Risk Disclosure Statement

Those who conclude financial transactions must take into account the following risks. Without knowledge and awareness of the risks which exist you should not carry out any financial transactions.

You should only carry out financial transactions when you understand the nature of the financial instruments and when you know how they function what risks and possible losses you are exposed to.

Therefore check very carefully if the trade represents a suitable form of investment with regard to your experience, investment aims, financial possibilities and other personal relationships relevant to investment.

This risk disclosure statement cannot disclose all the possible risks when trading in financial instruments. The following explanations therefore concentrate on the typical risks and are not limited.

The trade in financial instruments requires particular knowledge, skills and experience and is therefore not suitable for many investors. Should you be uncertain with regard to the necessary evaluation, you should obtain the appropriate advice from your legal, financial or, if applicable, other advisor.

You should not undertake any type of trading if you do not do precisely understand the type of transactions which you are entering into and the true extent of the the risks involved.

Contents:

1. Securities

As a purchaser of shares you are not a creditor, but an investor and therefore a co-owner of a public limited company. With the purchase of shares you are taking a share in the economic development of the company: you become a businessman, as it were, and are open to the opportunities related to this, but also carry at the same time the risks. The largest risk is the bankruptcy or insolvency of the public limited company.
You must be aware that shares are subject to very large swings in price and you should therefore take a time frame of 5 years as the basis for your investment.
The general market risk of a share is the risk of a change in price, to be attributed to the general tendency in the share market and which does not have a direct relationship to the economic situation of the individual company.
The risk of a falling price trend with a share due to factors which directly or indirectly affect the company is referred to as a company-specific risk.
Increasing or falling prices in the share market or with an individual stock are dependent upon the assessment of the market participants and their investment behaviour. Besides objective factors and rational consideration, the decision to buy or sell securities is also influenced by irrational opinions and mass psychological behaviour.
Thus the share price also reflects the hopes and fears, suspicions and moods of sellers and purchasers. The stock market is in this respect a market of expectations in which the boundary between a factually-based and more emotional behaviour cannot be distinctively drawn. With share disposal the right point in time of entry and exit (timing) is consequently the deciding factor for share success. Numerous analysis methods, such as fundamental analysis and chart analysis for example, attempt to bring together the diverse factors which influence the market and the share price as well as technical factors into one statement and to give an indication of investment decisions which promise success.
In doing so the focus of fundamental analysis lies in making the right selection of the suitable shares, while chart analysis primarily supports the decision for the point in time (the timing) of the transaction.
Investment funds are subject to the risk of falling share prices, as price falls with the securities held by the fund are reflected in the share price.
The investment risk increases with the increasing specialisation of the fund (example: country funds, sector funds etc.)
A certificate confirms in writing to the investor the participation in market trends of other securities and financial products. The owner of a certificate participates, for example, directly in the market trend of a predetermined index (index certificate) or a specially put together share basket (basket certificate). Certificates are subject to large price swings such as those underlying shares or indices. In addition you as the purchaser of a certificate are subject to the creditworthiness risk of the issuer.
Your investment amount which you want to invest must have a realistic relationship to your net liquid assets. 20% of your liquidity is recommended for growth shares or for share funds.
You are aware that information with regard to the price trend of a portfolio only relate to the past and are not a guaranteed prognosis for the future. Neither vPE WertpapierhandelsBank AG nor its representatives has satisfied itself of the creditworthiness of the issuer (initiator) of the security paper.

2. Foreign Exchange

A foreign exchange market (FX market or Forex) is what one describes the global market on which exchange values of currency pairs are negotiated.
In doing so, there is no link to a fixed place of exchange, but the market exists through a worldwide network of inter-bank relationships. With just one per cent (leverage effect) of the trading volume as security (margin/ minimum coverage) in a portfolio, the speculator is involved in the exchange rate swings. The aim of speculation is, as opposed to investment, short-term profit. Foreign exchange transactions are associated with an extremely high risk of loss. The determination of the prices is affected by the meeting of supply and demand of those market participants who require foreign currency with immediate delivery. The pricing is described as the "price on the spot market". 6

2.1. Exchange rate
The currency which expresses the price is called the quoted currency. The price which is expressed by the quoted currency is related to one unit of the base currency. The exchange rate for the currency pair EUR/USD gives the value of a EUR (base currency) in USD. It expresses the quantity of the quoted currency which is needed for an exchange from or to the base currency.

2.2. Processing of foreign exchange cash transactions and foreign exchange futures transactions
Foreign exchange cash transactions are generally fulfilled by the actual delivery on both sides of currency amounts. In practise the fulfilment can also take place through the offsetting with a concluded transaction. The applicable exchange rate in cash transactions are defined by the bid and ask rates. In international foreign exchange transactions the bid rate is the rate for which a customer can purchase a base currency and the ask rate is the rate for which the customer can sell a base currency. The difference between these rates is described at the market difference (spread). Bid and ask rates are not fixed, the rates differ in particular according to the volume of trades and the current market conditions. On the spot market the foreign exchange rate is agreed on the day of the trade; the actual transaction then takes place as swiftly as possible. The value date for immediate settlement is two working days after the trading day (T+2). This is called the value date, spot or spot date. This approach reduces the risk in the

settlement and allows time for the exchange of formalities, such as transaction confirmations with the payment instructions of both parties. If this spot transaction is not settled on the second business day (2 days after the trading day), the party which has not delivered is charged interest. With the development of “Intraday” (real-time gross settlement – RTGS) in the 1990's, i.e. settlement opportunities for sale and purchase within a day, the settlement of transactions for today (T+0) and overnight for tomorrow (T+1) are enabled. As already explained, foreign exchange cash transactions are inherently fulfilled through a the payment of the corresponding currency amount. To cover the risk of non-fulfilment the contract partner of the customer can demand security (a “margin”). The margin covers to an corresponding amount the traded currency volume of the customer. The amount of the margin payment is generally dependent upon the trend of the foreign exchange rate. A foreign exchange futures contract is a transaction with which an exchange of currency is undertaken, i.e. the purchase or sale of a particular currency on an agreed future date at a rate (price) agreed today. This rate is called the future rate. Banks create foreign exchange futures quotes for the most tradeable currencies. The future date is calculated from the value date spot, which is calculated from the transaction date. As already mentioned, the spot date lies two business days after the transaction date. The maturity date of foreign exchange futures contracts lies between 3 days and roughly 2 years. Seen in this way, the foreign exchange futures market equates to the Over the Counter (OTC) market for foreign exchange futures. Both contract types show by means of the position taken the expected development in the future foreign exchange rate.

2.3 Speculation
Speculators enter into positions with the sole aim of achieving a beneficial self-contained trade. This transaction does not form the basis of position which has to be secured. It serves solely to implement speculation.

2.4. Extreme Fluctuations in the Rate
The large number of market participants and the extremely short reaction time occasionally lead to extreme fluctuations on one day and therefore to extraordinarily high risk.

2.5. Margin transactions - leverage- effect
If margin call or payment obligations are not fulfilled, then the risk exists that the position will be evened up before maturity. You can suffer losses due to this. The processing of a foreign exchange transaction on the basis of a margin reduces the investment of capital, so that with a comparatively low capital stock a comparatively high trade volume can be moved, however the consequence of the margin trade is that even small fluctuations in the rate can lead to the total loss of the capital investment if the loss exceeds the margin deposited on it. Furthermore
an additional payment can result, which leads to the fact that the customer must provide an amount beyond the original investment. This relationship is described at the “leverage effect”. As a basic principle: the smaller the margin, the greater the danger of total loss of the amount invested and an additional payment which goes beyond this.

2.6. Currency and exchange rate risks
Profits and losses on foreign exchange transactions exist in a reflected form vis-a-vis the seller and the purchaser to an unlimited amount. The seller in a foreign exchange transaction obligates himself to deliver foreign exchange at a future exchange rate. It depends on the respective contract partner of the customer or on the contract concluded with him as to how far the transaction of the customer, in the case of a loss which occurs, can even up before maturity through the conclusion of a transaction or through offsetting. These risks can also not be excluded through careful exchange rate analysis.

2.7. Unsuccessful risk reductions
The risks involved in foreign exchange transactions can be limited by stop-limit orders and/or stop-loss orders. Risk management with the aid of these instruments can fail if the orders cannot be carried out with the intended price, only with prices which produce losses or cannot be carried out at all. Risk limitation through stop-limit orders and/or stop-loss orders can be unsuccessful in dynamic market phases due to the then typical large fluctuations in price.

2.8. Risks of online trading
Further risks can occur due to the peculiarities of online trading, in particular due to system errors, system failures, transfer errors, other faults in the hardware or software, or the connection being lost which can lead to instructions, in particular also stop-limit orders and/or stop-loss orders not being transferred or carried out in time. These errors and faults can also lead to losses or total loss of the capital investment.

2.9. Other risks
Additional risks can occur if the conclusion and/or the processing of foreign exchange transactions are subject to laws other than those of German law. This can lead to the assertion and implementation of claims from the conclusion and/or processing of foreign exchange transactions which can be linked to actual or legal difficulties. Risks can arise from the lack of stipulations under regulatory law or the existence of insufficient regulatory stipulations. Further risks can occur if, with the conclusion and/or processing of foreign exchange transactions, the contract party speaks another language. Here, difficulties in understanding or translation errors can occur.

2.10. Day trading - risks
Foreign exchange transactions on the same day in the same currency pair can lead to immediate losses. Contract partners can, in certain circumstances, lose their entire capital. In the case of credit-financed day trading transactions the customer is, as a basic principle, obligated to pay back the loan, independent of success. With the attempt to achieve profits through “day trading”, the customer is competing with professional and financially strong market participants. “Day trading” requires from customers deep

knowledge in relation to foreign exchange markets, foreign exchange trading techniques and strategies.

2.11. Legal risk
The legal risk is the risk that a transaction cannot be carried out due to legal reasons. The enforceability of contracts can in particular be endangered by missing authorisation on the part of the business partner for the conclusion of the transaction, contractual deficiencies, incomplete transaction documentation and/or legal peculiarities in the countries in which the business partners are based. A particular transaction is, for example, not enforceable or the obligations entered into are in general not enforceable. It can also not be enforceable with regard to a particular contract party. This is, for example, the case when a contracting party either cannot effectively conclude such a transaction or cannot present the required permit for the effectiveness of the transaction. If a transaction is insufficiently documented, in the case of a dispute it is possible that a claim cannot be proven in a legally watertight way. Legal risks increase when transactions outside of the stock exchange are not documented with recognised framework agreements. In this case the danger increases that not all of the questions which could occur have in the end been settled. If off-exchange transactions are concluded with a transaction partner as per a framework agreement and this agreement contains a netting agreement, then the risk exists that this transaction cannot be enforced if the contract partner is unable to pay. This can lead to insolvency administrator having a voting right.

2.12. Operational and organisational risks
Operational and Organisational risks are understood to mean the danger that deficiencies in structural and processing organisation can lead to unexpected losses. This risk can be based upon deficiencies in IT and other information systems, upon human error and insufficient control processes in internal operations. Shortcomings in the structural and processing organisation can lead to a considerable risk of loss or can be reflected in additional expense. Faulty programme processes as well as automated IT and information systems, which do not allow for the type and scope of the running and potential trading volumes can also involve a considerable risk. Counted among the human risk factors, which can be attributed to insufficient dedication, are deficient understanding by the management, internal operational risk controls, in particular insufficient transaction process controls, and a lack of trading limits, as well as entering into disproportionately many open positions.

2.13. Risk increase through transaction costs and fees
The costs and fees for the services of vPE WertpapierhandelsBank AG as well as institutes which operate accounts and, if applicable, other financial service providers involved have disadvantageous consequences for trading success. Due to the high number of transactions on an account with intensive trading and a total large sum in related transaction costs, this can quickly lead to substantial proportion being eaten up. The opportunity to achieve an overall profit is thereby considerably decreased. It may also be that, for example, loss limitation measures have been calculated just over the expected span of the price fluctuation (e.g. stop order). Both can lead to a hectic entry and exit in trading, with the consequence that new transaction costs are always incurred, which then consume the customer's investment, without considerable losses occurring due to alterations in the market. The opportunities for profit in such cases are excluded and the loss of a large part of the customer's investment through transaction costs is in this case preset.

2.14. Caution
Viewed purely statistically and according to probability calculations, with speculation in financial futures transactions (inc. foreign exchange futures transactions) and foreign exchange cash transactions (Forex transactions) there is the hope of an increase or fall in rates and thereby simultaneously a profit opportunity and a loss risk of initially 50% respectively. This profit/loss relationship is, however, made worse to the disadvantage of the customer due to the costs and fees which are incurred in relation to the execution of the financial futures transaction (inc. foreign exchange futures transactions) and foreign exchange cash transactions, because this has first to be won back through the corresponding price trend in the market to his advantage. If the expected trend in market rates does not occur, then the respective costs and fees incurred will in any case increase the loss which has occurred. However, the specialised market traders, whose assessments determine the pricing on the stock exchanges and futures markets as well as foreign exchange transactions, do not take into account such transaction costs and fees for private customers. The pricing on the markets reflects the opportunities and risks in a barely justifiable form for specialised traders. The higher the costs per transaction, the smaller are any chances of profit, although with repeated speculation after the realisation of initial losses, a per-account profit balance chance is extremely unlikely for the entire set of speculations, if not completely excluded. Transaction costs can be absolutely too high in relation to the investment by the customer or relatively too high, and namely due to frequent entries and exits in and out of transactions.

3. Share options

Share options can be traded at any time during stock exchange hours, i.e. You can buy and sell the options again at any time in order to realise a profit or to limit a purchase loss.

3.1. Definition of a purchase option:
“The purchaser of a call (the investor is of the opinion that a particular share will rise) purchases with the payment of the sale price (paid the so-called option money) the right (the right, not the obligation) to purchase a certain amount of shares (an option generally contains 100 shares) of company (a certain company) within a certain period of time (within the

so-called maturity of the option) at a certain price (the base price or strike price is meant here, i.e. the price at which the shares can be purchased)."

3.2. Features of an option:

A = price of the share	B = base price
T = time	P = option money
I = inner value	Z = time value

P = I + Z — The option money is made up of the inner value (I) and the so-called time value (Z).

I = A – B — The inner value results from the difference between the share price (A) and the base price (B). Only when the difference between A – B is positive does the option money have an inner value (A is larger than B).

3.3. Factors for the extent of the time value and thereby of significance for the option money are
the longer T the larger Z and thereby P. From 01/06 – 18/12 = 200 days:365 days = 0.547;
T is a factor which moves towards 0, the closer one comes to the maturity date. The greater the volatility (exchange rate fluctuation) of the share the greater Z and therefore P. The greater delta price the greater Z and therefore P. Delta is the change in the option money in regard to the change in the share

3.4. Break-even point for long call (put):
Strike price plus (minus) premium plus any commissions.

3.5. Risks

3.5.1. Risks of shares based upon an option
The general market risk of a share in the risk of a change in price, to be attributed to the general tendency in the share market and which does not have a direct relationship to the economic situation of the individual company. The risk of a falling price trend with a share due to factors which directly or indirectly affect the company is referred to as a company-specific risk. Increasing or falling prices in the share market or with an individual share are dependent upon the assessment of the market participants and their investment behaviour. Besides objective factors and rational consideration, the decision to buy or sell securities is also influenced by irrational opinions and behaviour. Thus the share price also reflects hopes and fears, suspicions and moods of sellers and purchasers. The stock markets are in this respect a market of expectations in which the boundary between a factually-based and more emotional behaviour cannot be distinctively drawn. With share disposal at the right point in time of entry and exit (timing) is consequently the deciding factor for share success. Numerous analysis methods, such as fundamental analysis and chart analysis for example, attempt to bring together the diverse factors which influence the market and the share price as well as technical factors into one statement and to give an indication of investment decisions which promise success. In doing so the focus of fundamental analysis lies in making the right selection of the suitable shares, while chart analysis primarily supports the decision for the point in time (the timing) of the transaction.

3.5.2. Additional special risks with options
A change in the price of the share which your option as the subject of a contract is based upon can significantly decrease the value of your option. A loss of value can result in the case of a purchase option (call) with a loss in price, in the case of a sales option (put) in the case of an increase in price of the underlying subject of the contract. If a loss of value occurs, then this always happens over-proportionally to the change in price of the base value, even right up to the complete loss in value of your option. A loss of value of your option can also occur if the price of the base value does not change because the value of your option is determined by further price-forming factors (e.g. time, leverage or frequency and intensity of price fluctuations in the base value). Due to the limited time of an option you cannot rely on the fact that the price will recover in time. If the market trend or your expectations are not met any you therefore forego the exercising of your option or you fail to exercise it, then your option expires after maturity and it completely valueless. Your loss then lies in the price paid for the option plus the costs incurred.

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According to experience, in options trading on American exchanges around 80% of investors lose their capital in part or in whole and only around 20% of investors achieve a profit. Do not discount this.

Only speculate with capital which you can spare.

The trade with share options is speculation and thereby a transaction which is carries a high risk. You must therefore always put your investment amount in realistic relation to your net liquid assets. You must be able to afford to lose the money invested.

! *We advise you that you should not use more than 20% of your liquid capital for speculation in share options.*

If you hold on to your option until maturity and the price of the shares has not reached the base price of your option, then this leads to a total loss. Thus you should never allow this to happen, but rather sell the option beforehand. Our task is to check whether you are suitable for trading. This checking primarily takes place with the aid of your risk profile, your liquid funds and your investment aims. If you are experienced in share options, you will know what this is about. Should you be inexperienced, you must confirm to us that you have been comprehensively informed of the operating mode and risks share options and have understood them.

! Warning !

3.5.3. Effects of additions to the original option money and the chances of profit

3.5.3.1. The quoted original option money is formed by the convergence of offers and counter offers. The original option money indicates the context of an area of risk viewed as still reasonable by the market. Its amount corresponds to the realistically viewed, if not largely speculative, expected market rate by market specialists. Every addition – even small ones – to the original price thus makes the profit expectation poorer, because a higher rise in the rate is necessary than is viewed as being realistic by market specialists, in order to move into the profit zone.

3.5.3.2. The commission charged represents such an addition to the original option money, which considerably decreases the chances of profit. As the commission is independent of the amount of the original option money, USD 100 each per option, the commission leads to the fact that the minimisation of the chances of profit is greater the smaller the original option money is. If, for example, the original option money is USD 3.00 and 1 option is purchased, so at a price of USD 300, then the commission levied on top is USD 100 again, so 33% related to the original option money. In order to enter into the profit zone, the original option money must rise by more than 33%, though market specialists would no longer view such a market development as realistic.

3.5.3.3. If you then pay a premium on top of the capital invested, the chances of profit thereby decrease again (example: the levying of a five per cent premium on top of the investment amount thereby decreases your starting position equally by five per cent), and in fact all the more, the higher the rate at which the premium is charged, so that the additions to the original option money, together with the premium in all probability result in your investment being without a chance.

3.5.3.4. If you then purchase more options, possibility of achieving an overall profit decrease, due to the commission levied with each further purchase. The commission and a possibly agreed premium lead to the fact that your investment in all probability is practically without a chance and will lead to total loss.

Declaration:
I have carefully read the risk disclosure statement of the financial investment which I have chosen. I have not allowed myself to be influenced by statements which have incorrectly underplayed the risks.

I am convinced that the financial transactions intended by me are suitable for me and I am prepared and am in the position to bear the associated risks and all possible financial losses.