

RISK DISCLOSURE NOTICE

This Document on Refer a Friend Terms and Conditions is effective from May 2025 and shall remain effective until a more recent version is released. DEDA CAPITAL MARKETS (PTY) LTD. reserves the right to amend or supplement this Document at any time. This Document does not replace our Investment Services Agreement (Terms and Conditions of Trading) which we ask that you read carefully before you enter into any trading. The prevailing version of this Document is always available on our website www.hottrades.com.

1. INTRODUCTION

1.1. DEDA CAPITAL MARKETS (PTY) LTD registration number 2017/531362/07, is a private company incorporated in accordance with the laws of South Africa DEDA CAPITAL MARKETS (PTY) LTD and an authorised financial services provider (FSP) registered as such in terms of the Financial Advisory and Intermediary Services Act, 2002 (FAIS Act) under FSP No. 50640.

1.2. In terms of the General Code of Conduct for Authorised Financial Services Providers and Representatives, 2008 as amended from time to time (the Code) FSP's are required, at the earliest reasonable opportunity, to provide, where applicable, full and appropriate information of any material investment or other risks associated with its product, including any risk of loss of any capital amount(s) invested due to market fluctuations.

1.3. This Risk Disclosure Notice aims to caution you, our existing and potential customers (Customers/you) who utilise or wish to utilise our Online Trading Platform (Platform) against the inherent risks associated with trading Contracts for Difference (CFD) and/or Currency Contracts (FX Contracts) on our Platform.

1.4. This Risk Disclosure Notice cannot disclose all risks of purchasing and selling CFD and FX Contracts, accordingly, you are advised to consult professional advisors regarding any legal, regulatory, credit, tax or accounting aspects that may be applicable to CFD and FX Contracts.

1.5. You should always carefully consider whether such investments are suitable for you in light of your personal circumstances and financial position. Investments in CFDs and FX contracts are not suitable for everyone and if you are doubtful, professional advice should be obtained.

1.6. Trading CFDs and FX Contracts are highly speculative, it involves a significant risk of loss and is not suitable for all investors but for those Customers who:

1.6.1. understand and are willing to assume the economic, legal and other risks involved;

1.6.2. are experienced and knowledgeable about trading in derivatives and in underlying asset types; and

1.6.3. are financially able to assume losses significantly in excess of margin or deposits because investors may lose the total value of the contract not just the margin or the deposit.

2. RISKS INHERENT IN CFD AND FX CONTRACTS

2.1. Loss over and above your Initial Amount

2.1.1. A CFD comprises of a futures contract whereby differences in settlement are made through cash (Margin) payments (Margin Payments), as opposed to delivery of the physical goods or securities (Referenced Assets).

2.1.2. When we on-board you as a Customer, we will open an account (Margin Account) in your name and require you to deposit an amount of money (Initial Amount) into the Margin Account.

2.1.3. CFD trading typically only requires depositing a small percentage of the total trade value (Required Margin Amount), but profits and losses can quickly exceed the Required Margin Amount, requiring Margin adjustment payments (Margin Adjustment Payments).

2.1.4. When trading in CFDs loss can be substantial as you could lose more than your Initial Amount and any additional amounts, including Margin Adjustment Payments, paid into the Margin Account. If the market moves against a long or short CFD position, you could, in a relatively short time, sustain more than a total loss of Margin in your Margin Account.

2.1.5. You must ensure that there is sufficient Margin available in your Margin Account at all times when long or short CFD positions are outstanding. A decline in the value of the Referenced Assets may cause us to require you to make a Margin Adjustment Payment.

2.2. Gearing or Leverage

FX Contracts and CFD's like most derivative instruments are volatile. Often, FX Contracts and CFD's are greatly "geared" or "leveraged" and as a result, a relatively small market movement can, in addition to achieving substantial gains where the market moves in your favour, result in considerable losses, where the market moves against you.

2.3. CFDs are over-the-counter (OTC) derivatives

2.3.1. In South Africa, CFD's and FX Contracts are not regulated by a recognized or designated investment exchange. Bearing this in mind, it is important to note that parties to a CFD cannot enjoy protections such as those offered by the JSE's risk management and guarantee structures and procedures. CFDs or FX Contracts are known as "Over the Counter" (OTC) transactions as they will not be executed on a recognized or designated investment exchange.

2.3.2. All positions entered into with us must be closed with us and cannot be closed with any other entity.

2.3.3. OTC transactions may involve greater risk than investing in on-exchange contracts because there is no exchange market on which to close out an open position.

2.3.4. It may be impossible to liquidate an existing position, to assess the value of the position arising from an OTC transaction or to assess the exposure to risk. Bid prices and ask prices may not be quoted by us, based on best execution policies applicable in the market.

2.3.5. There is no central clearing and no guarantee by any other party of DEDA CAPITAL MARKETS (PTY) LTD payment obligations to Customers, thus Customers are exposed to credit risk with DEDA CAPITAL MARKETS (PTY) LTD. Customers must look only to DEDA CAPITAL MARKETS (PTY) LTD for performance of all contracts in Customer's account and for return of any Margin or collateral.

2.4. Spread

The difference between our bid price and our ask price is our spread (Our Spread). Our Spreads are set in our absolute discretion, since we are acting as market maker, and any changes are effective immediately. Information in relation to Our Spread, leverage, rollover fees and trading hours for each market is stated in the CFD Trading Conditions and FX Trading Conditions pages of our website.

2.5. Prices, Margin and Valuations are set by DEDA CAPITAL MARKETS (PTY) LTD may be different from prices reported elsewhere

2.5.1. As per Section 3 of the Code, DEDA CAPITAL MARKETS (PTY) LTD will provide prices to be used in trading, valuation of Customer positions and determination of Margin requirements in accordance with its Trading Policies and Procedures and Market Information Sheet.

2.5.2. The performance of your CFD or FX Contract will depend on the prices set by DEDA CAPITAL MARKETS (PTY) LTD and market fluctuations in the underlying asset to which your contract relates. Each underlying asset therefore carries specific risks that affect the result of the CFD or FX Contract concerned.

2.5.3. Our prices for a given market are calculated by reference to the price of the relevant underlying asset which we obtain from third party external reference sources or exchanges. For our CFD and FX Contracts, we obtain price data from wholesale market participants. Although DEDA CAPITAL MARKETS (PTY) LTD expects that these prices will be reasonably related to prices available in the market, DEDA CAPITAL MARKETS (PTY) LTD prices may vary from prices available to banks and other market participants. DEDA CAPITAL MARKETS (PTY) LTD has considerable discretion in setting and collecting margin. DEDA CAPITAL MARKETS (PTY) LTD is authorised to convert funds in Customer's account for Margin into and from such foreign currency at a rate of exchange determined by DEDA CAPITAL MARKETS (PTY) LTD in its sole discretion based on then-prevailing money market rates.

2.6. Rights to Underlying Assets

You have no rights or obligations in respect of the underlying instruments or assets relating to your CFD or FX Contract. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities, as specified in the CFD Trading Conditions and FX Trading Conditions pages of DEDA CAPITAL MARKETS (PTY) LTD website.

2.7. Cash Settlement

CFD and FX Contracts can only be settled in cash and the difference between the buying and selling price partly determines the result of the investment.

2.8. Lack of liquidity

2.8.1. Under certain market conditions, it may be difficult or impossible to close-out a CFD. This may occur, for example, where trading on the Referenced Asset exchange is suspended or restricted at times of rapid price movement.

2.8.2. If there is no liquidity in the relevant Referenced Asset, the Customer may be unable to trade CFDs referencing that Referenced Asset.

2.8.3. Placing a stop order will not necessarily limit the Customer's losses to the intended amounts, as market conditions may make it impossible to execute the stop order at the stop level specified in the CFD.

2.9. Currency Risk

You have no rights or obligations in respect of the underlying instruments or assets relating to your CFD or FX Contract. The Customer understands that CFDs can have different underlying assets, such as stocks, indices, currencies and commodities, as specified in the CFD Trading Conditions and FX Trading Conditions pages of DEDA CAPITAL MARKETS (PTY) LTD website.

2.10. CFDs in cryptocurrencies

When trading in CFDs where the underlying asset is a cryptocurrency, you should be aware that the cryptocurrencies are traded on non-regulated decentralized digital exchanges. Accordingly, price formation and price movements of the cryptocurrencies depend solely on the internal rules of the particular digital exchange, which may be subject to change at any point in time and without notice. This often leads to a very high intra- day volatility in the prices of the cryptocurrencies which may be substantially higher compared to other instruments. Therefore, by trading CFDs in cryptocurrencies you accept a significantly higher risk of loss of your invested amounts which may occur within a very short time frame as a result of sudden adverse price movements of the cryptocurrencies.

We derive our market and pricing data on the cryptocurrencies from the digital decentralized exchanges the cryptocurrencies are traded on. Due to the non-regulated nature of such exchanges, the market data and price feed information provided by such exchanges may be subject to the internal rules and practices of such exchanges which may significantly differ from the rules and practices observed by the regulated exchanges. In particular, you should be aware that the pricing formation rules of the cryptocurrency exchanges are not subject to any regulatory supervision and may be changed at the relevant digital exchange's discretion at any time. Similarly, such digital exchanges may introduce trading suspensions or take other actions that may result in suspension or cessation of trading on such exchanges or the price and market data feed becoming unavailable to us. The above factors could result in material adverse effect on your open positions, including the loss of all of your invested amounts. Where a temporary or permanent disruption to or cessation of trading occurs on any digital exchange from which we derive our price feeds for the relevant cryptocurrency, your positions in such cryptocurrency will be priced at the last available price for the relevant cryptocurrency, and you may be unable to close or liquidate your position or withdraw any funds related to such position until the trading on the relevant digital exchange resumes (if at all). You accept that where trading resumes again at either the relevant original digital exchange or on any successor exchange thereof, there may be significant price differential (price gapping) which may impact the value of your CFD positions in the relevant cryptocurrencies and result in significant gains or losses. In the event that the trading resumes on any other successor exchange than the relevant original digital exchange, the Company reserve the right to perform adjustments in order to neutralize the effect of the price difference of the two exchanges. Where trading does not resume, your entire investment will potentially be lost.

3. OPERATIONAL RISKS

3.1. One Click Trading and Immediate Execution

DEDA CAPITAL MARKETS (PTY) LTD Platform provides immediate transmission of the Customer's order (Market Order) once the Customer enters the notional amount and clicks "Buy/Sell." This means that there is no opportunity to review the Market Order after clicking "Buy/Sell" and Market Orders cannot be cancelled or modified. This feature may be different from other trading systems you have used. Customer should utilize the demo trading system to become familiar with the Platform before actually trading online with DEDA CAPITAL MARKETS (PTY) LTD. Customer acknowledges and agrees that by using DEDA CAPITAL MARKETS (PTY) LTD Platform, Customer agrees to the one-click system and accepts the risk of this immediate transmission/execution feature.

3.2. Telephone Orders and Immediate Execution

Market Orders executed over the telephone through the DEDA CAPITAL MARKETS (PTY) LTD Trading Desk are completed when the DEDA CAPITAL MARKETS (PTY) LTD telephone operator says "deal" or "done" following Customer's placing of an order. Upon such confirmation of the telephone operator, Customer has bought or sold and cannot cancel the Market Order. By placing Market Orders through the DEDA CAPITAL MARKETS (PTY) LTD Trading Desk, Customer acknowledges and agrees to such immediate execution and accepts the risk of this immediate execution feature.

3.3. DEDA CAPITAL MARKETS (PTY) LTD is not an adviser or a fiduciary to Customer

Market Orders executed over the telephone through the DEDA CAPITAL MARKETS (PTY) LTD Trading Desk are completed when the DEDA CAPITAL MARKETS (PTY) LTD telephone operator says "deal" or "done" following Customer's placing of an order. Upon such confirmation of the telephone operator, Customer has bought or sold and cannot cancel the Market Order. By placing Market Orders through the DEDA CAPITAL MARKETS (PTY) LTD Trading Desk, Customer acknowledges and agrees to such immediate execution and accepts the risk of this immediate execution feature.

3.4. Recommendations are not guaranteed

The generic market recommendations provided by DEDA CAPITAL MARKETS (PTY) LTD are based solely on the judgment of DEDA CAPITAL MARKETS (PTY) LTD's personnel and should be considered as such. Customer acknowledges that Customer enters into any Transactions relying on Customer's own judgment. Any market recommendations provided are generic only and may or may not be consistent with the market positions or intentions of DEDA CAPITAL MARKETS (PTY) LTD and/or its affiliates. The generic market recommendations of DEDA CAPITAL MARKETS (PTY) LTD are based upon information believed to be reliable, but DEDA CAPITAL MARKETS (PTY) LTD cannot and does not guarantee the accuracy or completeness thereof or represent that following such generic recommendations will reduce or eliminate the risk inherent in trading CFDs and/or FX Contracts.

3.5. No guarantees of profit

There are no guarantees of profit or of avoiding losses when trading CFDs and FX Contracts. Customer has received no such guarantees from DEDA CAPITAL MARKETS (PTY) LTD or from any of its representatives. FX Contracts.

3.6. Customer may not be able to close open positions

Due to market conditions which may cause any unusual and rapid market price fluctuations, or other circumstances, DEDA CAPITAL MARKETS (PTY) LTD may be unable to close out Customer's position at the price specified by Customer and the risk controls imposed by DEDA CAPITAL MARKETS (PTY) LTD might not work and Customer agrees that DEDA CAPITAL MARKETS (PTY) LTD will bear no liability for a failure to do so.

3.7. Internet Trading

When a Customer trades online (via the internet), DEDA CAPITAL MARKETS (PTY) LTD shall not be liable for any claims, losses, damages, costs or expenses, caused, directly or indirectly, by any malfunction, disruption or failure of any transmission, communication system, computer facility or trading software, whether belonging to DEDA CAPITAL MARKETS (PTY) LTD, Customer, any exchange or any settlement or clearing system.

3.8. Telephone Orders

DEDA CAPITAL MARKETS (PTY) LTD is not responsible for disruption, failure or malfunction of telephone facilities and does not guarantee its telephone availability. For the avoidance of doubt, Customer is aware that DEDA CAPITAL MARKETS (PTY) LTD may not be reachable by telephone at all times. In such cases Customer shall place his/her order through other means offered by DEDA CAPITAL MARKETS (PTY) LTD.

3.9. Quoting Errors

Should a quoting error occur (including responses to Customer requests), DEDA CAPITAL MARKETS (PTY) LTD is not liable for any resulting errors in account balances and reserves the right to make necessary corrections or adjustments to the relevant Margin Account. Any dispute arising from such quoting errors will be resolved on the basis of the fair market value, as determined by DEDA CAPITAL MARKETS (PTY) LTD in its sole discretion and acting in good faith, of the relevant market at the time such an error occurred. In cases where the prevailing market represents prices different from the prices DEDA CAPITAL MARKETS (PTY) LTD has posted on our screen, DEDA CAPITAL MARKETS (PTY) LTD will attempt, on a best efforts basis, to execute Transactions on or close to the prevailing market prices. These prevailing market prices will be the prices which are ultimately reflected on the Customer statements. This may or may not adversely affect the Customer's realised and unrealised gains and losses.

4. RISK MANAGEMENT AND COMPLIANCE

4.1. One Click Trading and Immediate Execution

4.1.1. In terms of the FAISA Circular 11/2010 on the Requirement to obtain suitable Guarantees, Professional Indemnity Cover and or/ Fidelity Insurance as per the Requirements of the Notice on Requirements for Professional Indemnity and Fidelity Insurance cover for Providers, published in Board Notice 123 of 2009, all FSP's are required to obtain and maintain suitable guarantee/ Professional Indemnity Insurance and/or Fidelity Insurance Cover.

4.1.2. DEDA CAPITAL MARKETS (PTY) LTD is a Category I FSP that holds premiums or assets on behalf of Customers and it is required to maintain suitable Guarantees or Professional Indemnity cover and Fidelity Insurance Cover of R1 million or more respectively.

4.2. Customer Accounts

DEDA CAPITAL MARKETS (PTY) LTD will hold your money in a segregated client bank account as required in terms of Section 10 of the Code.

4.3. Anti-Money Laundering (AML) Policy

To prohibit and actively pursue the prevention of money laundering and any activity that facilitates money laundering or the funding of terrorist or criminal activities, and in compliance with the Financial Intelligence and Anti-Money Laundering Act 2002 (FIAMLA 2002), the Prevention of Corruption Act 2002 (POCA 2002) and the Prevention of Terrorism Act 2002 (POTA 2002), DEDA CAPITAL MARKETS (PTY) LTD have adopted an Anti-Money Laundering Policy (AML Policy).

4.4. Conflicts of Interest Policy

DEDA CAPITAL MARKETS (PTY) LTD has implemented a Financial Interest and Conflict of Interest Management Policy that sets out comprehensive requirements

4.5. Protection of Personal Information Policy

DEDA CAPITAL MARKETS (PTY) LTD is committed to protecting your privacy and to ensuring that your personal information is collected, retained, used and disclosed properly, lawfully and transparently as required by the Protection of Personal Information Act No 4 of 2013 ("POPI").

4.6. Treating Customers Fairly Policy

Treating Customers Fairly (TCF) is an outcome based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers, are delivered by FSP's. DEDA CAPITAL MARKETS (PTY) LTD is committed to deliver on all TCF outcomes throughout the product life cycle, from product design and promotion, through information provided and servicing, to complaints and claims handling and throughout the product value chain.

The Customer represents, warrants and agrees that he/she understands these risks, is willing and able, financially and otherwise, to assume the risks of trading CFDs and FX Contracts and that the loss of their entire Margin Account balance, including all Margin Adjustment Payments, will not change the Customer's lifestyle.