

Product Disclosure Statement

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Please understand and comprehend the high degree of risk and complexity of trading Forex and CFDs. It is not suitable for just any investors. You ought to carefully consider your investment objectives, level of experience and risk appetite. The guide contains more data on the risks, so ensure you read it before starting. On the chance that you do have any inquiries, it is important for you to search for unbiased and expert advice. The followings are some of the risks and dangers of trading CFDs:

1. Registering

Brains Mining Pool Broker is regulated and licensed by Belize

Brains Mining Pool Broker implements strict internal procedures including but not limited to risk management, staff training, accounting, audits, and also fulfills the strict capital requirements.

2. Personal Advice

Brains Mining Pool Broker only gives general product advice upon request. Trading margin foreign exchange and CFDs are high-risk and complex, so it is recommended that you consult your independent financial adviser, tax adviser, and/or other professional advisers. In addition, do take a look at our Product Disclosure Statement, Accounts Terms & Conditions and Privacy Policy. The results of your trading are not guaranteed to be lucrative.

3. Over-the-Counter (OTC) Financial Derivatives

Margin foreign exchange and CFD contracts are issued by Brains Mining Pool Broker when you open a trade, not through any exchanges, such as the US Stock Exchange. Brains Mining Pool Broker is your product issuer. In other words, whenever you open a trade with us, you are in the OTC derivative contract. This means the orders cannot be transferred, and that you are dealing directly with us, hence these trades (positions) can only be closed with us.

4. Leverage

Only a small margin is needed to open a position when trading margin FX. For example, if a client is using 30 times leverage a movement of 0.5% will result in a gain or a loss of 15%. The size of the positions you open will determine the profit or loss of your trading. Brains Mining Pool Broker's leverage is given as per accounts terms and conditions, and we also hold the right to adjust the leverage of your account even when you have open positions, at our own preference.

5. Market volatility

Our liquidity banks provide us the execution prices that our trading products are listed in. With the influence of financial market news, the trading products' prices may fluctuate rapidly. Price fluctuation, where opening price greatly differs from closing price is known as gapping. Gapping is known to happen when there is a market announcement or unexpected economic event. The occurrence of gapping will be exaggerated when the said information arises after trading hours, where you may not have the chance to open or close the position between opening price and closing price. At this point of time, your order will be automatically executed at the next closest market price by the platform. You will have the obligation to bear the risk and to avoid a negative account balance. During the occurrence of gapping, there will be risk where your account may result in a negative balance when your loss surpasses your account's net worth. Kindly take note that the right to take action to recover the negative value in your account will be retained with Brains Mining Pool Broker.

6. Slippage

When the actual executed price of trade differs from pre-set execution price, it will result in a rapid price fluctuation, which is also known as slippage. Apart from market volatility mentioned above, Traders will also face the risk of slippage. On a regular basis, orders are executed at the price provided by our clearing banks, however, on very rare occasions, our quoting price may differ from the underlying market price. Apart from that, when you trade in OTC derivatives, price difference and slippage may occur too. Price on pending orders, which includes pending order for new trades or to close existing trade is known as your wanting price. In this dynamic market, your original pre-set execution price may vary from the actual result of a pending order.

7. Mandatory liquidation risk

When existing funds in your account are below the mandatory liquidation level, your open position will be automatically closed. The liquidation or margin level must always be above 50%. You need to hold the obligation to maintain account equity, your positions and account balance on the trading platform, and you are not advised to fully rely on the system's liquidation order. In this fast-moving market, although the money that you have deposited earlier was sufficient, it may also turn out to be insufficient very rapidly. Hence, please observe your funds regularly and ensure that you always have sufficient funds in your account to avoid mandatory liquidation. Mandatory liquidation may occur even if hedging trades (locked position) is in place during rapid market fluctuation. Thus, kindly ensure that you should only open positions based on your available fund.

8. Counterparty risk

When you open a margin position with our account, you will automatically be entered into a CFD contract, which makes us your trading counterparty. With the contract in place, we have the right to

cancel your completed trades including your agent commissions and trading profits if we noted that your method or strategies of trading are against our risk management policies. The methods or strategies of trading that are against our policies includes insider trading, high frequency arbitrage trading on pricing inefficiencies from latency, price manipulation and/or other methods and strategies that are against the regulations. Under expected and unforeseen circumstances, we may not be able to fulfil our contractual obligation when our trading partners (such as hedging providers) default. Due to uncontrollable factors, we may not be able to guarantee the result of your traded contract nor the execution of your trading contract. In addition, the utilization of multiple accounts with hedging trade to speculate gapping on market opening is strictly prohibited. If you are caught doing so, we have the right to close your agent account and trading account.

10. Client capital risk

Your funds and deposits will be kept under our Client Trust Account and segregated according to ASIC Client Money requirement, which is also separated from our operating funds. However, your fund will still be at risk under unforeseen circumstances of insolvency. You may refer to Brains Mining Pool Broker's PDS for further information on Client Fund Protection.

11. Technical risk and other circumstances that affect your trades

Unforeseen events such as platform maintenance, system errors, network connectivity issues, third party (network vendors, power companies, payment gateway providers or liquidity providers) errors and/or termination of supply may occur and this may hinder you from signing into a trading platform, executing orders or depositing funds into your account. These unforeseen events may impact the calculation of swap charges, profit or loss positions and/or trading cost. It could also pose a risk when you wish to calculate profit or loss, meeting margin call requirement or to open or close positions. Please take note that we do have back-up emergency solutions, however, we are not able to guarantee that the above errors will be immediately fixed during our execution of emergency solutions.

12. Dispute Jurisdiction

If there is a dispute between you and Brains Mining Pool Broker, kindly contact our Dispute Resolution Team directly where they will assist in finding a solution. You may proceed to seek for external support if an agreement cannot be met.