



DefiX **Finance**
DIGITAL FINANCE REVOLUTION

RISK **DISCLOSURE**

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www.defixfinance.com

RISK DISCLOSURE

Trading in Digital Tokens (as defined in the Terms of Service), engaging in related leverage transactions and delegating to another account holder the right to utilize Services on your behalf entails significant risks of financial loss. You should not commit funds to trading in or leveraging Digital Tokens that you are not prepared to lose entirely. Market prices for Digital Tokens can be volatile and highly unpredictable. Whether the future market price for a Digital Token will move up or down is a speculation and unknowable. The leverage available in trading Digital Tokens allows you to establish a larger market position than an unleveraged position and therefore exposes you to a risk of greater loss than an unleveraged position.

You should not trade in Digital Tokens, provide or accept leverage or delegate to another account holder the right to utilize Services on your behalf unless you understand the associated risks. This Risk Disclosure Statement discusses some of the principal risks of trading in Digital Tokens, entering leverage transactions and delegating authority over your subaccount, but it does not and cannot describe every risk or consideration involved in holding, trading, or engaging in leveraged transactions in Digital Tokens or delegating authority over your subaccount. This Risk Disclosure Statement forms a part of, and utilizes certain terms that are defined in, the Terms of Service.

Risks of trading Digital Tokens, engaging in leverage transactions and delegating to another account holder the right to utilize Services on your behalf include, but are not limited to, the following:

DIGITAL TOKENS MARKET RISK:

Market prices for Digital Tokens can be volatile and highly unpredictable. Whether the future market price for a Digital Token will move up or down or even sustain a market value is a speculation and unknowable. Contingent orders, such as “stop-loss” or “stop-limit” orders, if permitted at all, may not necessarily limit losses to the expressed amount, and market conditions may make it impossible to execute an order or to obtain the stop price. DefiXFinance makes no representations or warranties about whether a Digital Token will always continue to trade in the Digital Token trading market. Any Digital Token is subject to delisting without prior notice in the sole discretion of DefiXFinance.

LIQUIDITY RISK:

Markets for Digital Tokens can at times become what is known as “illiquid,” which means there can be a scarcity of persons who are willing to trade at any one time. Thinly traded or illiquid markets have potential increased risk of loss because they can experience high volatility of prices and in such markets market participants may find it impossible to liquidate market positions except at very unfavorable prices. There is no guarantee that the markets for any Digital Token will be active and liquid or permit you to establish or liquidate positions in the Digital Tokens when desired or at favorable prices.

LEGAL RISK:

The legality of Digital Tokens, trading of them, leveraging them or trading or leveraging them on behalf of others may not be clear and may vary under the laws of different jurisdictions throughout the world. This can mean that the legality of holding or trading Digital Tokens, entering into related leverage transactions, or engaging in the foregoing on behalf of others is not always clear. Whether and on what basis a Digital Token may constitute property, an asset, or a right of any kind and what may constitute lawful leverage provision, might vary from one jurisdiction to another. You are responsible for knowing and understanding how the laws applicable to you or your property, rights or assets or to lending address, limit, regulate, and tax the Digital Tokens you trade, the leverage you provide, or the trading or funding in a Delegated Subaccount.

RISK OF ACCOUNT FREEZE:

DefiXFinance may freeze your Account, including any Digital Tokens Wallet and any subaccount, in the event that you are believed to be engaged in suspicious activity or to be in breach of any of the Terms of Service. If your Account is frozen, you will not be able to trade or to make transfers to or from your Account. This may result in the closure of your open orders.

MARKET DEFAULT RISK:

DefiXFinance operates and administers the trading platform for the Digital Tokens, but DefiXFinance is not a counterparty to any trade and has no financial responsibility or liability for any failure of market participants to honor their financial obligations; subject to the limited instances where DefiXFinance is acting as principal, counterparty or market maker as described in the Terms of Service ([link to the Terms of Service](#)) in which case DefiXFinance is a counterparty. There is always a risk that one or more market participants will renege, default, or otherwise fail to honor their financial obligations or will be unwilling or unable to abide by the terms of their agreements. In the event that risk materializes, other market participants can and likely will incur financial losses or reductions in gains from their own open positions in Digital Tokens.

RISKS ASSOCIATED WITH FINANCING ACTIVITIES:

When you finance a purchase or sale of Digital Tokens on a peer-to-peer basis, you run the risk of losing your provided financing. DefiXFinance is not a counterparty to any leverage transaction and has no financial responsibility or liability for any failure of market participants to honor their financial obligations. Similarly, when you accept financing to enter a trading agreement, you accept the risk of not being able to repay that financing (e.g., if the market price of the Digital Token you purchased with the financing falls). Participants should know all of the terms of any contracts they enter and how their trading strategies and other market and risk factors can affect their financing obligations.

CONFLICTS OF INTEREST:

DefiXFinance charges fees for trading and therefore benefits from trading activity (sometimes called volume) regardless of whether the trading is profitable to you. DefiXFinance and its Associates have certain actual or potential conflicts of interest related to the decision to support or not support a Digital Token or increase or decrease the scope of the Services made available for such Digital Token. DefiXFinance Associates may trade or operate businesses that trade, in the peer-to-peer market and use other Services on a proprietary basis or on behalf of others. These offers and trades are not distinguished from other offers and trades in the peer-to-peer market, and DefiXFinance Associates may be a counterparty to any trade executed by you without your knowledge. DefiXFinance has no duty to act on your behalf and undertakes no responsibility to do so.