

[AGORA direct Ltd. - Postfach 304235 - 10757 Berlin](#)

### Postal address for your reply

AGORA direct Ltd.  
Central postal address  
Postfach 304235  
10757 Berlin

Please send the following documents by post to:

AGORA direct Ltd. | Postfach 304 235 | 10757 Berlin or by e-mail to: [info@agora-direct.com](mailto:info@agora-direct.com)

## CHECK LIST:

### Please check whether you have sent all the documents!

A completed and signed application to open an account, including the risk statements  
Real-time market price data using push technology – complete and sign the order form.  
If you do not wish to receive any real-time market prices, **please** still sign and enclose the form.

### When registering companies/stock exchange associations/stock exchange clubs – applies to the managing director/director/other person(s) authorised to issue directives

Please send us one of the following documents as **proof of identity**:

A copy of your **ID card** (*front and rear*) or  
A copy of your **passport**

And **proof of your current address** (*not older than 6 months*):

A **current phone bill for a land line** (*not a mobile phone bill*) or  
A **utilities bill** (e.g. electricity supplier) or  
A copy of a **bank statement** with your **name** and **address** (*not a credit card statement*)

**Proof of the company's current address** (*not older than 6 months*):

A **current phone bill for a land line** (*not a mobile phone bill*) or  
A **utilities bill** (e.g. electricity supplier) or  
A copy of a **bank statement** with your **name** and **address** (*not a credit card statement*)

And **other documents pertaining to the company**:

An extract from the **commercial register** (*not older than 6 months*)  
The **business registration** or the last **tax assessment** from the tax authorities

### Trader authorisation

### With a stock exchange association/stock exchange club:

The **private company contract**  
A copy of the **list of names** and a **copy of the ID card/passport for each member** and  
a **personal phone or utilities bill** (*not older than 6 months*)  
The **association register** or the **association's articles** (*not older than 6 months*)

# INSTRUCTIONS TO OPEN AN ACCOUNT

*Will be completed by AGORA direct Ltd.*

Account no.:  
 Received as:                      Post              E-mail              Fax

**PLEASE COMPLETE LEGIBLY  
 WITH CAPITAL LETTERS!**

## Instructions to open a stock exchange trading account (no minimum investment)

- Individual account / joint account  
 Account for companies or associations, stock exchange clubs

Name of the institution: .....

Street: ..... No.: .....

Postcode: ..... Town: .....

Commercial register or tax no.: .....

*Please note: please enter the details of the managing or executive director and/or other persons authorised to issue instructions under "Account/deposit holder" if the application is for companies or associations, stock exchange clubs etc.*

## Personal details of the beneficiary/beneficiaries:

**1. Account/deposit holder**     Ms     Mr

Surname: .....

First name: .....

Street: ..... No.: .....

Postcode: ..... Town: .....

Federal state: .....

Country: .....

Nationality: .....

Date of birth: .....  
DD                      MM                      YYYY

Country of birth: .....

Single     Married     Divorced     Widow(er)

ID card/passport number: .....

Mother's maiden name: .....

*or possible identification according to international standards*

Phone: .....

Fax: .....

Mobil: .....

E-mail: .....

**2. Account/deposit holder**     Ms     Mr

Surname: .....

First name: .....

Street: ..... No.: .....

Postcode: ..... Town: .....

Federal state: .....

Country: .....

Nationality: .....

Date of birth: .....  
DD                      MM                      YYYY

Country of birth: .....

Single     Married     Divorced     Widow(er)

ID card/passport number: .....

Mother's maiden name: .....

*or possible identification according to international standards*

Phone: .....

Fax: .....

Mobil: .....

E-mail: .....

## In the case of associations, stock exchange clubs etc., please indicate your position in the company, association, club.

Position: .....  
*e.g. Managing Director/Chairman/Treasurer/etc.*

Position: .....  
*e.g. Managing Director/Chairman/Treasurer/etc.*

**AGORA direct Ltd.**  
 Tel: +49 (030) 789 59 75-0  
 Fax: +49 (030) 789 59 75-99  
 E-mail: [account@agora-direct.com](mailto:account@agora-direct.com)  
 Web: <https://www.agora-direct.com>

**Central postal address:**  
 AGORA direct Ltd.  
 Postfach 304 235  
 10757 Berlin  
 Deutschland / Germany

**Registered Headquarters**  
 5 Prospect Place Millennium Way - Pride Park  
 DE24 8HG Derby/UK  
 Re.- No.: 09349168  
 Director: Markus Nowatzki

**EU-Services-Partner: AGORA Trading System Ltd.**  
 NL.: für Verwaltungsdienstleistungen MD.: Markus Nowatzki  
 Rheinsberger Str. 56 – 10115 Berlin  
 Reg. Amtsgericht Berlin-Charlottenburg HRB: 110275 B  
 VAT ID No. § 27 a VAT Act: DE258546454

**Alternative address for sending documents** (Only if needed – otherwise leave blank)

Ms  Mr  Firm Name of company: .....  
 First name: ..... Surname: .....  
 Street: ..... No.: .....  
 Postcode: ..... Town: .....

**Details of occupation:**
**1. Account/deposit holder**

Occupation: .....  
 Position: .....  
e.g. Managing Director/Employee/Self-employed/etc.  
 Sector: .....  
 Employer (firm name): .....  
 Street: ..... No.: .....  
 Postcode: ..... Town: .....  
 Country: .....

**2. Account/deposit holder**

Occupation: .....  
 Position: .....  
e.g. Managing Director/Employee/Self-employed/etc.  
 Sector: .....  
 Employer (firm name): .....  
 Street: ..... No.: .....  
 Postcode: ..... Town: .....  
 Country: .....

**Details and information on opening an account**

**The following pages request details and information from you; this is essential so that you can apply to open an account via AGORA direct Ltd. We would specifically point out here that if you cannot provide any details on the following points or if the minimum requirements do not match your risk and investment profile, it will not be possible to process your instructions to open an account.**

**Powers of disposition with joint accounts:** With regard to the business relations between us, the account holders and the broker managing the account or the agent that it has commissioned, we hereby mutually authorise sole powers of representation. These powers over the account can be revoked by one of the account holders at any time, although we must be informed about this immediately and, because of the need to provide proof, must be in writing. If one party with sole powers of representation revokes the authority to act alone, the account holders can only dispose of the account together and in writing.

**To guard against insider trading, we ask you to provide the following details.**

Are you a member of the management board, do you own more than 10% of the shares or do you have a position on the supervisory board in a company where the shares are traded publicly?

Yes  No

Are you or a direct family member an employee, a director or owner of a bank or a brokerage company or are you a registered trader or agent?

Yes  No

Have you been or are you still involved in a legal dispute with a broker, agent or stock exchange ?

Yes  No

Are you a member of a stock exchange, a regulating body or an associated self-regulation organisation?

Yes  No

Do you have to pay taxes in the USA (United States of America)?

Yes  No

**Declaration to prevent money laundering and funding for terror organisations**

I/we hereby specifically declare that the account, which I/we have applied to open, shall only be managed for the account of the holder(s). All cash amounts and/or securities or other assets, which are paid in, are only for the account of the account holder(s).

The applicant(s) to open an account hereby declare(s) that he/they are acting for their own account:

Yes  No

**If you answered NO to the question, on whose behalf are you acting?**

I/we am/are not acting in my/our own name and account, but I/we are acting for:

Ms  Mr  Company, stock exchange association or club

Name of company/stock exchange association or club: .....

First name: ..... Surname: .....

Street: ..... No.: .....

Postcode: ..... Town: .....

**1. Applicant to open an account**

or the authorised person in the company/association/stock exchange club

X  
.....  
Date / place Signature

**2. Applicant to open an account**

or the authorised person in the company/association/stock exchange club

X  
.....  
Date / place Signature

## The account should be managed in the following base currency:

Euros €   
  US dollars \$   
  Swiss francs Fr   
  British pounds £

or the following currency: ..... (Please enter the currency abbreviation here)

**Please note:** Generally, the account is always managed as a multi-currency account in the interests of the customer. A multi-currency account allows customers to manage the account in one currency and trade stock exchange products in one or several other currencies without making a currency change beforehand. As a result, you can respond to market situations around the globe in seconds. If you have credit of at least USD 2,000 (or the equivalent in a different currency), a margin loan will also be made available to you, if required.

This trading in other currencies creates debit or credit items in the foreign currency; the re-exchange back into the base currency **only** takes place **if instructions are received from the account holder** and not automatically. A margin account (also called a collateral account) provides you with more flexibility, if you require this and the market situation allows it. Please note that any margin loans used are subject to interest payments. Stock exchange transactions on margin loans (credit) are very risky. Please consider the possible risks involved here.

Depositing funds in euros takes place with the Citigroup Global Markets Deutschland AG & Co. KGaA bank. You will obtain further information about paying-in and paying-out modalities and bank transfers in other currencies immediately after we have received your full application to open an account or if you request this information.

## Assessing your financial situation

We would ask you to assess your financial circumstances below. These details are naturally voluntary. We assume that the lawmakers and we are aware that financial situations can change at short notice. These details will not be checked by us or any third parties at any time. Nevertheless, we cannot process this application to open an account without your estimate. The information will be treated with extreme confidentiality and naturally only used for the legally prescribed risk classification process.

### Estimated assets

Up to EUR 50,000   
  Up to EUR 75,000   
  Up to EUR 100,000   
  More than EUR 100,001

### Available liquid funds

Up to EUR 50,000   
  Up to EUR 75,000   
  Up to EUR 100,000   
  More than EUR 100,001

### Estimated annual income

Up to EUR 50,000   
  Up to EUR 75,000   
  Up to EUR 100,000   
  More than EUR 100,001

### Estimated net income

Up to EUR 50,000   
  Up to EUR 75,000   
  Up to EUR 100,000   
  More than EUR 100,001

Please note that, for your own safety, you may only use assets to trade on the stock exchange, which are not required to settle liabilities or for your daily livelihood. For information purposes: your cash deposits, your securities and other assets are kept completely separately from the broker's liability capital, as prescribed in the law.

## Please inform us of your trading intentions here

Various national statutory regulations and international agreements require us to obtain the following information of the purpose of the financial transactions of the person applying to open an account. The prescribed authorities justify this by saying that this information is partly in the interests of the person applying to open an account.

### Please select your investment goal(s) from (several possible):

The so-called investment goal categories like "maintaining capital", "income" and "growth" are part of the "Trading profits" category, which specifically involves an increased readiness to take risks, and cannot be separately selected. Futures transactions are possible if you select "Trading profits".

Please note the corresponding risk information on the following pages. If you are unable to select any of these points, we cannot process the application to open an account for you.

Trading profits including day trading     Speculative profits     Hedging

Product	Investment goal	Region
<input type="checkbox"/> Pensions / Funds / Shares / ETF's Share options / Index options	Trading profits incl. day trading: Profit expectations with an increased readiness to take risks with standard securities, average stocks and second-line stocks	Europe, America, Asia, Africa
<input type="checkbox"/> Options on futures / Futures Futures on individual shares	Speculative profits: very high profit expectations with very high readiness to take risks	Europe, America, Asia, Africa
<input type="checkbox"/> Currency trading	Speculative profits: very high profit expectations with very high readi- ness to take risks	Europe, America, Asia, Africa

### Investment experience

Good, less than 5 years     Extensive, more than 5 years     None

### I / we want to trade in the following products:

Products	Planned purchases / sales per annum		
Shares	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
ETF's (funds traded on a stock exchange)	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
Options / option certificates	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
Futures	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
Currencies	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
Bonds	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
CFD's (difference contracts)	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51
Certificates	<input type="checkbox"/> Up to 30	<input type="checkbox"/> Up to 50	<input type="checkbox"/> More than 51

### In addition to the normal risk information, we would specifically point out that EACH financial investment may be completely lost.

Financial investments at stock exchanges are subject to permanent fluctuations in market prices, predictable and unpredictable global events like natural disasters, political decisions, criminal acts, terrorist attacks, computer and Internet breakdowns, power cuts, nuclear accidents, faulty ratings, incorrect estimates by analysts, wrong reports by news agencies etc. and financial investments generally and stock exchange investments in particular may lead to complete losses at any time. Please take note of the following risk information.

### W8-BEN Form

The W8-BEN form acts as a declaration for the US tax authorities that you do not have to deduct any taxes if you are able to answer these questions with NO.

Do you have a Green Card (USA)?  Yes     No

Do you spend more than 183 days as year in the USA (including planned stays)?  Yes     No

Is your main place of residence in the USA?  Yes     No

Do you have US American citizenship (possibly dual nationality)?  Yes     No

Have you been assessed for taxation with a US marriage partner in the USA?  Yes     No

## Investment security based on 5 pillars

If you have any questions about how the 5-pillar investment security system described below works, what is protected and how claims can be asserted if you suffer losses, please get in contact with us: [account@agora-direct.com](mailto:account@agora-direct.com) or phone us on stock exchange trading days between 9 a.m. and 6.30 p.m. on: +49 (030) 789 59 75-0.

This comprehensive, combined insurance protects customers' securities accounts up to USD 30 million (including up to USD 1 million in cash). This insurance is a combination of the three pillars described below.

### Pillar 1

#### Segregated deposits

All customer assets are managed as segregated (separated) assets. This means that monies, securities and other assets are, as required by regulators, separated and will be held separately from the liability assets belonging to the broker. This is and will be documented continuously. By carefully separating client assets from broker assets, client assets are protected for withdrawals in the case that the broker will fall into financial problems or even into insolvency.

According to this sophisticated corporate philosophy the broker will provide an additional surplus capital from his own capital into these separate segregated customer accounts. Thus more assets will be available to absolutely ensure the protection of all customers.

After regulatory provisos of the CFTC, a portion of customer deposits may be, as it is common practice with other providers too, invested in government bonds. However, given the uncertainties and credit risks in public debt no client funds in money market funds are currently invested.

### Pillar 2

#### FSCS Financial Services Compensation Scheme

Due to its authorization as a financial services institution by the UK regulator "Financial Services Authority - FCA", the AGORA direct Ltd. is automatically a member of the British deposit guarantee "FSCS Financial Services Compensation Scheme" as well. Since 01.12.2001 the FSCS is incumbent upon the customer protection of all by the regulator FCA financial authorized financial service providers.

The FSCS is working with different security limits for each sector. Savings deposits are secured up to 100 percent (up to a maximum of an equivalent of GBP 75,000). Transactions in securities are secured up to 100 percent as well (up to a maximum of GBP 50,000 per person or business).

### Pillar 3

#### Professional Indemnity Insurance

The professional indemnity insurance of the HCC International Insurance Company Plc. is insuring GBP 3 million British Pound per claim for the AGORA direct Ltd. This covers damages, which have arisen due to misconduct by employees of the AGORA direct Ltd. according to the insurance conditions.

### Pillar 4

#### Professional Indemnity Insurance

The SIPC will cover the first USD 500,000 per client (incl. cash up to USD 250,000). These include stocks, bonds, government bonds, certificates of deposit, mutual funds, money market funds and other investments. The market value of shares, options, warrants, debt and cash (in any currency) is covered by this insurance. However, the SIPC explicitly does not cover commodity futures contracts (futures, options on futures and single stock futures). However, in order to benefit from maximum coverage by the SIPC insurance in these cases, periodically, existing cash will be transferred from the futures commodity account into the securities account. Thus the client will benefit from the SIPC insurance in the best possible way. The SIPC offers protection in case of a broker's misconduct, however it naturally does not protect from loss of market values of executed investments, e.g. bought and sold products.

The coverage provided by the SIPC extends at no time to so-called Non-US index options and Non-US Indexfutures, and CFDs. In order for these not to remain uncovered, each trading account is assigned a UK-regulated account. Via this UK-regulated account then the Non-US index options and Non-US Index Futures and CFDs are traded separately. This results in a security for the UK-regulated account of a maximum of GBP 50,000.

### Pillar 5

#### Lloyds of London Insurers (Lloyd's)

Lloyd's of London is a world leader in the insurance industry. Clients, who have full SIPC coverage, will receive an additional 29.5 million USD (incl. cash up to USD 900,000.-) through Lloyd's police when required. This maximum amount is part of the comprehensive insurance limit of 150 million USD.



## Liability, cooperation and activity information

### The work of AGORA Direct Ltd.

AGORA direct™ is a trade mark of AGORA direct LIMITED (hereinafter referred to as AGORA direct Ltd.). AGORA direct Ltd. is registered with the British financial supervision authority "Financial Services Authority – FCA" as a British financial services company with the following number: 706273 (<https://register.fca.org.uk/>).

According to the rules and the EU directives governing markets for financial instruments (MFID – Markets in Financial Instruments Directive), AGORA direct Ltd. is authorised to provide financial services in the Federal Republic of Germany and is registered with the responsible supervisory authority BaFin (Federal Financial Services Supervision Authority), Graurheindorfer Str. 108 – 53117 Bonn with number: 148051 as a cross-border financial services provider according to Section 53b of the German Banking Act. AGORA direct Ltd. also offers the following activities as stock exchange transactions:

- Arranging accounts for persons, companies, associations, foundations with international brokers and banks, through which customers can handle their stock exchange transactions.
- Making available the necessary software and/or devices for stock exchange transactions.
- AGORA direct Ltd. provides assistance with applying for accounts and information about trading in products on the stock exchange and how to handle them.
- Regulated financial services can be provided as part of the aforementioned permits by AGORA direct Ltd.

In order to coordinate the services of AGORA direct Ltd. in the best possible way, a combination of leading employees at AGORA direct Ltd. and partner companies of AGORA direct Ltd. may exist. The legal notice of the website <http://www.agora-direct.com> always provides the latest information. The headquarters of AGORA direct Ltd. is in Derby/UK and provides its services according to EU law.

### Stored and published rules and information

The signatory/signatories specifically accept(s) both the standardised documents and rules, agreements, disclosures, tax information, customer service information stored under <http://www.agora-direct.com> "My AGORA" and those stored in the Service section and the current valid prices, fees and interest published at <http://www.agora-direct.com> and the General Terms and Conditions of Business and the Data Protection Rules. If required, individual documents can also be sent. The trading power of attorney in favour of "Introducing Brokers" contained in paragraph 7 of the "Agreements & Disclosures – Clearing Agreement" is used as part of the permit issued by the national supervising authority. The account holders of the stock exchange trading account trade their orders themselves.

### Agreements, powers of attorney, declarations

AGORA direct Ltd. makes available general information about stock exchange trading, stock exchange products and handling them to customers. AGORA direct Ltd. acts as the introducing broker. AGORA direct Ltd. is legally permitted to offer these services. The services made available are an online service and are therefore specifically only meant for experienced and well-informed users. Information on the individual stock exchange products/financial instruments is exclusively standardised and is specified without taking into account the personal circumstances of the individual users. Investment advice, recommendations for purchases and sales, individual risk support are therefore generally excluded because of the system. Any claims for compensation from account holders for trading decisions that they make in the trading accounts are therefore excluded and rejected at this point. AGORA direct Ltd. hereby exclusively receives the agreement and authority of the signatory, hereinafter referred to as "Principal", to submit the application to open a stock exchange account for the Principal in the name of the Principal with Interactive Brokers Ltd. (UK). The Principal intends to conclude stock exchanging transactions, after successfully setting up and having this stock exchange account approved, on his or her sole authority through this stock exchange account in line with the declarations of intent recognisable and submitted in this application to open an account, the personal details and all the other information. The Principal exclusively places the order with AGORA direct Ltd. through signing this application to open an account to accept the customer agreements required for this between the parties to the contract as the Principal's authorised. As part of opening the stock exchange trading account, AGORA direct Ltd. works with Agora Trading System Ltd., which has its headquarters in Berlin, Germany, as its EU services provider. AGORA direct Ltd. is specifically authorised to issue Agora Trading System Ltd. with a sub-power of attorney for the purpose of providing the services. Interactive Brokers Ltd. (UK) is also authorised to pass on the submitted and recognisable declarations of intent, the details and all the other information to its parent company, Interactive Brokers LLC, USA for the purpose of central administration work. The overall legal relationship between the parties is subject to the national laws in each country where the company in question is based. The contract between the parties to the company (between the applicant for the account and Interactive Brokers) comes about through this agreement and by the provision of the software and the access data for online trading. AGORA direct Ltd. makes available phone numbers for phone communications between AGORA direct Ltd. and the Principal. The Principal hereby explicitly provides his/her agreement and authorisation that AGORA direct Ltd. can store and keep these telephone communications in electronic form for the purposes of absolutely clear documentation.

### Data protection declaration

#### 1. Generally visiting our website

The pages of AGORA-DIRECT LIMITED can be visited by anyone without providing any personal data. Despite of this, the AGORA-DIRECT LIMITED is collecting IP Address, time of access, amount of data, referer, and browser that has been used for statistics and for improving our systems. Should it be the unlikely case that from these data conclusions can be drawn in regard to your person these will be treated highly confidential.



## 2. Gathering personal data

- A. AGORA direct Ltd. is continually making every effort to guarantee the confidentiality of personal data. All the employees, possible representatives or other agents, who are shareholders in AGORA direct Ltd. and all the contract and cooperation partners are obliged to maintain confidentiality according to Section 5 of the Federal Data Protection Act.
- B. AGORA direct Ltd. takes note of and protects the personal data of customers and users of the website of AGORA direct Ltd. Personal data is only gathered and processed, if the user/customer of the website makes this voluntarily available to AGORA direct Ltd. This data is then only used for the purpose for which it is intended when being provided or if AGORA direct Ltd. can assume that it is intended for a particular purpose.
- C. Any data that is gathered is used to provide the services of AGORA direct Ltd. and is restricted to this in type and scope. When granting the order to open an account, AGORA direct Ltd. is obliged by other statutory provisions to gather and process personal data.
- D. To ensure that AGORA direct Ltd. can provide the services on offer, AGORA direct Ltd. makes use of other service partners. These contract partners, however, only learn about the customer data provided by AGORA direct Ltd., if this is necessary to provide the services. Any passing on of customer data to third parties is forbidden to the service partners in the contracts and in line with the legal provisions or to use the data outside the contractual relationship with AGORA direct Ltd. AGORA direct Ltd. always provides information about the current contractual service partners on its website: <http://www.agora-direct.com>.
- E. AGORA direct Ltd. may request further data, but this only takes place to improve the services and security provided by AGORA direct Ltd. By using our website, particularly the personal services, the user declares that he/she agrees to this rule in principle.
- F. The current data protection declaration is constantly available in the customer access area in the document centre.

## Retrocession of commission

Customers pay a transaction fee for each trade on the stock exchange (also known as commission or brokerage fees). This payment covers the costs of handling each stock exchange transaction. AGORA direct Ltd. receives a proportionate amount of retrocession (contribution) from the broker managing the account. AGORA direct Ltd. can provide more details on this, if requested. AGORA direct Ltd. receives a proportion of the transaction fees. The proportion amounts to between EUR 0.01 and EUR 5.00 for each futures transaction. In the case of securities transactions, between 0.01% and 0.15% of the volume of the transaction. The minimum proportion is between EUR 0.01 and EUR 10.00 for each customer order traded. The specific amount depends on how many transactions customers trade in any month.

## Duty to maintain care and cooperation

I/we as account holder(s) will ensure that the access data is protected and kept secret, particularly the passwords. I/we as account holder(s) specifically recognise that it is not permissible to pass on any access data, particularly passwords, to third parties and if this rule is contravened, any liability and insurance protection (if available) will immediately expire irrevocably. I/we as the account holder(s) commit myself/ourselves to inform AGORA direct Ltd. immediately if any access data or access media is lost or stolen, like code cards or electronic access devices. This shall also apply to any actions with the trading account which are not authorised by me/us. As account holder(s), I/we promise to immediately provide information about any major changes in person, the company, the association or foundation and other relevant data. I/we shall be solely responsible for any damages/losses arising from failing to cooperate.

## Declaration

Customers trade via a solid and very stable, secure and fast trading link supported by the Internet. Among other things, this allows an extremely beneficial pricing structure. In the case of network-supported electronic systems and unusual situations, e.g. as a result of breakdowns or faults at stock exchanges, data suppliers, telecommunications operators, network operators and electricity supplies, breakdowns may occur. The signatory/signatories of the order to open an account provide the following declarations: I/we promise to accept all the explanations, which agree with my/our order. Based on the fact that the trading link, which is supported by the Internet, is one of the most stable of its scope and kind, it is still possible that breakdowns may occur as a result of force majeure. Neither AGORA direct Ltd. nor the linked brokers are responsible for network and telecommunications breakdowns within their systems. I/we accept that any transaction already traded can be cancelled or reset by the stock exchange or authorised supervisory body at a later point in time and that this is then declared to be cancelled. All the orders are traded in the recommended sequence. Neither AGORA direct Ltd. nor any linked brokers shall provide any tax information or advice; I/we shall exclusively approach authorised persons for this like tax advisers or financial authorities. The broker managing the account has the exclusive right to liquidate some or all of the assets, if the account does not have enough funds, with the aim of balancing the account, which does not have adequate funding. If a transaction is not traded or is liquidated, there is no claim for compensation for profits and/or losses.

## Cancellation instructions

### I. Right of cancellation

You may revoke your contract declaration with a clear declaration within fourteen days without having to specify your reasons for this. The deadline starts after receiving these instructions on a permanent data storage medium, however not before the agreement has been signed and not before the obligations to provide information have been fulfilled according to Article 246b Section 1 Paragraph 1 of the Introductory Act to the German Civil Code. The cancellation must be sent in good time in order to meet the deadline, if the declaration is sent on a permanent data storage medium (e.g. letter, fax, e-mail). The cancellation must be sent to:

AGORA direct Ltd.

Postfach 304 235, 10757 Berlin Deutschland

Fax: +49 (030) 789 59 75-99

E-Mail: info@agora-direct.com

### II. Consequences and validity of the cancellation

If the cancellation is effective, the services received on both sides must be returned. You are only obliged to pay compensation for the value of any service provided until the cancellation, if the legal consequences were indicated to you before you submitted your contractual declaration and you specifically agreed that AGORA direct Ltd. should start by providing the counter-service before the end of the cancellation period. If there is any obligation to pay compensation, this may create a situation where you have to comply with the contractual payment obligations for the period until the cancellation. Your right to cancel shall expire if the contract has been completely fulfilled at your explicit request before you exercised your right to cancel it. Any obligations to compensate for payment must be met within 30 days. The deadline for you starts when you send off your declaration of cancellation and for AGORA direct Ltd. when it receives it. Companies or legal entities governed by public law do not have any cancellation rights.

### 1. Account applicant or the authorised person of the company/association/stock exchange club

X  
Date /place ..... Signature .....

### 2. Account applicant or the authorised person of the company/association/stock exchange club

X  
Date /place ..... Signature .....

**Your message to us:** Please enter any other information that you wish to pass on to us.

## RISK INFORMATION 1

### Contents:

1. Special risks with frequent account movements, day trading
2. Brief risk information for shares (second-line stocks)
3. Risk information for ETF's (Exchange Traded Funds – investment funds traded on the stock exchange)
4. Risk information and important information about risks of losses with futures transactions

### 1. Particular risks with frequent account movements, day trading

The trading intention that is mentioned above may contain the possibility of performing futures transactions (options and/or futures) by using a trading system, which enables market participation in the form of day trades or overnight trades. It is possible that several purchases and sales take place in the same market during one trading day. This kind of process contains considerable risks, which you need to be aware of once again. In the case of day trades, customers often hold market position for a very short time. A position opened is closed on the same day with so-called day trades. It is possible here that a corresponding position is opened again on the same day and traded several times during the day in this market. In the case of overnight trades, customer close purchased positions on the next day again. The key feature of this kind of trading is that the customer is only active in the market for a short time. Day trades or overnight trades, however, are not any less risky than futures transactions, which customers leave in the market place for longer.

If this type of process involves short-term trading, it entails a number of transactions. The commission charged is incurred for each transaction. If a number of transactions are traded (and this is usually the case with short-term trading), there is a high degree of costs compared to the capital that is invested. This level of costs may cause the customer's capital to be eaten up by the commission incurred (trading commission, transaction costs). This is particularly the case if the market does not provide any or only slight fluctuations in market prices so that the yields achieved do not cover the commission when realising a position. If you do not just conduct day trading transactions with your own capital, but take out loans to do so, please note that the obligation to repay the loans still exists for day trading, regardless of how successful you are. When conducting these kinds of transactions, please note that day trading may lead to immediate losses, if surprising development create a situation where the value of the financial instruments that you have bought fall on the same day and you are forced to sell the security that you have bought at a price below the purchase price before the end of the trading day. This risk increases if you invest in securities which are expected to be subject to major fluctuations within a trading day. In certain circumstances, the complete capital that you have invested in day trading may be lost. Otherwise, you are competing with professional and financially strong market participants in attempting to make gains using day trading. You should therefore have an in-depth knowledge of securities markets, securities trading techniques, securities trading strategies and derivative financial instruments. In the case of futures transactions, there is also the risk that you will have to obtain additional capital or securities. This is the case if losses are incurred on the same day, which go beyond the invested capital or the securities that you put aside. The customer should be particularly clear about this if they allow a business agent, i.e. a portfolio or administrative manager, to conduct these kinds of transactions and need to pay them for this service. In the case of short-term trading, a conflict of interests can easily arise between the portfolio or administration manager and the customer. This occurs if the remuneration for the portfolio or administration manager depends on the turnover. The so-called round turn commission is incurred with each transaction. The portfolio or administration manager may be interested in conducting as many transactions as possible – and the round turn commission is liable for payment for each of them. Our remuneration too (cf. trading fees) depends on the number of traded positions, so that what is mentioned above is true of us too, even if we do not have any influence on your trading activities. The risk regarding the portfolio or administration manager is particularly present if you give your portfolio or administration manager a free hand in managing your investment and/or grant him or her authority to use their discretion (externally administered account), as they can then act as they see fit and can only explain the transactions with hindsight.

A similar problem can occur with stop orders that are too tight, if the position is automatically evened up when a particular price has been reached, which is always reached in normal day trading. You should therefore regularly check your account with regard to the ratio between transaction costs and the capital being invested and the type of transactions being performed. You should take note of whether the results in your account are mainly determined by market results or the cost of commission. If special premises are made available to handle day trading business, the close proximity to other investors in these trading rooms may influence your behaviour. We would ask you to confirm with your signature that you are aware of and have been instructed about the charges, risks and the existing conflict of interests.

### 2. Brief risk information about shares (second-line stocks)

*Principle:* A share investment is a speculative risk investment with significant risks of making losses. A share investment provides a holding in a company. A shareholder is not the company's creditor, but has a holding in it. He or she therefore has rights, but also risks. The value of the share depends on the company's development (risk of company holdings). The company's risks lie in the general development of the company (economy) and the special situation faced by the company, which has to assert itself in the market place. The company's success affects the value of the share. If the company develops in a very negative manner (insolvency), the risk exists of making a complete loss.

In the case of specific values and innovative values, the company is often only working in a very narrow area, is new in the market place and risk of taking a holding is greater. It is hard to predict whether success will ensue or not and this depends on many factors. The companies often do not have any history or successes in the past. The issuer risk is therefore higher. In the case of second-line stocks and open-market securities, there are additional considerable risks. Restricted trading capacity: the market liquidity of second-line stocks is often so low that it is impossible to sell shares or only very difficult to do so.

*Risk of price formation and market prices:* In the case of second-line stocks, the market situation is often tight and there is little liquidity. Prices here are often only set and no actual market agreements exist, i.e. based on bidding and asking. The spread between the purchase price (the so-called bid or bid price) and the sale price (the so-called ask or ask price) is often very high with these securities and is arbitrarily set by the so-called market makers. The spread represents an automatic loss. No fair price formation is guaranteed. The investor risks acquiring second-line stocks at high arbitrary prices, even if they are purchased through a stock exchange (the SWB Stuttgart and FWB Frankfurt pseudo-stock exchanges) – however as soon as the interest by the person responsible for the issue or their sale declines, the prices will collapse and there is no possibility of selling them any longer.

*Risk of abuse/manipulation:* The over-the-counter-markets (OTC/Pink sheet/Stuttgart etc.) have one thing in common: the price formation is strongly dependent on just a few special participants. Their behaviour determines the market events. The lack of any normal bid and ask situation or any general interest and the influence on the prices of just a few people as a result provides an opportunity and increases the probability that prices will be manipulated to the detriment of investors.

A lack of information and a monopoly on information: Second-line stocks are often unknown and are rarely considered in the stock exchange press. It is often extremely difficult to assess the share and obtain information. You are largely dependent on the company itself.

*High market price fluctuations:* In the case of second-line stocks, there are often high market price fluctuations and sudden slumps in prices.

*Inflow of funds:* The purchase price goes to the seller, not the company. It does not increase the value of the company.

*Purchase outside the stock exchange:* When orders to sell or buy shares are handled outside the stock exchange and not through one, they are traded outside the stock exchange by a financial services provider, who brings together the purchaser and seller. These orders cannot therefore be considered by stock exchange participants setting the price at a stock exchange. The investor therefore has no opportunity of achieving a better price by conducting the order through the stock exchange. He or she may not benefit from the protective measures either, which would come into play with a stock exchange trade. These points apply, regardless of whether the order is traded at the market prices listed at the stock exchange or not. The investor must also ensure that he or she affects the stock exchange prices through any order, particularly with shares that are in short supply, and may possibly trigger a movement in the market prices to their detriment. The investor must therefore carefully consider, whether they wish to trade at a stock exchange or away from one. Please take note of the other risks.

### 3. Risk information for ETF's (Exchange Traded Funds – investment funds traded on the stock exchange)

A risk is known to be the possibility that future profits from an investment deviated from the value that capital investors expect on the basis of their information. Risk is therefore a measure of the certainty of obtaining particular profits. A distinction is made here between specific and non-specific risks. Non-systematic risks relate to a particular investment. The following risks may occur, depending on the type of fund.

#### 3.1. Share and pension funds

*Economic risks:* They are mainly of a macro-economic nature and cannot be analysed in isolation from political risks. They particularly result from the structure of the economy in question and its type of involvement in the international economy. They are particularly felt from a financial point of view in exchange rate risks and transfer risks, which may hinder the international payments and the movement of capital or completely paralyse them. The latter are confronted by foreign exchange controls, restrictions on the movement of capital and in extreme cases by the “freezing” of accounts by foreign business partners.

*Liquidity risks:* It is possible that, at the time when a share or a bond are to be sold, there is no demand for any purchases in the market. The sale may not take place at all or involve major markdowns. This risk can be neglected in markets with a huge market volume; but it may exist in small markets or in the case of exotic bonds.

*Event risks:* The event risk is a possible change in the debtor's risk profile because of unforeseen events. They include e.g. company takeovers or credit defaults by debtors. Event risks may affect the credit rating of a company either negatively or positively.

#### 3.2. Pension funds

*Credit worthiness risk:* The risk of insolvency or a lack of liquidity by the debtor (issuer). This may involve a temporary or final inability to meet interest and/or repayment obligations at the right time. Alternative terms for the credit worthiness risk are the debtor or issuer risk.

*Termination risk:* The issue conditions, which are contained in the issue prospectus (sales prospectus), the debtor of a bond may reserve a premature right of termination. Bonds often attract high interest phases with this kind of termination right. If the market interest rate drops, the risk for the investor increases that the issuer may make use of his or her right of termination.

*Premature redemption risk:* Redemption bonds, which are paid back according to a redemption procedure, are associated with particular risks. Particularly the uncertainty about their mathematical term in the case of these redemption bonds can lead to changes in profit levels. If investors buy a bond at a market rate of 100 percent and the redemption of the securities takes place at part at an unexpectedly early time because of premature redemption, the earnings decline for the investor as a result of this reduction in the term.

*Interest change risk:* This risk is the result of the uncertainty about future changes in the market interest rate. The purchaser of a security with a fixed interest rate is exposed to an interest change risk in the form of a price loss if the market interest rate increases. The non-specific risks can be minimised by investing in ETFs, which contain many different securities. The specific risk particularly with national or sector ETFs, still remains, however.

*Specific risk:* The specific risk not only concerns an individual security, but also a complete category of investments to the same degree (e.g. shares, bonds). Depending on the type of fund, the following risks may occur:

- **General market risk:** the market value and yields of securities forming the basis of an ETF. It is therefore possible that investors do not receive back the complete amount of their investment when selling it. The performance of the ETF may also be negatively affected by changes in the economic and market-induced conditions or because of uncertain political developments, changes in government strategies, legal, tax and supervisory law requirements. The performance of an index in the past does not dictate its future development.
- **Country risk:** These are risks which arise from uncertain political, economic and social circumstances in a different country. Political risks arise from the domestic and foreign policy situation in the country concerned. Domestic political risks are the results of ideological disputes by the country's parties, social unease, state administrative bodies that are incapable of operating and weak governments. On the other hand, foreign policy risks arise from membership of political alliances and/or the hostile/unfriendly behaviour of other countries towards the country in question.
- **Specific country tax treatment:** The tax treatment of the investment in ETFs may be different from one country to another. Investors are recommended to obtain information from their own independent tax advisors.
- **Exchange rate risks:** Exchange rate risks arise for investors with a different national currency to the euro and in those cases where investments were acquired in other currencies than the euro.
- **Risks in the development of the secondary market:** Permanent listing on a stock exchange is not guaranteed.
- **Investment goal risk:** There can be no guarantees that the investment goal, which is the exact 1:1 imitation of the index in question, will be achieved. Firstly, management fees may cost a few base points and can therefore have a negative effect on the market price of the ETF. Secondly, the change that the index will differ is greater than when investing the complete mapping when using the random sample method for index mapping.

- **Index risk:** The index risk consists of two components: firstly, there are no guarantees that the mapped indices will be computed in the same way in future too. Secondly, the pooling of the index may pose a risk too. This could concern the selection of individual securities and the weighting of some sectors. On some indices, the companies involved are weighted according to market capitalisation; on others, the weighting is the same. The former is risky because of pro-cyclic behaviour by the index fund. Before a security is accepted into an index, it must have achieved a certain level of market capitalisation, which is a consequence of a company's successful work. Success can therefore only be assessed when looking to the past and it is possible that the share's high price will soon come to an end.
- **Correlation with sector ETF's:** All the companies in a sector ETF are active in the same sector at the time when they are accepted. The share prices of these companies may therefore be more highly related than those of companies, which are selected according to a different investment strategy – e.g. according to their geographical region or a more widely spread division of sectors. The question about the correlation of sector indices plays a role that should not be underestimated. Because the range of investments is more restricted and therefore more volatile, the opportunities for yields – but also the risks – may be considerably greater. The diversification effect is largely neutralised by focusing on just one sector. This effect increases, if some companies have a strong market position within one sector and their weighting within the index is therefore very high. For example, the weighting of the Finnish mobile phone giant Nokia accounted for more than 35 percent of just 23 securities in the DJ STOXX®600 Technology Index (in August 2007). The correlation would then have a negative effect if the Nokia shares gave ground by several percentage points for individual reasons. This change in market prices would have a negative effect on the whole index because of the strong weighting.
- **Risk of ETF closures:** As has already been mentioned, it is possible that an ETF may not be permanently listed on a stock exchange. It is possible that too few funds flow into an ETF. If the costs of the issuing company are no longer covered by the management fee, e.g. for marketing, administration and licence fees, it is possible that the issuer will close these ETFs. If a fund is closed, the capital, however, is in no way lost. Either the ETF is purchased back at its net inventory value and the current value is paid out in cash, or the invested amount is transferred to a different ETF in the same company at the request of the investor free of charge.

### 3.3. Risk information and important information about the risk of making losses with future transactions

In the case of futures transactions (futures and options), the risks of making losses are high. There is a risk of making a complete loss. As a result, the orders to conclude futures transactions can only be traded after detailed information has been made available about the risks. The customer must ensure that he or she is aware of the circumstances and the way that futures transactions operate. The risks arising from costs must be noted particularly. Futures transactions are not traditional capital investments, but highly speculative transactions. The customer should therefore study the risk instructions in detail and not just flick through them. The customers should particularly take note of the risks arising from the costs, as they can practically exclude the possibility of making a profit.

## RISK INFORMATION 2

### Contents

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2. Extended basic information about risks with futures transactions
3. Increasing the risks because of transaction costs
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5. Particular risks arising from contract partners
6. The inevitability of risk

## 1. General market or speculation risks, particularly with futures

### 1.1. Risk of making a complete loss

The temporary rights acquired in conjunction with this business may expire (risk of making a complete loss) or suffer a loss in value. Futures transactions are temporary in nature. The development desired by the investor must take place within a restricted period (so-called term). Therefore, take note of the term of any futures transactions. A complete loss and the expiry of a futures transaction at the end of the term is not an exception at all. Certain obligations may accrue with particular futures transactions and they go far beyond the investment and the normal assets of the investor and may even include private bankruptcy. We are therefore not talking about traditional capital investments here.

### 1.2. Risk of losses when purchasing options

The risk of making a loss when purchasing options exists in the options premium that is paid and the transaction costs that are incurred. A complete loss occurs if the option expires at the end of the term. Partial loss occurs if the option does not develop in line with expectations and is then sold without having reached the profit zone.

### 1.3. Risks of making losses with futures transactions and when selling options (naked option transactions)

In the case of futures transactions and when selling options, the risk of making a loss cannot be determined in advance and may go far beyond the securities that may have been put in place. If a customer does not provide these other securities when requested to, he must expect his open futures transactions to be closed immediately and the immediate use of the securities already made available. Any losses that then occur may lead to additional debts and therefore involve the remaining assets up to and including private bankruptcy.

A loss, which cannot be determined in advance, also occurs if the future is evened up by a counter-transaction without the profit zone having been reached or if a counter-transaction cannot take place to even things up. If there is no counter-transaction, the speculator must then meet the obligation arising from the futures transaction at the time determined in advance: he must accept this and pay for this if the basic value owed has been sold. The costs of intermediate storage for goods until their successful onward sale may also increase the losses. With a future that involves the sale of the basic value owed, there is an obligation to provide the basic value owed. The speculator must cover himself in some other way with the basic value (with the same quality). These purchasing costs increase losses and cannot be determined in advance.

### 1.4. Spread or combined transactions

So-called spread or combined transactions are not necessarily less risky than individual items.



## 1.5. Risk of the supply

If a futures transaction is exercised, there may be an actual physical delivery of the basic value required, to which the futures transaction relates. In this case, the conditions of this market must be heeded. Any onward sale of the goods may only be difficult in certain circumstances and involve high costs.

## 1.6. Stop orders

It may not be possible to activate any transactions, which are supposed to exclude or restrict the risks arising from futures or share transactions (e.g. stop orders), or only at a market price that would entail losses. This is particularly true of so-called loss restriction orders (stop orders).

## 2. More detailed basic information about risks with futures transactions

### 2.1. Basic elements about the risks of making losses with futures transactions

The following basic risks exist: expiry or a loss of value. The rights, which you acquire through futures transactions, may expire or lose in value, because the transactions always only acquire temporary rights – so there is a risk of expiry or a loss in value. The shorter the deadline, the greater the risk can be.

- It may not be possible to activate any transactions, which are designed to exclude or restrict risks with futures transactions, or they only be available at a price that brings you a loss. Incalculable losses
- In the case of liabilities arising from futures transactions, your risk of making a loss may be indefinable and also cover your other assets and go beyond the securities that you have provided.
- A lack of ability to provide securities
- It may not be possible to activate any transactions, which are designed to exclude or restrict risks with futures transactions, or they only be available at a price that brings you a loss.
- Additional loss potential when taking out a loan or fluctuations in currency rates
- Your risk of making a loss increase if you take out a loan for your futures transaction. The same is true with a futures transaction, if your obligations or claims are in a foreign currency or accounting unit (currency risk).

### 2.2. The risks with the individual types of transactions

#### 2.2.1. Purchasing options

##### 2.2.1.1. Purchasing an option on securities, foreign currency or precious metals

###### The transaction

If you purchase options on securities, foreign exchange or precious metals, you acquire the claim to delivery or acceptance of the quoted basic values at a price that is set for purchasing the option.

###### Your risk

Any change in the market price of the basic value (e.g. the shares) may reduce the value of your option: in the case of a purchase option (call), in the case of a sales option (put) if the market value of the subject of the contract increases in value. A reduction in value takes place in a manner that is disproportionate to the change of the market value of the basic value – up to and including the total loss in value for your option. Even if the market price of the basic value does not change, the value may diminish, because it is affected by other price formation factors (e.g. term or frequency and intensity of the price fluctuations in the basic value). Because of the restricted term of an option, you cannot rely on the fact that the price of the option will recover again in good time. If your expectations regarding market developments do not come true and you decide not to exercise the option or miss the opportunity to do so, your option will expire with the expiry of the term. Your loss will then consist of the price paid for the option (the option premium) plus the transaction costs that arose for you.

##### 2.2.1.2. Purchasing an option on financial futures contracts

###### The transaction

When purchasing an option on a financial futures contract, you acquire the right to conclude a contract with conditions that are set in advance and this obliges you to buy or sell e.g. securities, foreign exchange or precious metals on a set date.

###### Your risk

Even this option is subject to the risks described in 2.2.1.1. After exercising the option, you are subject to new risks: they are governed by the financial futures contract that has been agreed and may go far beyond your original investment (i.e. the price paid for the option). You then face additional risks arising from the futures transactions described below, which have to be met on a set date.

#### 2.2.2. Selling options and future transactions, which have to be met on a set date

##### 2.2.2.1. Selling on a set date and selling a purchase option on securities, foreign exchange or precious metals

###### The transaction

As a seller on a set date, you take on an obligation to supply securities, foreign exchange or precious metals at an agreed purchase price. As the seller of a purchased option, you only face this obligation if the option is exercised.

###### Your risk

If the market prices increases, you must still deliver at the price set earlier, which may significantly be below the current market price. If the subject of the contract, which you have to supply, is already in your possession, rising market prices will no longer benefit you. If you wish to purchase it later, the current market price may be significantly above the price set in advance. Your risk lies in the price difference. This risk of making a loss cannot be determined in advance, i.e. is theoretically unlimited. It may go far beyond the securities, which you have provided, if you do not own the item to be delivered, but only wish to buy it when it is due. In this case, considerable losses may accrue for you, as you may have to make your purchase at very high prices, depending on the market situation, or have to make compensation payments if it is not possible to purchase the item in advance. **Please note:** If you own the item that is the subject of the contract, which you have to deliver, you are protected from any losses regarding future purchases. But if these values are completely or partially blocked for the term of your futures transaction (as securities), you cannot access them during this time or to even out your futures contract and not sell the values either in order to prevent losses if the market prices fall.

### 2.2.2.2. Purchasing on a set date and selling a sales option on securities, foreign currency or precious metals

#### The transaction

As a purchaser on a set date or as a seller of a sale option, you have to accept securities, foreign exchange or precious metals at a set price.

#### Your risk

Even if the market prices fall, you have to accept the purchase item at the agreed price, which may then be considerably higher than the current market price. Your risk lies in the difference. This risk of making a loss cannot be determined in advance and may go beyond the securities that you have provided. If you intend to sell the values after accepting them immediately, you should note that you may find it difficult to find a buyer or not find one at all, depending on how the market has developed.

### 2.2.2.3. Selling an option on financial futures contracts

#### The transaction

When selling an option on a financial futures contract, you have to conclude a contract at conditions fixed in advance and you are then obliged to purchase or sell e.g. securities, foreign exchange or precious metals on a set date.

#### Your risk

If the option that you purchased is exercised, you run the risk of being a seller or purchaser on a set date, as described in sections 2.2.2.1. and 2.2.2.2.

### 2.2.3. Option and financial futures contracts with margin compensation

#### The transaction

In the case of many futures transactions, cash compensation is the only thing available. This particularly applies to:

- » Option or financial futures contracts at one index, i.e. with one variable, which is calculated from a set portfolio of securities according to particular criteria and its changes reflect the movements in market prices for these securities.
- » Option or financial futures contracts on one interest rate for fixed-term deposit with a standardised term.

#### Your risk

If your expectations are not met, you have to pay the difference, which exists between the market price that formed the basis at the time of the contract and the current market price when your transaction become due. This difference makes up your loss. The maximum amount of your loss cannot be determined in advance. It may be far beyond the securities that you have provided.

## 2.3. Other risks from futures transactions

### 2.3.1. Futures transactions with a currency risk

#### The transaction

If you enter a financial future contract, where your obligation or the counter-performance that you claim takes place in a foreign currency or accounting unit or the value of the subject of the contract is determined by this (e.g. gold), you are exposed to an additional.

#### Your risk

Your risk: In this case, your risk of making a loss is not only coupled to the development in value of the subject of the contract that forms the basis here. Developments in the foreign exchange market may also be the cause of additional incalculable losses.

Fluctuations in exchange rates can:

- » reduce the value of the option acquired
- » make the subject of the contract more expensive, which you have to deliver to fulfil the financial futures contract if it has to be paid in a foreign currency or accounting unit. The same applies to a payment obligation arising from the financial futures contract, which you have to make in a foreign currency or accounting unit
- » reduce the value or the sales revenue of the subject of the contract to be accepted from the financial futures contract or the value of the payment received.

### 2.3.2. Transactions excluding or restricting risks

Do not rely on the fact that you can conclude transactions at any time during the term, through which you can compensate for or restrict the risks arising from the futures transactions. Whether this option exists depends on the market circumstances and also on the type of your financial futures contract. It may be true that you cannot complete a relevant transaction or not at a favourable market prices – leading to losses for you.

### 2.3.3 Making use of loans

Your risk increases if you particularly finance the purchase of options or the fulfilment of your delivery or payment obligations arising from futures transactions through a loan. In this case, you have to not only accept the loss if the market develops against your expectations, but also pay interest on the loan and pay it back. So never rely on the fact that you can pay the interest on the loan and pay it back from the profits of your futures transactions, but check your economic circumstances before agreeing to the transaction to see whether you are able to pay the interest and possibly pay off the loan at short notice, if losses accrue rather than profits. Futures transactions are not suitable guarantees for taking out loans and should not be financed with loans.

## 2.4. Providing security with securities

The risks arising from the transactions mentioned above do not change if the rights and obligations are secured by securities (e.g. option certificates).

## 3. Increasing the risks because of transaction costs

### 3.1. Negative effects of the costs

Transaction costs for private speculators are not taken into account when the stock exchange experts set the price. The costs for our activities have a negative effect on the financial results of the transactions and increase the general risk of futures transactions. You can see our costs in the fees agreement. All the fees impair the opportunities of the transaction, as the costs have to be earned again through the appropriate development in market prices in favour of the customer in the market place. The development of market prices required for this **is above the scale of the development of market prices, which stock exchange experts consider to be realistic.**

This is particularly the case with futures transactions. The investor must take into account that in the price, which the stock exchange participants grant for an investment object, the opportunities are taken into account too. The stock exchange price therefore denotes the framework for a risk area, which is viewed as reasonable for the investment transaction by the market. The stock exchange price therefore equals the value of the



opportunity of making a profit, which is granted to the investment object. In the case of options, e.g. the stock exchange premium denotes the value of the opportunity of making a profit and the scale of the risk area, which are granted to the option in the view of the stock exchange participants. Specialist stock exchange traders, whose estimates form the prices and the stock exchanges and futures markets, do not take into account the transaction costs for private speculators. The price formation on the markets therefore only reflect the opportunities and risks in a form that is still reasonable for professional traders. These costs are not taken into account by specialist stock exchange traders in this estimate. Any costs charged therefore change the already speculative estimate of the professional market participants, as reflected in the stock exchange price, unilaterally to the detriment of the speculator. The assessment and the fundamentals of the futures transactions therefore fundamentally change due to the costs. **A far higher price fluctuation is therefore necessary than the already speculative expectations granted by the professional stock exchange traders because of the costs of obtaining profits.**

The higher the transaction costs, the lower the opportunities of making any profits, until they disappear completely. **If you engage in repeated speculation and are successful in the early stages, in the end you must assume that a complete loss will occur.** Even if you obtain positive results in the initial transactions, the risk of making a loss increases with every ongoing transaction for the investor. Overall, it should be said that most investors in these markets make a loss.

### 3.2. Special risks because of high costs – poor prospects in the transactions

These risks become even more severe if the share of the costs is particularly high. You can assume that the costs will be particularly high if costs are incurred, which amount to more than 5% of the net investment. If high costs are incurred, they practically exclude the possibility of you making a profit in the transaction. It is completely improbable that the transaction, which forms the basic business, will be able to develop in such a way that is necessary in order to achieve any profits in the end. The statements on the effects of costs therefore need to be heeded particularly carefully. Otherwise, you face the possibility of making a complete loss.

### 3.3. Effects of our costs

AGORA direct Ltd. charges commission amounting to an absolute sum for work performed by AGORA direct Ltd. and this is incurred for each contract individually. A transaction may cover several contracts and commission is payable for each one. The price of an option, the premium, however, has a different amount, depending on the circumstances of each option. The commission that AGORA direct Ltd. charges may well account for more than 5% of the pure option premium and therefore be viewed as high costs. In the case of other futures transactions, like futures or sold options, this may also be case taking into account the net expenditure required there. The transaction costs to be paid (e.g. commission/ brokerage fees, commission, payments) may possible be greater in the case of options with a lower premium (e.g. options involving money and/or a short residual term) than the premium needing to be paid. You therefore need to particularly take account of the costs of AGORA direct Ltd. and consider whether the transaction makes sense in the light of the costs.

### 3.4. Increase in costs because of other financial service companies involved

Please note that if you engage other financial service providers (e.g. an institution to manage the account), other costs may be incurred. These service providers charge their own costs on the basis of an agreement with you. They first have to be earned and increase your risk. These additional costs lead to increased cost risks and therefore practically rule out any possibility of making any profits. This needs to be taken into account when making a decision.

### 3.5. Increase in the risk with initial losses and excluding the possibility of making any profits

If the first investment incurs losses, an extraordinarily high price movement in the starting price in a futures transaction is necessary just to reach the financial starting point again. It is completely uncertain whether these kinds of price movements will occur during the term of these transactions. If there are any further losses, and any follow-up transactions, the market movements required to achieve a positive result in terms of your balance increase to a degree that not only excludes the possibility of achieving a positive result at the end of your speculation, but automatically leads to losses. If initial losses occur, you can normally assume that there will be a loss at the end.

### 3.6 Increase in the risk through a high number of transactions (excessive charging of commission)

If the payment depends on the transaction, there is a conflict of interests between the financial service provider and customer, as the financial service provider earns with each transaction. He or she is therefore interested in trading as many transactions as possible. He or she may then be tempted to perform as many transactions as possible in the interest of earning a lot of money without taking into account the customer's interests, even if they make no sense for the customer. Transaction costs may be too high in absolute terms in relation to the market investment or relatively so because of frequent, economically senseless entry and exit manoeuvres into and out of transactions (excessive charging of commission, "churning").

This may have its origin in one-sided information provided by the customer with preference for the commission interests of the financial service provider, who receives a share of the commission. But it is also possible that e.g. loss restriction measures have been calculated too low for the expected fluctuations in prices for the transaction (e.g. stop orders). This may lead to hectic entry and exit measures, with the result that costs are repeatedly incurred and they consume the capital that has been invested without major losses having occurred on the basis of changes in the markets. This effect is particularly felt with low option premiums, as the costs are then relatively high proportionately. These kinds of cases mean that there is no change of making a profit and losses are predestined as a result of the transaction costs. This risk may also occur if you always follow the suggestions and advise of a third party, e.g. us as your supporting financial service provider when making your trading decisions. You should take into account this risk when making your trading decision and making use of suggestions. Please note that this conflict of interest also occurs with AGORA direct Ltd. on the basis of payments dependent on transactions.

### 3.7. Risk with reimbursements

If the financial service provider receives reimbursements from a different company, there is initially a risk that it will not search for or arrange the investment, which would be the best for the customer, but an investment, which attracts the highest reimbursement levels. There is also a danger that the financial service provider will charge excessive commission (see above) if the reimbursements depend on the amount of transactions.

## 4. Special risks with share options

In the case of share options, there are some special features and differences to futures transactions with other underlying values. A share option always relates to a particular share. The data on the share and its earnings (dividends) must therefore be taken into consideration and whether the underlying value is just a second-line stock or a standard value. The company data of the public limited company and its development should be taken into consideration. Any news about the company may have long-term effects on the options and their shares. The price formation of the share option is largely determined by the price formation of the share in question. If the share price changes, there may be disproportionate changes to the option price. You should be aware that, when exercising a purchase option, you may also come into possession of the physical shares. A sale of the shares may be made harder because of a tight market and/or associated with losses.

## 5. Special risks arising from contract partners

### 5.1. No risk minimisation by the supervisory body

The supervision provided by BaFin (German supervisory body) does not exclude or reduce the risks arising from the transactions or their performance. They continue to be present.

### 5.2. Risk of applying foreign law

The transactions are often traded by an institute managing the account abroad or using the involvement of a foreign financial services provider from the customer's point of view. This may mean that you have to assert claims in line with a legal system that is foreign to you and protective measures in your domestic laws may possibly not be effective.

## 6. The inevitability of risks

The risks with futures transactions are considerable. They exist in each case, even if you perform the transactions through us. If you still wish to trade in futures transactions, you must be aware of these risks. Risks cannot be excluded by advice from financial service providers or through any technical equipment or through computer programmes. If anybody asserts the opposite, this is not correct.

### 1. Account applicant or the authorised person of the company/association/stock exchange club

X

Date/place

Signature

### 2. Account applicant or the authorised person of the company/association/stock exchange club

X

Date/place

Signature