

## Declaration of Risks of online electronic trading

Issued by Excel Invest Co.

The world is witnessing a growing usage of electronic trading service of securities through the Internet both in terms of volume of transactions, the number of dealers or the number of traded securities, as a result of the increasing demand to deal through the Internet instead of the traditional way of delegating a broker or mediator to carry out the required operations.

In the trading of securities via the Internet, the customer enters the purchase and selling orders without the need to communicate with the broker (mediator) and to authorize him to do so.

Accordingly, the investor is the owner of the investment decision of buying and selling, and is responsible for the implementation of this resolution through entering the appropriate order to the electronic trading system through the software provided by the broker for its clients.

Before using this electronic system, the investor should be aware of some technical and regulatory matters relating to this service, as well as being fully aware that the use of the Internet system involves a number of risks that may lead to undesirable loss. These risks may be associated with the Internet network itself, software, or electronic trading system, in addition to the misuse of the service by the investor. So the investor shall acknowledge that he is aware and accept these risks which he might face while trading via the Internet, and that the brokerage company will not be responsible for the failures of communication, its interruption or delay of trading via the Internet, and it will not be liable for errors resulting in the account balances as a result of this failure.

Some risks of trading via the Internet:

1 - Loss of password of Investor account

Loss of user name and password, or failure to maintain the investor account or disclose it to others may result in many risks, these risks are represented in enabling a third party access to the account of the investor and the misuse of this account.

2 - Mechanism of action of the online electronic trading

The client shall review carefully the functions of the online trading program before start using it and to review the guide of system usage before using it and ask the brokerage company for any matters not clear to him in the guide (manual).

3 - Internet failures

The Internet defaults may lead to partial or total service interruptions, which mean the loss of contact with the orders entered in the Trading System. The client shall immediately contact a brokerage firm and reported the suffered problem, so that the company shall handle and control the entered orders and return to the traditional method of trading until the return of service to the client.

4 - Connectivity speed with Internet

Connection speed may affect the efficiency of receiving information or control over the Internet. A delay in the receipt of trading information and messages may occur, and the messages of reporting received from the trading system concerning the entered orders, and may imply a delay of purchase orders and sales to the electronic trading system.

## 5 - Increased sudden trading activity

The increased sudden activity of trading or even increase the overcrowding at the service provided by the broker to its clients may result in increasing the momentum of the information that is communicated through the Internet, which may lead to potential delays in receiving information or updating the stock prices on the used software, In addition to the role of overcrowding and increase the trading activity in the interruption or failure of connection to the service.

## 6 – Defaults of computer system used by the investor

The disruptions that might be exposed to the investor computer may reduce the opportunity to complete the operations or the inability to implement finalization , or lack of accessibility to the Internet to connect to the service, or even non-receipt of messages reporting from the electronic trading system on the orders entered, so the investor should conduct periodic maintenance required for his computer and update it to avoid any potential sudden defaults .

## 7 - Errors in prices and information of trading securities, which are transmitted through the Online Trading

The above mentioned interruptions affecting the systems and software, or hardware and communication lines used to access the information incorrectly to the investor, so the investor if noticing any errors in prices and trading information shall stop using the service immediately and to inform the mediator to avoid undesirable losses.

#### 8- Third-party intervention

In case of third party interference in the network, including interception of report messages, or sent them by hustlers and impersonators, such as access to websites and misuse them or a third party to enter programs and systems to the Investor's PC, including antivirus and intrusion... Etc., which can interfere with or damage communications and cause damage to the system of the used computer.

So an Investor shall always use Firewalls and anti-virus programs, and shall update them periodically.

9- Internal modifications of the Investor's computer systems by its officials and employees and employees (in case the investor is a juridical person).

10- Failing to deal with sensitive and confidential data by the persons who use the Investor's computer systems or the data stored in them.

11- Failing to provide protection programs (Firewalls), anti-virus software and passwords and other access control mechanisms on the customer's computer, which helps in reducing the risk of using the Internet in communications and trading.

12- Enter / modify / cancel the orders Incorrectly

The client may incorrectly enter / modify / cancel orders, such as entering a purchase order instead of a sell order, or the wrong modify of the prices which may bring unwanted loss.

13- Any other risks arising from the use of the Internet

The Customer further acknowledges that he is aware that the techniques of security and protection, and the means used for the purposes of intrusion, access to websites, and interception and interference in Internet communications and any other hazards resulting from the use of Internet is growing steadily with time, it is necessary to continue update the techniques and procedures of security and protection, and improving Internet communications and mechanisms of trading operations through the Internet.