

CC KENYA SECURITIES LTD

RISK DISCLOSURE STATEMENT

Risk Disclosure Statement

1. About Us

CC KENYA SECURITIES LTD (hereinafter the “**Company**”, “**we**”, “**Capital Com**”, “**Capital.com**”) is a Company registered in Kenya through the Companies Act under registration number PVT-RXUMQ5KL. The registered address is Sanlam Tower, 6th Floor, Suite 613, Waiyaki Way, Westlands District, Nairobi County, Kenya, P.O. Box 12189, G.P.O Nairobi.

The Company is licensed and regulated by the Capital Markets Authority of Kenya (“**CMA**”) under license number 244 and is authorised to provide investment services in accordance with applicable Kenyan securities laws and regulations.

2. Definitions

In this document:

Act means the Capital Markets Act (Cap. 485A) of Kenya, as amended from time -to -time.

Account means the personal trading account you hold with us and designated with a particular account number used for the purposes of trading, with one or several products, including CFDs and Knock-Out Options, offered from time to time, on any trading platform used by the Company either online or through the Company's mobile application. You are permitted one Account, unless explicitly obtaining prior consent from the Company.

Account Codes means the username and password given by the Company to the Client for accessing the Company's electronic systems.

Applicable Laws and Regulations means:

- The Authority's Acts and Regulations, Rules, Guidelines, Circulars and/or other regulations issued by the Authority, which govern the operations of Licensed Entities authorised to carry on the business of a Dealing Online Foreign Exchange Trading Broker.
- all other applicable Laws, rules and regulations that are as may be in force from time to time.

Affiliate means a person or entity that received a confirmation from the Company, at the Company's sole discretion, that (i) it has successfully completed the Affiliate Application, (ii) it is included in the Affiliate Program, and (iii) it has received a unique Tracker ID linked to the Site(s).

Agreement means these Terms, (including all its appendices, annexes, attachments, schedules and exhibits and amendments, as the same be in force from time to time and modified or amended from time to time) which, together with the relevant Policies, constitute a legally bound contract between us.

AML/CFT Regulation means collectively The Proceeds of Crime and Anti-Money Laundering Act, 2009 (including the amendments introduced by the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act, 2025 (Act No. 6 of 2025)) and The Proceeds of Crime and Anti-Money Laundering Regulations, 2023, as amended from time to time and/or any other applicable laws or regulations in this respect.

Base Currency means the official currency of the United States of America (the "USD")

Business Day means a day that is not a Saturday or a Sunday or a public holiday in Kenya and any other holiday to be announced by the Company on its Website.

CAPITAL.COM Trading Desk means the trading desk operated by us at our the Company's premises.

CAPITAL.COM Online Trading Platform, or Online Trading Platform, means the Internet-based trading platform available on our Website in a desktop version and through our mobile app that allows us to provide Electronic Services to you. means collectively or individually all trading platforms (i.e. Capital.com's proprietary online trading platform or the Metaquotes Trading Platform(s)), that allow us to provide Electronic Services to you pursuant to the Client Agreement. The Online Trading Platforms are accessible via our Website, software programs and mobile applications.

Client means the individual person, legal entity, or firm being a customer of the Company . acting as the counterparty of the Company, and having agreed to these Terms with the Company. The business relationship between a Client with the Company, including eligibility to use our Services, shall commence upon the notification from the Company confirming their verification and successful completion of the required procedures.

Where the Client is a natural person, they must be at least 18 years of age and possess the legal capacity to enter into binding agreements under the laws of their jurisdiction of residence.

Client Funds in accordance with the Client Funds Rules means money of any currency which a client deposits in a client account or which the online foreign exchange broker owes to a client and includes any other property deposited with an online foreign exchange broker in the course of its business for which that broker is liable to account to its client and any money or other property accruing therefrom.

Client Funds Rules means the rules relating to Client Funds set out as specified in paragraph 2 of in the Capital Markets CMA (Online Foreign Exchange Trading) Regulations No. 226 of 2017, as amended, supplemented, or replaced from time to time.

CMA, the Authority, or the Regulator means the Capital Markets Authority of Kenya.

Company means CC KENYA SECURITIES LTD, a company incorporated in Kenya, with registration number PVT-RXUMQ5KL, having its registered office at Kindaruma Apartments, Kindaruma Road, Kilimani, Westlands District, Nairobi County, Kenya, P.O. Box 12189, G.P.O. Nairobi, and its principal place of business at Suite 613, 6th Floor, Sanlam Tower, Waiyaki Way, Westlands District, Nairobi County, Kenya.having its registered office and place of business at Sanlam Tower, 6th Floor, Suite 613, Waiyaki Way, Westlands District, Nairobi County, Kenya, P.O. Box 12189, G.P.O Nairobi.

Company's Website means the following: <https://capital.com/en-ke>, and/or other domain names as can be utilised and operated by the Company.

CRS means the Common Reporting Standard.

Dealing Online Foreign Exchange Broker in accordance with the Client Funds Rules means an entity licensed by the Authority to engage in the business of online foreign exchange trading as principal and market maker.

Deposit means the funds deposited and/or transferred by our clients into their accounts with us.

Electronic Services means services we provide, for example, an Internet trading service offering clients access to information and trading facilities, via an Internet service.

Equity means the aggregate of (i) the Balance; and (ii) unrealized profit or loss on open positions (after the deduction of any charges and the application of any Spread on the closing of a position).

Event of Default means any of the events of default listed in Part 14 (Events of Default).

Execution means the completion of a Client's Order on the CAPITAL.COM Online Trading Platform, where the Company acts as a principal to the Client's Transaction.

FATCA means the US Foreign Account Tax Compliance Act. It generally requires that foreign Financial Institutions and certain other non-financial foreign entities to report on the foreign assets held by their U.S. account holders.

Financial Instruments means Contracts for Differences (CFDs) and Knock-out Options over currency pairs, over shares, commodities, indices, or over any other available for trading underlying assets as defined in the Act under Part 1 of the First Schedule.

Leverage means the ratio of the market price of an agreed multiple of contracts to the agreed margin where margin is the deposit or payment made to create, vary or maintain a position of the contracts in accordance with the definition set out in the Capital Markets Act and the Capital Markets (Online Foreign Exchange Trading) Regulations, 2017.

Licensed entity means a person licensed and regulated to carry on the business of a Dealing Online Foreign Exchange Broker under the The Capital Markets (Online Foreign Exchange Trading) Regulations, 2017.

Margin is the deposit or payment made to create, vary or maintain a position of the contracts.

Margin Level is a metric that expresses the ratio of the equity to the used margin, as a percentage. It provides an indication of the account's health and the level of risk associated with open positions.

Market Abuse is an umbrella term used for situations where traders and investors have an unfair advantage over others.

Metaquotes Platform(s) means the trading platform(s) that is/are supplied by MetaQuotes Ltd., and which is/are offered by the Company under a licensing agreement. Additional terms and conditions may apply between you and MetaQuotes regarding the use of their trading platform(s). These terms and conditions, where applicable, will appear in the MetaQuotes trading platform(s).

Order means the request/instruction given by the Client to the Company to open or close a position in the Clients Accounts.

Over-the-counter or **OTC** refers to Transactions conducted otherwise than on a formal exchange (i.e, off-exchange).

Online Foreign Exchange Trading means the internet-based trading of foreign exchange and includes trading in contracts for difference and Knock-out Options based on a foreign underlying asset.

Spread means the difference between the purchase price ASK (rate) and the sale price BID (rate) at the exact moment for the same Financial Instrument.

Services mean the services provided by the Company to the Clients while carrying on the business of a Dealing Online Foreign Exchange Broker in accordance with its license, which is governed by the Client Agreement.

System means all computer hardware and software, equipment, network facilities and other resources and facilities needed to enable you to use an Electronic Service.

Swap Free Accounts means that the Company offers Swap-Free accounts to clients who cannot use a regular account due to their religion, faith, or beliefs. For any further clarifications, please see Annex 1 of the Agreement.

Terms means the present Terms and Conditions.

TIN (including functional equivalent) means Taxpayer Identification Number or a functional equivalent in the absence of a TIN. A TIN is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an entity and used to identify the individual or entity for the purposes of administering the tax laws of such jurisdiction. Further details of acceptable TINs can be found at the following link: <http://www.oecd.org/tax/transparency/automaticexchangeofinformation.htm>

Some jurisdictions do not issue a TIN. However, these jurisdictions often utilize some other high integrity number with an equivalent level of identification (a functional equivalent). Examples of that type of number include, for individuals, a social security / insurance number, personal identification / service code and resident registration number.

Transaction means any transaction on CFDs or Knock-out Options across a range of underlying asset classes, including, but not limited to, equity, commodities and indices, carried out subject to these Terms.

US Reportable Persons means as per FATCA:

- a US citizen (including dual citizen);
- a US resident alien for tax purposes;
- a domestic partnership;
- a domestic corporation;
- any estate other than a foreign estate;

- any trust, if:
 - I. a court within the United States is able to exercise primary supervision over the administration of the trust;
 - II. one or more United States persons have the authority to control all substantial decisions of;
 - III. the trust; any other person that is not a foreign person.

3. Services Offered by the Company

Our services are provided on an execution-only basis. We do not provide investment advice or portfolio management in relation to our products. The Company acts as principal and market maker in transactions with you and sets the prices at which CFDs and KOs are offered.

4. Contracts for Difference (CFD)

A CFD is a derivative financial instrument whose price is derived by reference to the price of an underlying asset. CFDs are traded over-the-counter (“**OTC**”), and no regulated exchange or external execution venue is involved in the transaction.

CFDs involve a high level of risk compared to investing in on-exchange products, as liquidity is not guaranteed and it may be difficult or impossible to close a position under certain market conditions.

The prices and other trading conditions are set by us in accordance with our obligation to act in the client's best interests and to take all reasonable steps to achieve best execution, as further described in our Order Execution Policy and Terms and Conditions.

These services are available to eligible clients. CFDs are complex and high-risk financial products, are generally used for speculative purposes, and may not be appropriate for all individuals. CFDs are not suitable for buy-and-hold investment strategies. Accordingly, where a client does not have sufficient time or ability to monitor positions on an ongoing basis, they should not trade in CFDs.

5. Knock-out Options (KOs)

KOs are derivative financial instruments that allow the client to speculate on the direction of the price movement of a specific underlying asset in

exchange for the payment of an Option Price (also referred to as “Size in Cash” on the Online Trading Platform).

A KO position will automatically terminate and become worthless if the price of the underlying asset reaches the predetermined KO level. The KO level is a fixed price threshold selected by the client at trade entry, and once reached, the KO position expires immediately with a value of zero. The KO level is selected by the trader when opening the position, by choosing either a Call or Put direction.

These services are available to eligible clients. KOs are complex and high-risk financial products, are generally used for short-term speculative trading, and may not be appropriate for all individuals. Due to their leveraged structure, short-term nature, and sensitivity to rapid market movements, KOs are not suitable for passive or long-term investment strategies.

Their structure requires continuous monitoring, as they may be terminated abruptly following relatively small price movements. Accordingly, where a client does not have sufficient time or ability to actively monitor positions, they should not trade in KOs.

6. General Risk Disclosure

OTC CFDs and KOs involves a high level of risk and is not suitable for all individuals. You should carefully consider our Client Agreement, this Risk Disclosure Statement, and the risks associated with CFD and KO trading before applying for an account with us.

CFDs are complex financial instruments that involve a high risk of losing money rapidly due to leverage, and losses may exceed initial expectations depending on market conditions.

7. No advice

We are not authorised to provide personal investment advice and therefore do not take into account your personal or financial situation, investment objectives, or needs, nor do we make any investment recommendations. You remain solely responsible for your trading decisions, including whether our products are appropriate for you. This

includes obtaining independent legal, tax, or financial advice where appropriate.

Any information we provide is general in nature, is provided for informational purposes only, and does not constitute investment, legal, tax, or other professional advice.

8. Monitoring your account

Due to the significant risks associated with trading, it is important that you monitor all open positions on a continuous basis. It is your responsibility to monitor your positions, and while you have any open positions, you should ensure that you have uninterrupted access to your account and the trading platform.

You acknowledge that a failure to monitor your account or positions may result in losses, including losses that may occur without prior notice.

9. Risks associated with trading CFDs

The key risks associated with CFD trading include, but are not limited to, the following:

a)	Losing your entire deposit(s)	Our products are complex and highly leveraged, and a small movement in the price of the underlying instrument can result in rapid and significant losses, which may exceed your initial margin. Depending on market conditions, losses may occur very quickly, including during periods of high volatility or low liquidity. However, we offer negative balance protection, which means that your trading losses cannot exceed the funds available in your account, subject to the applicable terms and conditions.
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b)	OTC derivatives trading	Our products are traded over-the-counter . This means that you are not trading on a centralised exchange and instead enter into contracts directly with us as principal and counterparty. As a result, you are exposed to counterparty credit risk, including the risk of our insolvency.
c)	Leverage	Our trading platform allows you to trade leveraged products, meaning that you can open positions with a value greater than the funds you have deposited, by trading on margin. As noted above, a small market movement may significantly affect the value of your position, either in your favour or against you. Leverage magnifies both gains and losses and substantially increases the risk of rapid loss of capital.
d)	Spreads	The spread is the difference between the ask price (at which you buy a CFD) and the bid price (at which you sell a CFD). When opening and closing a position, you effectively pay this spread, which represents a trading cost. As a result, your position will initially be opened at a loss equivalent to the spread, and in order to recover this cost, the market price must move sufficiently in your favour.
e)	Market risk	Market risk refers to the possibility of adverse and unpredictable changes in market prices. Unforeseen events, including but not limited to changes

		in supply and demand, political or economic events, government or regulatory actions, central bank decisions, commercial developments, and changes in market sentiment, may cause prices to move rapidly and unpredictably. Such movements may result in significant losses, including losses that may exceed expectations or occur over a very short period of time. Accordingly, it is important that you monitor your open positions on an ongoing basis.
f)	Market information	As part of our service offering, we may provide financial and market-related information obtained from third-party sources, such as news agencies, market commentators, or analysts. This information is provided for general information purposes only. Any such information is not personalised, does not take into account your individual circumstances, and does not constitute investment advice. You are solely responsible for any reliance you place on such information. We do not guarantee that any market information provided is accurate, complete, timely, or up to date, and such information may become outdated quickly as market conditions change. We are under no obligation to update, amend,

		correct, or continue to provide such information at any time.
g)	Conflicts of interest	We act as principal and market maker in transactions with you and determine and set the prices at which CFDs and KOs are offered. This creates an inherent conflict of interest, as we may benefit when you incur a loss, and we may hedge our exposure or enter into offsetting transactions with other market participants. While we maintain policies, procedures, and controls designed to identify, manage, and mitigate conflicts of interest, we do not guarantee that the prices quoted to you will always reflect or match prices available in the wider market, or that they represent the most favourable price that may be available outside our trading environment.
h)	Liquidity	In certain market conditions, some CFDs, KOs, or currency pairs may become illiquid. This may make it difficult or impossible to open or close positions at your desired price, or at all. Reduced liquidity may result in wider spreads, increased slippage, delayed execution, and increased losses.
i)	Slippage	Slippage occurs when an order is executed at a price different from the price requested. This may occur during periods of high volatility, fast-moving markets, or reduced liquidity. Slippage may work against you and may affect your ability to

		limit losses or enter or exit positions at expected price levels.
j)	Margin Call	Your account is subject to automated margin monitoring and close-out mechanisms. If your equity falls below the required margin level, some or all of your positions may be closed automatically to reduce risk. Margin calls and close-outs may occur without prior notice, particularly during fast-moving or volatile market conditions. While these mechanisms are designed to limit losses, they do not guarantee that losses will be avoided or limited. It remains your responsibility to monitor your positions and maintain sufficient margin at all times.
k)	Gapping	Financial markets may fluctuate rapidly, and the prices of our products will reflect such movements. Gap risk arises when prices move sharply from one level to another without trading at intermediate levels. Gapping may occur for various reasons, including unexpected economic or political events, market announcements, or the reopening of markets following periods of closure, such as over weekends or holidays. In such circumstances, there may be no opportunity to place, amend, or execute orders between the two price levels, which may result in losses greater than anticipated.
l)	Stop-loss orders	We offer the ability to place stop-loss orders to help limit potential losses on an open position. A stop-loss

		order is designed to close a position automatically when a specified price level is reached. We do not guarantee that a stop-loss order will be executed at the price specified, particularly during periods of market volatility, gapping, or reduced liquidity. Stop-loss orders may help to limit losses but cannot prevent losses entirely.
m)	Trading Platform and Third-Party Trading Tools	Trading Platform: We offer proprietary trading platforms and may also provide access to third-party trading platforms, such as MT4. Trading platforms may differ in features, functionality, order types, and execution processes. It is your responsibility to familiarise yourself with the relevant platform before trading. Demo accounts may be available for this purpose. When using one-click trading, orders are submitted and executed immediately and cannot be cancelled once placed, which increases the risk of unintended or erroneous trades. Third-Party Trading Tools: You are solely responsible for any losses arising from the use of third-party software or tools, including expert advisors, copy trading tools, signal providers, or automated trading systems, where such tools are permitted.

		We do not control, endorse, monitor, or guarantee the performance of any third-party trading tools and accept no responsibility or liability for any losses, errors, or outcomes resulting from their use.
n)	System failures	Trading is conducted electronically. System failures, connectivity issues, software malfunctions, or disruptions affecting us, you, or third-party service providers may result in delays, failed orders, incorrect execution, or an inability to manage positions. You are responsible for maintaining reliable internet connectivity and suitable devices.
o)	Regulatory	Changes in laws, regulations, regulatory interpretations, or supervisory practices may affect the availability, cost, functionality, or terms of CFDs and KOs. Such changes may reduce the attractiveness or profitability of trading and may require us to modify, restrict, or terminate products or services.
p)	Pricing errors	In the event of a pricing or quoting error, including technical or human errors, we reserve the right to correct, amend, cancel, or adjust affected transactions and account balances. Any dispute will be resolved based on the fair market value of the relevant instrument, as reasonably determined by us acting in good faith.
q)	Profits are not guaranteed	Past performance is not indicative of future results. Trading CFDs and KOs

		involves significant risk, and profits are not guaranteed. Losses may exceed expectations and may occur rapidly.
r)	Appropriateness	When processing your online application, the Company carries out an appropriateness assessment to determine, based on the information you provide, whether you have sufficient knowledge and experience to understand the risks involved in trading CFDs and KOs. The outcome of this assessment does not constitute advice or a recommendation and does not relieve you of your responsibility to assess whether CFD and/or KO trading is appropriate for you.