BRICKHILL CAPITAL (CY) LIMITED

LEVERAGE POLICY

1. Outline

This policy aims to set out the procedures and factors followed by Brickhill Capital (CY) Limited (hereafter the "Company") in order to identify how leverage ratios are established. This policy will be reviewed and approved by the Board of Directors regularly and at least annually.

Contracts for Differences ("CFDs") and Foreign Exchange ("Forex") are leveraged products. Leverage enables clients to magnify the potential profits of a trade but it also magnifies the client's potential losses due to the fact that losses incurred are possible to be higher than the capital originally invested. For this reason, CFDs and Forex are considered to be riskier products than non-leveraged instruments. The leverage component also adds an additional level of complexity because many retails investors may face difficulties in understanding how leverage impacts the risks involved when trading CFDs or other similar leveraged products.

2. Factors to be taken into account prior establishing the Company's leverage ratio

The Company takes into consideration the following prior providing leverage to its retail clients:

(i) The capital base and financial strength of the Company, as calculated and monitored based on the Company's Capital Adequacy;

(ii) The risk appetite and risk management of the Company;

(iii) The asset class and instrument characteristics, including the liquidity and trading volume, volatility, market cap, country of issuer, general economic climate and geopolitical events;

(iv) Clients' assessment of appropriateness and financial knowledge.

3. Use of Leverage

The Company takes note of the CySEC Circular C271 regarding the ESMA product intervention measures on Binary Options and CFDs as published in the Official Journal of the European Union relating to the provision of CFDs.

The Company implements the below procedures in order to mitigate the potential conflict of interest between the Company and retail client stemming from the use of leverage:

a. ***Capital Base and Financial Strength of the Company:***
The Company shall always comply with the Capital Requirements regulatory framework and the leverage ratios allowed to its Clients shall not inhibit in any way the Company from complying with the minimum capital requirements as set in the relevant regulatory framework.

b. ***Risk appetite and risk management of the Company***
The Company shall follow the risk management policies and procedures which identify the risks relating to the Company's activities, processes and systems when it will be setting the percentage of the leverage ratio allowed to its Clients. The Company shall ensure that the leverage ratios allowed to Clients are always in line with the Company's risk appetite and risk management policy.

A standardized risk warning, including the percentage of losses on a CFD provider's retail investor accounts.

c. ***Asset class and instrument characteristics***
Asset class and instrument characteristics are taken into account when determining the leverage ratios allowed to Clients.

d. ***Clients' KYC and financial knowledge***
The Company takes into account the clients' knowledge and experience prior allowing a client to use leverage. For retail clients, the leverage limits to be offered by the Company are presented below.

More specifically all clients as a default receive the lower leverage limit which is 1:30 based on the instrument and product that they trade.

e. ***Negative Balance Protection***

The Company has established a negative balance protection policy which in the event that a negative balance occurs in the clients' trading accounts due to stop out and/or extremely volatile market conditions, will make a relevant adjustment to cover the full negative amount.

Negative balance protection is implemented on a per account basis so as to ensure that the client's maximum losses from CFDs, including all related costs, are limited to the total funds related to trading CFDs that are in the client's CFD trading account.

f. ***Client Groups***

The Company may allow different leverage ratios to different client groups, in particular to different groups of retail clients (country, economic profile, financial instruments), to identify behaviors that may not be in the best interests of retail clients. Furthermore, in case the Company identifies such behaviors, it might change the allowed leverage ratio to these group of clients in order to be for their best interest.

4. CySEC Product Intervention Measures

Following the latest updates of Directive 87-09 on imposing national measures to restrict the marketing, distribution and sale of CFD's, the distribution or selling of CFD's to retail clients is permitted when the following conditions are fulfilled in order to mitigate the potential conflict of interest between the Company and retail client stemming from the use of leverage:

1. Leverage limits on the opening of a position by a retail client from 30:1 to 2:1, which vary according to the volatility of the underlying asset as shown below:
   - 30:1 for major currency pairs (when the underlying pair is composed of any two of the following currencies: US dollar, Euro, Japanese yen, Pound sterling, Canadian dollar or Swiss franc);
   - 20:1 when the underlying index, currency pair or commodity is:

(i) any of the following equity indices: Financial Times Stock Exchange 100 (FTSE 100); Cotation Assistée en Continu 40 (CAC 40); Deutsche Bourse AG German Stock Index 30 (DAX30); Dow Jones Industrial Average (DJIA); Standard & Poors 500 (S&P 500); NASDAQ Composite Index (NASDAQ), NASDAQ 100 Index (NASDAQ 100); Nikkei Index (Nikkei 225); Standard & Poors / Australian Securities Exchange 200 (ASX 200); EURO STOXX 50 Index (EURO STOXX 50);

(ii) a currency pair composed of at least one currency that is not listed above; or

(iii)gold.

- 10:1 for commodities or any equity index other than those listed above;
- 2:1 for cryptocurrencies;
- 5:1 for individual equities and other reference values not mentioned above.

1. A margin close out rule on a per account basis. This standardizes the percentage of margin (at 50% of minimum required margin) at which the Company is required to close out one or more retail clients' open CFDs accounts;
2. Negative balance protection on a per account basis. This provides an overall guaranteed limit on retail client losses;
3. The Company requires the retails client to pay the initial margin protection;
4. The Company does not directly or indirectly provide the retail client with a payment, monetary or excluded non-monetary benefit in relation to the marketing, distribution or sale of a CFD, other than the realized profits on any CFD provided; and
5. The Company does not send directly or indirectly a communication to or publish information accessible by a retail client relating to the marketing, distribution or sale of a CFD unless it includes the appropriate risk warning specified below and in Annex II of the CySEC's Directive DI87-09.

Risk Warnings

1. The risk warning shall be in a layout ensuring its prominence, in a font size at least equal to the predominant font size and in the same language as that used in the communication or published information.

2. The risk warning shall include an up-to-date provider-specific loss percentage based on a calculation of the percentage of CFD trading accounts provided to retail clients by the CFD provider that lost money. The calculation shall be performed every 3 months and cover the 12-month period preceding the date on which it is performed ('12-month calculation period'). For the purposes of the calculation:

   a) an individual retail client CFD trading account shall be considered to have lost money if the sum of all realised and unrealised net profits on CFDs connected to the CFD trading account during the 12-month calculation period is negative;
   b) any costs relating to the CFDs connected to the CFD trading account shall be included in the calculation, including all charges, fees and commissions;
   c) the following items shall be excluded from the calculation:
      (i) any CFD trading account that did not have an open CFD connected to it within the calculation period;
      (ii) any profits or losses from products other than CFDs connected to the CFD trading account;
      (iii) any deposits or withdrawals of funds from the CFD trading account.

3. The Company shall use the standardized risk warnings included in Annex II of the Directive DI87-09.