

RISK WARNING

High Risk Investment

Margined retail foreign exchange or currency (“forex”), commodities and financial derivatives transactions are extremely risky. Trading with Nature Forex Ltd. (“NatureForex”) involves the leveraged trading of contracts with NatureForex as your counterparty and is only suitable for sophisticated individuals and institutions. Because of the leverage and the other risks disclosed here, you can rapidly lose all of the funds or property you pledge to NatureForex as margin for trading. You may lose more than you pledge as margin. If your margin falls below the required amount, and you fail to provide the required additional margin, NatureForex is required to liquidate your transactions. Given the possibility of losing one's entire investment, speculation in any of the markets in which you would trade with NatureForex, such as the off-exchange retail forex market, should only be conducted with risk capital funds that, if lost, will not significantly affect your financial situation.

Market Opinions - NatureForex

Any opinions expressed by representatives of NatureForex as to the future direction of prices of specific currencies, commodities or indices are purely opinions, do not necessarily represent the opinion of NatureForex, and are not guaranteed in any way. In no event shall NatureForex have any liability for any losses incurred in connection with any decision made, action or inaction taken by any party in reliance upon the information provided verbally or via the Internet, or any delays, inaccuracies, errors in, or omissions of information.

No Deposit Insurance

Retail transactions conducted with NatureForex are not insured by any deposit insurance of any kind.

Internet Trading Risks

In addition, there are risks associated with utilizing an Internet-based deal execution trading system including, but not limited to, the failure of hardware, software, and Internet connectivity. Since NatureForex does not control signal power, its reception or routing via the Internet, configuration of your equipment or reliability of its connection, we cannot be responsible for

communication failures, distortions or delays when trading via the Internet. NatureForex employs backup systems and contingency plans to minimize the possibility of system failure, and trading via telephone is always available.

Potential Conflicts of Interest

Trading is not on a regulated market or exchange -- NatureForex is your trading counterparty and has conflicting interests. The retail transaction you are entering into is not conducted on an interbank market nor is it conducted on a futures exchange subject to regulation as a designated contract market by the Commodity Futures Trading Commission. The trades you transact are trades with NatureForex as the counterparty. When you sell, NatureForex is the buyer. When you buy, NatureForex is the seller. As a result, when you lose money trading, NatureForex is making money on such trades, in addition to any fees, commissions, or spreads NatureForex may charge.

In addition, any paid solicitors may have undisclosed conflicts. NatureForex may compensate introducing brokers for introducing your account in ways that are not disclosed to you. Such paid solicitors are not required to have, and may not have, any special expertise in trading and may have conflicts of interest based on the method by which they are compensated. You should thoroughly investigate the manner in which all such solicitors are compensated. You should always consider obtaining dated, written confirmation of any information you are relying on from NatureForex in making any trading or account decisions.

Leverage Disclaimer

The leveraged nature of forex, commodities and derivatives trading means that any market movement will have an equally proportional effect on your deposited funds. This may work against you as well as for you. The possibility exists that you could sustain a total loss of initial margin funds and be required to deposit additional funds to maintain your position. If you fail to meet any margin call within the time prescribed, your position will be liquidated and you will be responsible for any resulting losses.

Economic News Disclaimer

There can be significant price volatility with any substantive economic news announcement. Bid-ask or bid-offer spreads will often widen just before a release and will remain wide for a few

minutes thereafter. In conjunction with a material news release, plan on the spreads widening and if you are trading with a Buy or a Sell Stop entry order, do not anticipate being filled at your entry price. You will be filled at the prevailing market price after the release, and this market price could be significantly different from your desired price of your entry order.

Trading and Execution Risks

Liquidity

Please be aware that during the first few hours after the open, the market tends to be thinner than usual until the Tokyo and London market sessions begin. These thinner markets may result in wider spreads, as there are fewer buyers and sellers. This is largely due to the fact that for the first few hours after the open, it is still the weekend in most of the world.

Margin Calls

The idea of margin trading is that your margin acts as a good faith deposit to secure the larger notional value of your position. Margin trading allows traders to hold a position much larger than their actual account value. NatureForex offers leverage up to 1000:1 depending on the account type. Obviously, trading on margin comes with high risk, since high leverage may work against you as much as it works for you. If account equity falls below margin requirements, the NatureForex System will trigger an order to close all open positions.

When positions have been over-leveraged or trading losses are incurred to the point that insufficient equity exists to maintain current open positions, a margin call will result, and open positions must be liquidated.

Please keep in mind that when the account's usable margin reaches zero, all open positions are triggered to close. The margin call process is entirely electronic, and there is no discretion on NatureForex's part as to the order in which trades are closed. Such discretion would require NatureForex to actively monitor positions and accounts.

Although the margin call feature is designed to close positions when account equity falls below the margin requirements, there may be instances when liquidity does not exist at the exact margin call rate. As a result, account equity can fall below margin requirements

at the time orders are filled, even to the point where equity account becomes negative. This is especially true during market gaps or volatile periods. NatureForex will not hold traders responsible for deficit balances in this scenario, but clients should be aware that all funds on deposit in an account are subject to loss. NatureForex also recommends that traders use stop orders to limit downside risk instead of using a margin call as a final stop.

NatureForex strongly recommends that traders maintain the appropriate amount of margin in their accounts at all times. You may request to change your margin requirement/leverage, which is subject to approval by NatureForex. Margin requirements may be changed based on account size, simultaneous open positions, trading style, market conditions, and at the discretion of NatureForex.

Requotes

Requotes may occur at times of extreme volatility and fast price movement. Requotes occur because the price at which the trader wants to execute a trade has moved and the system cannot execute at that level. To avoid extreme cases of slippage a requote may appear. This gives the trader the choice to either execute at the new available price or not execute a trade at all.

Rejected Orders

Extreme market volatility creates conditions that may make it difficult to execute orders at a given price due to an extremely high volume of orders. By the time orders are able to be executed, the bid/ask price at which a counterparty is willing to take a position may be several pips away and, in such a case, the trader's order may be rejected.

Slippage

Nature Forex aims to provide its clients with the best pricing available at any time and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. This most commonly occurs at or around the time of significant news events and other political or market announcements.

The volatility in the market can and might create trading conditions where orders are difficult to execute at the requested rate, since the price might be many pips away due to the extreme market movement. Even though the trader is looking to execute at a specific price, the market might have moved significantly and the order would be filled at the next best price or the fair market value. Similarly, increased volume may also result in slippage if sufficient liquidity does not exist to execute all trades at the requested rate.

Please note that the Enable Maximum Deviation from Quoted Price feature on the NatureForex MT4 platform enables traders to control the amount of potential slippage they are willing to accept on a market order. Zero indicates no slippage is permitted. When zero is selected, the trader is telling NatureForex that his or her order may be executed only at the exact price requested, or not executed at all. If it cannot be executed, a requote window might appear. If the trader indicates his or her willingness to accept a range of permissible slippage to raise the probability of having his or her order executed, the order will be filled at the best price available within the specified range. For example, a trader may indicate that he or she is willing to have an order filled within 5 pips of his or her specified order. The NatureForex system would then fill the order within the acceptable range (in this case, 5 pips) if the market has moved quickly through the price at which the order was entered. If the order cannot be filled within that permissible range, the order will be rejected and a requote window will appear.

Once a limit or stop order is triggered, it becomes a market order, and there is no guarantee that it will be filled at any particular given price. Therefore, limit or stop orders may also experience slippage depending on the market conditions.

In cases where the liquidity pool is not large enough to fill a market or pending order, the order will be rejected until the order can be filled.

Trade Execution Delay

A delay in execution can happen for several reasons, such as technical issues with the trader's Internet connection to the NatureForex servers, which may result in hanging orders.

The NatureForex MetaTrader 4 on a trader's computer may not be maintaining a constant connection with the NatureForex servers due to a lack of signal strength from a

wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal and disable the NatureForex Trading Station, which can cause delays in the transmission of data between the trader's NatureForex Trading Station and the NatureForex server.

Widened Spreads

The goal of NatureForex is to provide traders with tight, competitive spreads; however, there may be instances when spreads widen beyond the typical spread. During news events spreads may widen substantially in order to compensate for the tremendous amount of volatility in the market. The widened spreads may only last a few seconds or as long as a few minutes. NatureForex strongly encourages traders to use caution when trading around news events and economic announcements and to always be aware of their account equity, usable margin and market exposure. Widened spreads can adversely affect all positions in an account.

Gapping

Sunday's opening prices might or might not be the same as Friday's closing prices. At times, the prices on the Sunday open are near where the prices were on the Friday close. At other times, there might be a significant difference between Friday's close and Sunday's open. The market may gap if there is a significant news announcement or an economic event changing how the market views the value of a currency, commodity or other trading instrument. Traders holding positions or orders over the weekend should be fully comfortable with the potential of the market to gap. In the case of pending orders, limit or stop orders will be executed at the next available price after the gap.

Weekend Risk (Price Gap)

Traders who fear that the markets may be extremely volatile over the weekend, that gapping may occur, or that the potential for weekend risk is not appropriate for their trading style, may simply close out orders and positions ahead of the weekend.

Chart Pricing vs. Prices Displayed on the Platform

It is important to make a distinction between indicative prices (displayed on charts) and executable prices (displayed on the NatureForex System). Indicative prices are usually

very close to executable prices; however, indicative prices only give an indication of where the market is. Only executable prices can be traded.

Differences in Pricing between Brokers

Because the spot forex market is decentralized, meaning it lacks a single central exchange where all transactions are conducted, each forex broker may quote slightly different prices. The small differences in prices are also due to the different spreads and commissions each broker charges.

This brief statement cannot, of course, disclose all the risks and other aspects of trading with NatureForex.

Please acknowledge that you have received and understood this risk disclosure statement. Otherwise please do not proceed any further with this application.*

BY CLICKING THE "YES" BOX BELOW, I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED AND UNDERSTOOD THIS RISK DISCLOSURE STATEMENT BY CHECKING YES IN THE BOX BELOW.

Yes

Date _____

*If you are not completing your application online but are sending hard copy application materials, please acknowledge that you have received and understood this risk disclosure statement by signing and dating it below.

I HEREBY ACKNOWLEDGE THAT I HAVE RECEIVED AND UNDERSTOOD THIS RISK DISCLOSURE STATEMENT.

Print Name

ID/Passport Number

Date

Signature