

Risk Disclosure Statement

Due to the expansion of the internet and the increasing number of users from different age groups and educational levels, and the widespread of computers, the financial securities online trading is noticeably increasing in the size of trades, number of dealers and number of securities traded, which is due to the increase in trading through the internet instead of the traditional way through brokers.

Therefore, the investor who wants to trade online should realize that it is a lot more different from the traditional way. The investor here can watch the securities prices live, in addition to other trading information the broker would provide him with. Then, he can give the order to buy and sell without contacting a broker and authorizing him to do so. Thus, the investor needs to fully understand that he is the sole decision-maker of buying and selling and he is the only one responsible for giving the proper order through the electronic brokerage system provided by MISC for Financial Brokerage.

The investor should also understand some technical and organizational things before he trades online; moreover, he should fully understand that online trading involves several risks that would result in unwanted losses, those risks could arise from the internet network itself, the program used or the electronic brokerage system, in addition to misuse by the investor himself.

In light of the above, the investor should acknowledge that he realizes, understands and accepts those risks and that MISC Financial Brokerage will not be responsible for any connection issues be it disconnection or lagging while trading online, moreover, the company will not be responsible for any error in the bank accounts balance due to this failure or malfunction.

Here are some of the online trading risks:

1. Losing the account's password:

Losing the account's information such as the username or password, or the investor's failure to secure them and giving them out to someone else would result in risks like misusing the account by a third party who is granted access to it.

2. The mechanism of the online brokerage system:

The lack of fully understanding and knowing the online brokerage system's functions before using it may cause the investor to make mistakes that cause unwanted losses. Therefore, the investor should thoroughly read the manual to learn about all the functions and contact the company for needed clarifications.

3. Internet connection malfunctions:

The company doesn't have any control over the internet connection used to provide the brokerage service for the investors, so any connection error could lead to partial or complete disconnection, which in turn disrupting the orders given to the system. In this case, the investor should immediately call the broker and inform him about the problem,



so he, in turn, would control the given orders and trade traditionally until the connection is back to normal, all as per the clients' orders.

4. Internet connection speed:

Since the company doesn't have any control over the internet connection, which includes the connection speed, which may affect the efficiency of receiving the information, resulting in a delay in receiving the trading information and notification messages sent by the system regarding the orders given, it may also result in a delay in sending the buying and selling orders to the system.

5. The sudden increase in transactions' volume:

The sudden increase of trading activity or the transactions volume through the company's service provided to its clients may increase the information volume sent through the internet, which could lead to the possibility of delay in receiving the information or updating the prices on the system, in addition to the role this might have in the service disconnection.

6. Malfunctions of the Investor's computer:

Malfunctions and troubleshooting that happen to the computer used to do online trading may result in error and disruption of the operations and it might not be executed; it might also cause inability to establish an internet connection to use the program, or not receiving notification messages regarding the given orders. Therefore, the investor should perform regular maintenance to the computer used.

7. Error in securities prices displayed by the system through the internet:

The malfunctions mentioned above and errors of the systems, software, devices and internet connection may cause the investor to receive wrong or false information; therefore, the investor should immediately stop using the service if he notices any discrepancies in prices or information and inform the company immediately to avoid unwanted losses.

8. An interception by a third party

Some of the risks could arise from the interception of the third party like hackers to notification messages or sending the investor fraud messages. This type also includes viruses, malware, phishing emails, which could damage the connection. Therefore the investor should always use anti-malware and anti-virus programs and enable and update the firewall and keep those programs up to date.

9. Internal adjustments done on the investor's computer by employees and staff when the investor is an entity, not an individual.



10. Negligence in handling sensitive and secret data and information by people using the investor's computer.
11. Not using Firewalls and password protection software, which decreases the risk of using the internet during trading.
12. Any other risks that could arise from using the internet.

The client also acknowledges that all risks related to internet usage, from outdated protection software, hacking and tampering by third parties increase with time and that the client needs to keep all the hardware and software updated to increase security and protection and upgrade the internet connection and the process used to trade online.

Here is some advice for the investor who wishes to trade online:

1. Online trading service does not mean direct contact with the online trading system of the stock market:

Although the investor can see the securities prices live and give direct orders to buy and sell without authorizing a broker, the investor should understand that the orders are processed by the company's system first to validate them and check the cash and securities balances and any other conditions, then the orders get redirected to the market's system. So the investor should wait until the orders are processed and no try to give the same order again in order not to create duplicated transactions selling or buying an unwanted number of securities, and he must realize that he is the only one responsible for any duplicated order.

2. Read and understand the company's protection and nondisclosure policy.
3. Ask the company how to contact the customer service directly in case you have inquiries or a problem you need to report, and know the company's approach to emergency issues.

4. Giving online orders does not mean that they are immediately executed:

Giving the order to buy or sell does not mean that the order is immediately executed, the order might be delayed for the different reasons mentioned previously, such as problems with the internet connection or the systems used or a delay in the validation process before passing the orders to the market's system, or as a result to increased traffic and use of the service provided or the increase of the number of transaction in the market, or due to change in the supply and demand forces before the orders reach the online trading system, in this case, the order is put on a waiting list to execute.

The investor should realize that the company only provides the service to give online selling and buying orders. It does not guarantee, nor does it execute those orders, so it is his responsibility to track the reported order's status and not create duplicated orders.

5. A delay in updating the investor's accounts balance once the order is executed:

In some cases, and despite executing the order given, the investor's balance does not get updated instantly and in sync with the order. This could happen due to a delay in receiving the notification messages for one of the previously mentioned malfunctions and reasons. Not receiving a confirmation message does not necessarily mean that the order was not executed, in this case, the investor should be patient, keep checking the messages and not try to give the order again, and in case of not receiving any message at all, it is better to contact the company and inform the employee about the case.

6. The investor should ask about the minimum technical requirements determined by the company for the internet connection, the computer and software used.
7. In case the client lost the password, do the following:

Call the company's hotline and ask the employee to change the password (which includes deactivating the old password and change it to a new one) after performing an identity check.