

EAGLE GLOBAL MARKETS

RISK WARNING NOTICE

Eagle Global Markets is a trading name of Eagle GM Limited, a company registered in Nigeria (“**EGM**”, “**we**”, “**us**”) with RC 1322866 at address Floor 4, The Bureau, 28 Raymond Njoku Street, S.W. Ikoyi, Lagos.

INTRODUCTION

You are entering into spread trades and/ or Contracts for Difference (“**CFDs**”) with EGM. These contracts are a high risk financial product and may not be suitable for everyone. It is important that you fully understand the risks involved before entering into any transactions with us.

It is important that should you proceed with entering into transactions with us, that you continue to remain aware of the risks involved.

This notice details information about some of risks associated with these products but cannot explain all of the risks nor how such risks relate to your personal circumstances. If you are in any doubt you should seek professional advice as it is important that you fully understand the risks involved before making a decision to enter into a trading relationship with us.

APPROPRIATENESS

Prior to proceeding with the opening of an account for you, we are required to undertake an evaluation as to whether it is appropriate for you to trade with us, and to warn you if, on the basis of the information you provide to us, such trading is not appropriate. If we believe it is not, we shall warn you accordingly.

The decision whether to proceed with the account opening and whether or not you understand the risk involved, is entirely yours.

We may ask you for details of your income and liquid savings and investments, however we will not monitor these and it is your responsibility to ascertain whether your financial resources are adequate to cover the risks of any trading that you undertake, or that the amount of trading funds you have sent us is consistent with that information.

GEARING AND LEVERAGE

Each trade that you enter into will generally require you to have sufficient funds available to cover the margin requirement. These amounts vary from underlying market to underlying market from which any trade you do with us is derived. It will also depend on the size of the transaction. In effect, margin will usually be a relatively small proportion of the overall value of the spread trade or CFD. This means you will be gearing or leveraging up.

As a result of gearing and leverage any relatively small movement in price can result in a high return (movement for you) or substantial losses (movement against you).

You must monitor your open trades closely at all times, as any relatively small price movement may result in you being required to immediately deposit additional funds and your failure to do so, may result in the closure of all or any of your trades. You will be liable for all losses incurred.

You should also be aware that under our Customer Terms and Conditions we are entitled to increase margin rates on short notice. If we do so, you may be required to deposit additional funds into your account to cover the increased margin rates. If you do not do this when required, we shall be entitled to close one or more of your trades.

It is possible for you to lose more than the level of funds you have deposited with us and any negative cash balance as a result of this will be immediately due and payable as these spread trades and CFDs are legally enforceable.

CFDS AND SPREAD TRADES ARE OVER THE COUNTER DERIVATIVES

Our CFDs and spread trades are not made on any exchange. The prices and other conditions are set by us, subject to any obligations we have to provide best execution, to act reasonably and in accordance with our Customer Terms and Conditions and with our Order Execution Policy. Each CFD and spread trade that you open through our trading platform results in you entering a contract with us; these contracts can only be closed with us and are not transferrable to any other person.

NO RIGHT TO THE UNDERLYING

Our CFDs and spread trades do not provide any right to the underlying instruments or, in the case of CFDs based on shares, to voting rights.

NO ADVICE

We do not provide investment advice relating to investments or possible transactions in investments. We are permitted to provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimised, but, any decisions made must be yours.

UNDERLYING MARKET FLUCTUATIONS

CFDs and spread trades are financial instruments that allow you to speculate on price movements in underlying markets. Although the prices at which you trade CFDs and spread trades are set by us, our prices are derived from the underlying market. It is important therefore that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market can affect the profitability of your trade.

Some such risks include:

(A) CURRENCY:

If you trade in our product based on an underlying market other than your base currency market, currency exchange fluctuations may impact your profits and losses;

(B) VOLATILITY:

Movements in the price of underlying markets can be volatile and unpredictable. This will have a direct impact on your profits and losses. Knowing the volatility of an underlying market will help guide you as to where you may wish to place any stop losses.

(C) GAPPING:

Gapping is a sudden and often dramatic shift in the price of an underlying market from one level to another. Various factors can lead to gapping (for example, economic events and data releases, world 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 close your trade in between. If such events occur, gapping can result in significant losses (or profits) and unless you have a guaranteed stop loss facility in place, you will have no protection against this and therefore be liable for any loss in its entirety.

(D) UNDERLYING MARKET GAPPING.

In setting our prices, spreads and the sizes in which we will deal we take account of the market or markets for the relevant underlying instruments. Underlying market conditions such as liquidity can change significantly in a very short period of time, so that if you wish to close a contract we might not be able to do so under the same terms as when you opened it.

(E) COSTS AND CHARGES

Please be aware of all costs and charges that apply to you, because such costs and charges will affect your profitability.

(F) TRADES WITHOUT GUARANTEED STOP LOSS PROTECTION

When a stop loss is triggered it has the effect of issuing an order by you to close your position. It is therefore not necessarily closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly but the time taken to fill the order and level at which the order is filled depends upon the underlying market. In fast-moving markets a price for the level of your order might not be available, or the market might move quickly and significantly away from the stop level before we fill it.

(G) CORPORATE ACTIONS

We do not aim to make a profit from our clients from the outcome of corporate actions such as takeovers and mergers, share issuances and distributions or consolidations, and tender offers. We aim to reflect the treatment we receive as part of hedging our exposure to you. However, the treatment you receive may be less advantageous than if you owned the underlying instrument, we may have to ask you to make a decision on a corporate action earlier than if you owned the underlying, or, the options we make available to you might be more restricted and less advantageous than if you owned the underlying.

(H) *ELECTRONIC COMMUNICATIONS*

We offer you the opportunity to communicate with us via electronic means such as email. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with us via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.