

Professional Client Disclosure Notification

IX Capital Group Limited ("IXCG") provides non advisory services to its Clients. It does not offer any investment advice and any trades are placed purely at your discretion. This notification sets out the differences in the levels of protection afforded to Retail and Professional Clients. Please ensure that you have read and understood this document before proceeding.

Key points you must be aware of are: -

- **You can generate statements at any time which show the ledger balance, the exact positions in the account, the net profit or loss in all contracts closed for the given period, and the net unrealized profit and loss in all open contracts figured to the market;**
- **You must review your account statements on a daily basis, and contact IXCG immediately if you have any queries. Any discrepancies on account statements must be reported to IXCG as soon as they are identified;**
- **You may not be entitled to refer a complaint to the Securities Commission of the Bahamas (See Appendix C);**
- **You are responsible for keeping IXCG informed about any change that could affect your categorization as a Professional Client and to request re-classification as a Retail Client.**
- **Client Money held by us on your behalf will continue to be protected in a segregated Client money account, separate to the firm's own money, affording you the same protection as a Retail Client, unless agreed otherwise.**

Appendix A - Your eligibility to be categorized as an Elective Professional Client

We are required by the Securities Commission of the Bahamas ("SCB") to categorize our Clients as **Retail or Elective Professional** and prior to the provision of our services, notify our Clients of any right that they have to request a different categorization and any limitations to the level of Client protection that such a different categorization would entail.

We will assess your knowledge, experience, expertise and financial standing in order to ensure you are an '**Experienced**' Client, which means that you have the requisite level of knowledge and experience to understand the risks involved in Forex and CFD trading and, as a result an IXCG trading account is appropriate for you.

For your information and convenience, we have set out in the letter below an explanation of the differences in categorization of a Retail Client and a Professional Client, followed by a warning of the consequences of losing protections that you may lose as a Professional Client, as provided in Appendix C.

Having read and understood this Professional Client Disclosure Notification, and should you wish to proceed with the Professional Client categorization, you will be required to sign in agreement that you wish to be treated as a Professional Client and you are aware of the consequences of the loss of protection involved as a result of becoming a Professional Client.

Appendix B -

A description of Retail and Professional Client categorizations

1. Retail Client

- a) All Clients are initially classified as a Retail Client by default unless we classify them as a Professional Client
- b) A Retail Client is an individual or corporate who is not a Professional Client or an Eligible Counterparty.
- c) As a Retail Client you are entitled to the maximum level of protection.
- d) In respect of your funds held with us, any money that we receive from you or hold on your behalf will be treated as Client money. This means that your funds will be segregated from our own money and you will not rank as a general creditor of IXCG in the event of any insolvency or equivalent failure.

2. Professional Clients

- a) Professional Clients are expected to be more experienced, knowledgeable and sophisticated in understanding the risks involved in investments in the Financial Markets than a Retail Client and therefore afforded fewer regulatory protections.

3. "Elective Professional Client"

- A. A Retail Client can elect to be categorized as a Professional Client subject to meeting the Elective Professional Client criteria and process.
- B. The assessment undertaken for this category, requires careful consideration, as you would be "electing" to change your status from Retail to Professional Client status – therefore we must check whether:
 - a) You pass a "**Qualitative test**" - You must have the required expertise, experience, and knowledge that gives us reasonable assurance, in light of the nature of the transactions or services envisaged that you are capable of making your own investment decisions and understanding the risks involved.
 - b) You pass a "**Quantitative test**" and satisfy 2 of the following criteria:
 1. You have carried out transactions, in significant size, on the relevant market at an average frequency of 10 per quarter over the previous four quarters;
 2. The size of your financial instrument portfolio, defined as including cash deposits and financial instruments, \$ _____;
 3. You work or have worked in the financial sector for at least one year in a professional position, which requires knowledge of the transactions or services envisaged.

4. Loss of Protection

The requirement to classify a Client correctly is important because the different categories of Clients have different levels of regulatory protections afforded to them. As a Professional Client you will lose certain protections afforded to Retail Clients under SCB rules.

In accordance with the SCB rules assessment requirements for categorization as an "Elective Professional Client", we hereby provide you with written notification of the consequences of opting to "Professional Client" categorization. Please see Appendix C; that covers the loss of protection afforded to Retail Clients and the consequences of opting to "Professional Client" categorization.

Appendix C- Loss of Protection Notice

(Please read this Notice carefully)

A. As a result of categorization as a Professional Client you may lose the right **of referring a complaint against IXCG to the Securities Commission.**

B. Client Money Rules

Retail Clients are afforded protection of their Client money by requiring firms, on receiving any Client money, to promptly place this money into one or more Client accounts opened with, for example with an approved and authorized bank, such that there is appropriate segregation of Client money from the firm's own money as a safeguarding measure for the protection of the Client's money.

As a Professional Client, we will continue to hold your Client money in a segregated Client money account, separate to the firm's own money, affording you the same protections as a Retail Client, unless agreed otherwise.

C. Financial Disclosures on Promotions

Certain SCB rules regarding the form and content of financial promotions will not be applicable. When communicating with you, we are required under the SCB rules that all our communications are fair clear and not misleading, however we may take into consideration your status as a Professional Client when complying with such requirements and in assessing whether any communication to you is likely to be understood by you in accordance with your level of expertise and contains appropriate information for you to make an informed assessment of its subject matter. This means that in any financial promotions we communicate or approve which identifies or promotes a specific investment, we will not be required to provide you with a comprehensive description of the nature of the investment, the commitment required, risks, costs and associated charges, that apply in the case of Retail Clients.

D. Risk Warnings*

We will not be required to provide you with the written risk warnings and notice required for Retail investors in relation to transactions in complex financial products, in particular derivatives and warrants.

E. Disclosure of charges, remuneration or commission

The SCB rules do not require us to inform you, in writing, of the basis or amount of our charges applicable to the services we will be providing and the nature or amount of any other income receivable by IXCG, the Trading Agent or our associates which is attributable to those services. However, IXCG in its sole discretion provides you with details of the fees associated with the Account which are rebated to the Trading Agent (relates to LPOA/IB Agreement).

F. Order handling and Reporting

The SCB does not require us or the Trading Agent to provide you with Account statements unless requested by you. Upon your request, the Trading Agent must provide you with your Account information and Account statements using report features as provided by IXCG. However, all Clients, including Professional Clients, will have access to their Account and online MT4/MT5 trading platform, through which they can access all transactions on their account in relation to their managed account at any time.

G. Customers' understanding of Risk & Appropriateness

We are not obliged to ensure that you understand the nature of any risks involved in any specific investments or transactions that we offer to you. We will assume that you are in a position to judge the kind and degree of risk attached to the various types of investments.

H. Modification of certain rules

SCB rules also allow us to modify the application of the rules relating to confirmation of transactions, periodic statements, best execution, custody of assets and Client money. If any of these apply, we will explain the potential consequences to you in full.

I. Negative balance protection

As a Professional Client, you will not benefit from Negative Balance Protection for Retail Clients.

J. Leverage restrictions

As a Professional Client, you will not be subject to leverage restrictions imposed on Retail Clients. You might be exposed to higher leverage limits that can amplify your losses.

Risk Warning*

CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. The majority of retail investor accounts lose money when trading CFDs. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.