater probability of losing, while less aggressive positions are less likely to yield substantial profits.

3.8. Market movements of the underlying asset cannot be predicted accurately.

3.9. The value of your options may rise and fall. If the collateral value of the assets falls below the amount required to maintain your open positions, you may be closed out of your option.

3.10. The option may be subject to daily price fluctuations while the underlying asset may not, and as such, the pricing relationship between the option and underlying asset may not exist.

3.11. If you have deposited collateral as a security with a firm, the way in which it will be treated will vary according to the type of transaction and where it is treated.

3.12. A firm's insolvency or default may lead to a position being liquidated or closed out without your consent. You may not get back the actual assets which you may have put forward as collateral and you may have to accept cash as an alternative payment.

3.13. With respect to writing or granting futures options, the grantor of a call option who does not have a long position in the underlying futures contract (i.e., a "naked" sale or short) is subject to risk of loss should the price of the underlying futures be higher than the strike price of the option, and this loss may exceed the premium received for the initial sale of the call option. The grantor of a call option who has a long position in the underlying futures (i.e., a "covered" sale or short) is subject to the risk of decline in price of the underlying futures, less the premium received for granting the call option. In exchange for the premium received, the call option grantor gives up all of the potential gain resulting from an increase in the price of the underlying futures above the strike price of the option. The grantor of a put option who does not have a short position in the underlying futures contract (i.e., a "naked" sale or short) is subject to risk of loss should the price of the underlying futures be below the strike price of the option, and this loss may exceed the premium received for the initial sale of the put option. The grantor of a put option who has a short position in the underlying futures (i.e., a "covered" sale or short) is subject to the risk of a rise in price of the underlying futures, less the premium received for granting the put option. In exchange for the premium received, the put option grantor gives up all of the potential gain resulting from a decrease in the price of the underlying futures below the strike price of the option.

4. MARGIN TRADING AND LEVERAGE

4.1. You are able to trade U.S. financial instruments using leverage if you elect to do so and are approved by us. Leverage is a form of borrowing which allows you to deposit only a part of the cost of your transaction upfront. This deposit is called "margin" and is used as a security against any potential losses you may incur. The more leverage you use, the less margin you need. Money being used as margin cannot be taken out of your account. The nature of margin trading / using leverage means that both profits and losses can be magnified, and you could incur very large losses if your position moves against you. It is important to note that you can lose more funds than you deposit into your account when using margin.

4.2. Different amounts of leverage apply to different underlying products. Applicable law can set maximum leverage amounts (and therefore the minimum margin requirement) that can be offered. However, it is possible to decrease the leverage (and therefore increase the margin requirement) as well as change the leverage (and therefore change the margin requirement) offered at any time, so long as the leverage does not exceed the maximum leverage amount, including with respect to open positions as stated above

4.3. The money available as margin on a position may be subject to a de minimis threshold. Where you do not have enough margin available, you may be required to put forward additional margin to secure your trades.

4.4. It is your responsibility to monitor the money in your account against your potential losses, the margin required, and whether your position is close to your stop level, as you may not be notified when this happens.

4.5. If you do not have enough money in your account to meet the margin requirement on a certain position, you should:

4.5.1. close your open position to stop you losing more money;

4.5.2. partially close your positions; and/or

4.5.3. adjust your stop levels.

4.6. The ability to adjust your stop levels is subject to you having the appropriate funds in your account

4.7. Unless you carry out one or more of the above steps, your trade may be closed irrespective of the total money available in your account or the performance and balance of your other open positions. Your trade will be closed without prior notice to you and without an opportunity for you to choose the timing of liquidation. You are not entitled to an extension of time to meet a margin maintenance call.

4.8. One margin demand does not preclude another. Any amount needed to meet the new requirements must be satisfied in the currency specified. The adjustment should be made immediately unless a future date and/or time by which the adjustment must be made is specified.