



RISK DISCLOSURE STATEMENT

The services provided by or through Solid Oak Tree LLC ("**Solid Oak Tree**" or "**we**", "**us**" or "**our**") cover dealings in physically settled spot transactions involving both fiat, and cryptographic currencies ("**Digital Assets**").

The intention of this Risk Disclosure Statement is to inform you that the risk of loss in relation to any such transactions may be substantial in certain circumstances. Capitalised terms used in this risk disclosure statement shall have the meaning given to them in the Master Services Agreement unless otherwise defined in this risk disclosure statement.

You should not deal with Solid Oak Tree unless you understand the nature of the transactions you are entering into and the extent of your exposure to risk. You should also carefully consider whether, and be satisfied that, the transactions are suitable for you considering your circumstances and financial position. In considering whether to trade, you should also be aware of the following:

You are responsible for your decisions

We do not and will not provide any investment advice in relation to a Transaction, your portfolio or trading strategy. This means that we will not make personal recommendations or advise on the merits of purchasing, selling, or otherwise dealing in particular investments or executing particular Transactions, any tax consequences or the composition of any Account or any other rights or obligations attached to such investments or Transactions. Therefore, you must rely on your own judgment in deciding to enter or close a Transaction.

You must act only for yourself ('as principal') and not on behalf of others

We will deal with you on the basis that you act as principal and not as agent for any undisclosed person. This means that unless we have otherwise agreed in writing, we will treat you as our client for all purposes and you will be directly and personally responsible for performing your obligations under each Transaction entered into by you. If you act in connection with or on behalf of someone else, whether or not you identify that person to us, we will not accept that person as an indirect customer of ours and we will accept no obligation to them unless otherwise specifically agreed in writing. Further, failure to inform us that another person is operating the account on your behalf may result in us terminating the agreement, voiding any Transactions undertaken or closing any open Transactions.

Fees

Spreads, fees, commissions, interest and other charges will be payable by you when you trade. These charges may reduce your trading net profits (if any) or increase your losses.

If you hold a position open overnight, an overnight premium may be chargeable, either directly or incorporated within the terms of the relevant product. We will determine such premium in accordance with the terms of this Master Services Agreement and the relevant Transaction.

Off exchange or Over The Counter ("OTC") Transactions

Transactions subject to this Agreement will be arranged off-exchange. While some off-exchange markets are highly liquid, transactions in off-exchange, over the counter or "non-transferable" transactions may involve greater risk than exchange-based transactions because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price. Before you undertake such Transactions, you should familiarise yourself with the applicable rules and possible risks.

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Foreign Currency Risks

The profit or loss on transactions in foreign currency-denominated contracts (whether they are traded in your own or another jurisdiction) will be affected by fluctuations in currency exchange rates where there is a need to convert from the currency denomination of the contract to another currency. If you enter into currency option transactions, you are exposed to risks that exchange rates may significantly change (including changes due to devaluation of one of the underlying currencies) and the risk that authorities with jurisdiction over one of the underlying currencies may impose or modify exchange controls. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate.

Suspension or Restriction of Trading and Pricing Relationships

Market conditions (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g. the suspension of trading in any contract or contract month because of price limits or “circuit breakers”) may increase the risk of loss by making it difficult or impossible to effect transactions or liquidate/offset positions. If you have sold options, this may increase the risk of loss. Further, normal pricing relationships between the underlying interest and the futures, and the underlying interest and the option may not exist. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to judge “fair value”.

Liquidation of Positions

Under certain market conditions, you may find it difficult or impossible to liquidate a position.

Risk of Digital Asset Trading

The prices of Digital Assets are volatile and fluctuate, sometimes dramatically. The price of a Digital Asset may move up or down and may become valueless. Considering this, you should be prepared to lose your entire investment in such Digital Assets.

Status

We are not authorised or regulated by a regulator or other government body or entity. Accordingly, in the case of a default by us, you will not benefit from any government backed compensation scheme or the protections offered to investors or other creditors of authorised or otherwise regulated institutions.

Acknowledgement

You understand and agree that the brief Risk Disclosure Statement above cannot disclose all the risks and other significant aspects of Transactions to be entered into with us and you should, therefore, carefully study these Transactions before you trade. You understand and acknowledge that:

- a) you have read and understood the nature and contents of the risk disclosures which are contained in this Risk Disclosure Statement;
- b) you are acting on your own account and have reviewed carefully your specific financial needs and investment objectives before entering into any Transaction, and you have made your own independent decision to enter into any Transaction and as to the legality, suitability and appropriateness of any transaction based upon your own judgment and upon advice from such advisers as you have deemed necessary;
- c) you confirm that neither Solid Oak Tree, nor any Affiliate of Solid Oak Tree, is acting as a fiduciary for or an adviser to you in respect of any transaction;
- d) you are not relying on any communication (written or oral) from Solid Oak Tree or from any Affiliate of Solid Oak Tree as investment advice or as a recommendation to enter into any transaction and you understand that the information and explanations of the terms of any transaction as contained in any confirmation shall not be considered to be investment advice or a recommendation to enter into such transaction;
- e) you understand the tax implications of the Transaction, particularly as regards to Transactions involving Digital Assets, in your jurisdiction including, without limitation, income tax, corporation tax, capital gains tax or any sales tax or value added tax and

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- any other tax framework in place within your country of residence for tax purposes;
and
- f) If Solid Oak Tree makes any suggestions, it assumes no responsibility for your portfolio or for any investment or transaction which you have entered into.

No communication (written or oral) received from Solid Oak Tree or from any Affiliate of Solid Oak Tree shall be deemed to be an assurance or guarantee as to the expected results of any transaction. This Risk Disclosure Statement is subject to the Agreement as amended or supplemented from time to time. This Risk Disclosure Statement, together with the Agreement and (for the avoidance of doubt) any Confirmation (as defined in the Agreement) shall form a single agreement between you and us. Words and phrases defined in the Agreement shall have the same meanings as in the Agreement (save where otherwise expressly provided herein) for the purposes of this Risk Disclosure Statement. You should be aware that any agreements or terms and conditions which you have executed, or which are applicable to your transactions will remain valid and binding on you.

Risks Specific to OTC Trading

You expressly recognise and acknowledge that the transactions will be entered on over-the-counter, meaning off-exchange, basis. You expressly acknowledge that you fully understand the nature, scope and consequences of each transaction as well as the extent of your exposure to risk resulting from such transactions. You acknowledge that the conclusion of transactions may not be suitable for many members of the public. You should accordingly carefully consider, and assess in your own judgment, whether the conclusion of transactions is appropriate for you considering your own experience, objectives, financial resources and other relevant circumstances.

You take note of the following:

- a) **Market Risk:** Your payments and/or receipts in respect of a transaction are linked to changes in the value of one or more financial or commodity market prices, rates or indices. In particular, you recognise that you may suffer significant losses in a transaction both in terms of (i) the amounts you pay under the terms of the transaction being greater than the amounts you receive and (ii) the amount it might cost you to unwind such a transaction before its stated maturity.
- b) **Credit Risk:** Any transaction which requires us to make payments to you will expose you to our credit risk (as opposed to the credit risk of a central clearing corporation as would generally be the case in certain other markets).
- c) **Liquidity Risk:** A transaction generally cannot be assigned, transferred, or terminated without the consent of the other party, and typically that other party is not legally or contractually obliged to give its consent. It therefore may be impossible for you to liquidate a transaction before its stated maturity date.
- d) **Price Risk:** Because the prices and characteristics of transactions are individually negotiated and there is no central source for obtaining prices from competing dealers, there can be inefficiencies in transaction pricing. Solid Oak Tree makes no representation or warranty that prices will always be the best prices available to you. Solid Oak Tree may make a profit from a transaction with you no matter what result the transaction has from your point of view.
- e) **Risk of Conflict of Interest:** You recognise that Solid Oak Tree and/or its Affiliates may at any time enter or have entered into other contracts with or for other parties including, without limitation, contracts for the purpose of hedging or for any other purpose, contracts which may result in Solid Oak Tree and/or its Affiliates holding a potentially opposing position to yours in respect of a Transaction, that Solid Oak Tree may also therefore gain a profit, charge or remuneration for itself and/or its Affiliates, and that in such cases Solid Oak Tree and/or its Affiliates shall not be liable to account or specifically disclose to you either the fact of such contracts or any such profit, charge or remuneration made or received by Solid Oak Tree and/or its Affiliates from any such contract or other related contract. You agree that unless otherwise expressly specified in a transaction advice, confirmation or contract note,

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Solid Oak Tree shall be deemed to be in all respects a principal for the purpose of each transaction entered into by you; however, this will not prevent or restrict Solid Oak Tree (in its sole discretion but without any obligation to do so) from simultaneously or any other time being a principal or agent for the purposes of any other contracts (whether for hedging purposes or otherwise) with or for any other party, including contracts which may involve a potentially opposing position to yours in respect of a transaction.

Solid Oak Tree LLC