



RISK DISCLOSURE POLICY

Base Markets

An Investment Dealer (Full-Service Dealer Excluding Underwriting) and Global Business Company Licensed by the Financial Services Commission

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1. Foreword

Base Markets (the “Company”) is incorporated in Mauritius on the 4th of July 2025 as a private company limited by shares. The Company is regulated by the Financial Services Commission (FSC) of Mauritius under the Financial Services Act 2007 and is licensed as an Investment Dealer (Full Service, excluding Underwriting) with the License Number GB25204723 and a Global Business Licensee, with the Company Number 223521.

The Company has its principal place of effective management in Mauritius, which proposes to conduct its business principally outside Mauritius. The registered office address of the Company is at C/O Credentia International Management Ltd, The Cyberati Lounge, Ground Floor, The Catalyst, Silicon Avenue, 40 Cybercity, 72201 Ebène, Republic of Mauritius.

The Company shall perform such activities and duties as are customarily authorised and performed by the holder of an Investment Dealer (Full-Service Dealer excluding Underwriting) Licence under the Securities Act 2005, in particular, carrying out the following activities:

- Act or hold itself as an intermediary in the execution of securities transactions for clients;
- Trade or hold itself to trade in securities as principal with the intention of reselling these securities to the public;
- Distribute or hold itself out to distribute securities on behalf of an issuer or holder of securities;
- Solicit any investor (person or institutional or body corporate) to enter into securities transactions;
- Give investment advice which is ancillary to the normal course its business activities;
- Manage portfolios of clients.

2. Purpose and Scope

This Retail Risk Disclosure (“Disclosure”) is provided by Base Markets (the “Company”, “we”, “us” or “our”) to help clients understand the nature and risks of trading contracts-for-difference (“CFDs”) and related products offered by the Company.

The purpose of this Disclosure is to outline the material risks involved in trading CFDs so that clients can make informed decisions before opening an account or entering into transactions with us. It does not explain every risk, nor does it take into account individual financial objectives, circumstances, or needs. Clients should consider whether trading CFDs is appropriate in light of their own experience, resources, and risk appetite, and are encouraged to seek independent financial advice where necessary.

This Disclosure forms part of the Company’s legal and compliance framework and must be read together with our Terms and Conditions and other applicable documents available on our website. By applying for and using our services, clients acknowledge that they have read, understood, and accepted the risks described in this Disclosure.

3. Appropriateness and Suitability

Before opening an account, the Company will assess whether CFD trading is appropriate for each client. This assessment is based on the information provided during the application process and considers the client’s knowledge, experience, and understanding of leveraged trading.



If the assessment indicates that CFDs may not be appropriate, the Company will inform the client. In such cases, the client should carefully reconsider whether to proceed and may wish to gain additional experience, such as through the use of a demo account, before trading with real funds.

Regardless of the outcome of the assessment, the decision to open an account and trade CFDs remains solely the client's responsibility. Clients must ensure that they fully understand the risks involved and are willing and able to bear the potential losses.

4. Nature of CFDs and Trading Instruments

Contracts-for-Difference ("CFDs") are over-the-counter ("OTC") derivative products. A CFD allows clients to speculate on price movements of an underlying asset without owning or having any rights in that asset. The value of a CFD is derived from the price of the underlying instrument, which may include foreign exchange ("FX") pairs, commodities, indices, equities, or cryptocurrencies, as determined by the Company's product offering.

When trading a CFD, clients are entering into a contract with the Company to exchange the difference between the opening and closing price of the contract. Profits or losses are realised based on whether the market has moved in the client's favour or against them, adjusted for applicable costs such as commissions, spreads, and financing charges.

CFDs are speculative in nature. They are not suitable for long-term investment, and they do not confer ownership, dividends, voting rights, or any other shareholder benefits associated with the underlying asset.

5. Leverage, Margin and Stop-Out Risk

CFDs are leveraged products. This means clients can open positions by depositing only a fraction of the total trade value as margin. Leverage magnifies both potential profits and potential losses. Even small market movements can lead to substantial changes in the value of an open position.

Clients are required to maintain sufficient margin at all times. If account equity falls below the required margin level, the Company may initiate a margin call or close out positions without further notice to limit exposure. The Company generally applies a stop-out level of around 50% of required margin, but this threshold may vary.

Trading with leverage means losses can exceed the initial margin deposit. Clients are responsible for all losses incurred on their account and may be required to provide additional funds to cover negative balances. The Company does not guarantee negative balance protection unless explicitly stated in writing.

6. Pricing, Costs and Financing Charges

CFDs are traded at prices quoted by the Company, which are derived from underlying market data provided by liquidity providers. The prices offered to clients may include a mark-up or spread adjustment applied by the Company.

Clients may be charged commissions, spreads, or both, depending on the instrument and account type. These charges are disclosed in advance on our website and trading platform. The Company aims to make all fees and costs transparent. Trading costs are calculated on a per-transaction basis and



are applied to the notional value of the trade, not to the margin or deposit placed by the client. Minimum charges may apply to smaller trade sizes.

Overnight financing or swap charges may apply to positions held beyond the close of the trading day. The amount of these charges depends on the instrument traded and market conditions, and may be subject to change. Rollovers may result in a debit or credit to the client's account.

Additional charges may apply for certain services, including but not limited to administration, withdrawal, or inactivity fees. Full details of applicable charges are published by the Company and may be updated from time to time. Fees and charges may change without prior notice.

Clients should not fund their trading account using borrowed money or credit facilities. Losses may exceed the funds deposited, and borrowed capital must still be repaid regardless of trading performance.

7. Market Volatility and Liquidity Risk

CFD markets can be highly volatile, meaning prices may fluctuate rapidly within short periods of time. High volatility increases both the potential for profit and the risk of loss.

During periods of market stress, fundamental news events, or reduced liquidity, the following risks may occur:

- **Market gaps:** Prices may move sharply and bypass levels at which clients intended to enter or exit the market. Orders placed at such levels may be filled at the next available price, which could differ significantly from the expected price.
- **Widened spreads:** The bid–ask spread may widen, increasing the cost of trading and potentially leading to larger losses.
- **Slippage:** Orders, including stop-loss orders, may be executed at a less favourable price due to rapid market movements or insufficient liquidity.
- **Order rejection or delay:** High volumes of trading activity can result in orders being delayed or rejected if liquidity is exhausted at the desired price.
- **Hanging orders:** In times of heavy activity, an order may appear unconfirmed in the trading platform even though it has already been executed, creating uncertainty about open positions.

At the daily rollover, contracts are carried forward to the next trading day. During this period, liquidity may be reduced and spreads may widen temporarily. Trading may also be suspended for a short time. Losses or gains incurred as a result of price changes or widened spreads during rollover are the sole responsibility of the client.

Volatility and liquidity risks apply to all markets and instruments offered by the Company. Clients must ensure that they fully understand these risks and monitor their positions accordingly.

8. Execution and Order Risks (Slippage, Gaps, Requotes)

All orders are executed on an over-the-counter (“OTC”) basis against prices provided by the Company's liquidity providers. Execution depends on the availability of liquidity at the time the order is received. The Company endeavours to execute orders at the best available price, but execution at the requested level cannot be guaranteed.



Slippage: Orders may be executed at a price different from the one requested due to rapid market movements or insufficient liquidity. Slippage is most common during periods of high volatility, such as major news announcements or market openings, and may result in significantly less favourable execution.

Stop-loss orders: Stop-losses are not guaranteed. If the market gaps through the stop level or liquidity is unavailable, the order will be executed at the next available price. This can result in losses greater than anticipated.

Requotes: In certain circumstances, orders may be subject to requotes if the quoted price is no longer available. While the Company seeks to minimise requotes, they may occur during periods of fast-moving markets or limited liquidity.

Order types: Market orders, pending orders (including limit and stop orders), and other order types offered through the trading platform are all subject to execution risks. Pending orders may not be executed if the market does not reach the specified level, or may be executed at a different level if the market moves quickly through the requested price.

Clients remain responsible for monitoring open positions and managing orders appropriately, bearing in mind that execution is subject to market conditions and liquidity at the time.

9. Platform, System and Operational Risks

Trading through an online platform carries inherent risks. Clients may encounter difficulties placing or executing orders due to factors outside the Company's control, including internet, system, or communication failures on the client's side. Interruptions in connectivity may result in delays, hanging orders, or an inability to access the trading platform.

The Company's systems, servers, and networks may also experience technical issues, outages, or disruptions. While the Company maintains robust infrastructure and monitoring procedures, no system is entirely free from the risk of failure. External providers, including liquidity providers, technology vendors, and communications networks, may also experience disruptions that affect order execution or account access.

Operational risks extend to cyber incidents, security breaches, or other malicious activities that may impair the availability or integrity of the Company's systems. The Company takes reasonable measures to mitigate such risks but cannot eliminate them completely.

The Company does not accept liability for losses, damages, or missed opportunities arising from system, platform, or operational failures, whether due to client-side issues, external providers, or events beyond the Company's reasonable control. Clients are responsible for maintaining reliable internet connections and suitable equipment when trading online.

10. Currency and Foreign Exchange Risk

When trading CFDs, clients may be exposed to currency risk if the product is denominated in a currency different from the currency of their trading account. Any fluctuation in exchange rates will affect account balances, margin requirements, financing charges, profits, and losses.



For example, if a client maintains an account in USD and trades a CFD denominated in EUR, movements in the EUR/USD exchange rate will influence the final profit or loss, regardless of the performance of the underlying instrument. Similarly, margin requirements and swap charges may increase or decrease depending on prevailing currency rates.

Foreign exchange risk can therefore magnify gains or losses and should be carefully considered when trading across multiple currencies. Further details on how currency conversions are applied are set out in the Company's Terms and Conditions.

11. Client Money and Counterparty Risk

The Company holds client funds in segregated accounts with regulated financial institutions, both in Mauritius and internationally, as permitted under applicable laws and regulatory requirements. Segregation means client funds are kept separate from the Company's own money. However, segregation does not eliminate all risks. Client money is pooled with the funds of other clients, and in the event of insolvency of the Company or the bank, recovery may be limited and clients may rank as unsecured creditors.

Because CFDs are over-the-counter ("OTC") products, the client's direct counterparty is the Company. This creates exposure not only to market risk but also to the financial soundness and operational resilience of the Company itself. Clients should be aware that the Company may rely on liquidity providers, payment service providers, and other third parties to facilitate trading and funding. The failure of any such institution may result in delays or losses to clients, for which the Company cannot be held liable.

While the Company takes reasonable measures to safeguard client funds and select reputable counterparties, no guarantee can be given against the risk of default, insolvency, or operational disruption of third parties involved in providing services to clients.

12. Conflicts of Interest and Execution Model

When trading CFDs with the Company, clients enter into contracts directly with the Company. The Company may manage its exposure by hedging with external liquidity providers or by offsetting client positions against other client trades. In practice, the Company applies risk limits that determine when positions are hedged externally and when they are managed internally.

This approach is intended to manage overall risk and provide consistent execution to clients. However, because the Company may act as counterparty to client trades, potential conflicts of interest can arise. The Company has procedures in place to manage these conflicts and ensure fair treatment of all clients.

CFD trading is conducted over-the-counter and does not benefit from the transparency of an exchange. Clients should be aware that pricing and execution therefore depend on the Company's arrangements with its liquidity providers and on its own risk management practices.

13. No Advice Disclaimer

The Company provides its products and services on an execution-only basis. This means that we do not provide personal investment advice or recommendations, even though our licence may permit us to do so. Any decision to trade remains solely the responsibility of the client.



From time to time, the Company may provide general market commentary, research, or educational materials. Such information is provided for informational purposes only, does not take into account individual objectives, financial circumstances, or needs, and should not be considered investment advice.

The Company does not provide regulatory, tax, or legal advice. Clients are responsible for seeking independent advice in these areas. Tax treatment depends on individual circumstances and may change over time.

14. Corporate Actions and Adjustments

Certain CFDs may be affected by events in the underlying market, such as corporate actions on equities, index rebalancing, or commodity contract expiries. When such events occur, the Company may apply adjustments to client positions to reflect the impact of the event on the underlying instrument.

Corporate actions may include, but are not limited to, dividends, rights issues, share splits or consolidations, mergers, takeovers, or similar events. Indices may be adjusted to reflect changes in their composition or methodology, and commodities may be subject to rollover or expiry procedures.

The Company has discretion to determine the form of adjustment, which may include changes to price, position size, or account balance, or in some cases the closure or reopening of a contract. The objective of any adjustment is to preserve the economic equivalent of the client's position as if they held the underlying instrument. The Company is not obliged to make any adjustment and may exercise discretion in determining the appropriate treatment.

15. Regulatory and Legal Risks

Trading CFDs may be affected by changes in laws, regulations, government policies, or taxation rules. Such changes may have a material impact on the costs of trading, the availability of certain products, or the treatment of profits and losses.

Taxation depends on the individual circumstances of each client and may change over time. The Company does not provide tax advice, and clients are solely responsible for understanding and meeting their own tax obligations.

The Company's services may not be available in all jurisdictions. It is the responsibility of each client to ensure that their use of the Company's services complies with the laws and regulations applicable to them.

16. Past Performance Disclaimer

Past performance of CFDs or underlying instruments, whether actual or simulated, does not constitute an indication of future results. The value of investments may decrease as well as increase, and clients may not recover the amount originally invested.

17. Acknowledgement



By applying for and maintaining an account with the Company, clients confirm that they have read, understood, and accepted the risks set out in this Retail Risk Disclosure, together with the Terms and Conditions and other applicable documents provided by the Company.

Clients acknowledge that CFDs are leveraged products, that leverage magnifies both gains and losses, and that they may lose more than their initial deposit. Clients accept full responsibility for their trading decisions and for any losses incurred on their account.