

**Paytosave Limited**  
**Solidbit Ecosystem <https://solidbit.io/>**  
**company registration number: 227963,**  
**incorporated under the Laws of Seychelles,**  
**legal address: Suite 1, Second Floor, Sound & Vision House, Francis Rachel Street, Victoria,**  
**Mahe, Seychelles**

## **Risk disclosure Policy**

Paytosave Limited (hereinafter- „Company”) has been engaged to establish a system to allow company to continue business operations consistently and securely in case of various actualized risks in accordance with risk disclosure regulations.

Company has developed a Risk disclosure Policy, that defines the basic policy, system, procedures, and other matters relevant to continuing Risk disclaimer process in case of any situations in order to respond to various risks.

### **1. Purpose**

The purpose of the Company is to establish the requirements for conducting risk disclosure related reviews of information security-resources at Company.

### **2. Audience**

The Company applies to any individual or process that participates in Company’s Security in accordance with risk disclosure process in any tangible manner.

### **3. Contents**

There are many risks associated with Virtual Currency transactions. Please read the following to gain a sufficient understanding of the features, mechanisms, and risks in Virtual Currency transactions. Please execute your transaction with understanding such features, mechanisms and risks without objection and based on your own judgment and responsibility.

This document is only a summary of risks and does not provide an exhaustive list of all the risks associated with Virtual Currency trading.

#### **4. Risks associated with cryptocurrencies and trading operations in general**

##### **o Price Fluctuation Risk**

Virtual Currency is not legal tender and does not have legal tender as an underlying asset. The value of Virtual Currency fluctuates all the time. The value of Virtual Currency may be affected by trends in the prices of goods, legal tender, the securities market, and other markets, natural disasters, war, political upheaval, strikes, increased regulation, the spread of other similar Virtual Currencies, or an unexpected or extraordinary event that occurs in the future. Therefore, the value of the Virtual Currency that you hold or the value of your Virtual Currency transaction may change rapidly or drop sharply. Please also be aware that the value of Virtual Currency may fall below the purchase price or may drop to zero.

##### **o Business Hours Risk**

The value of Virtual Currency may in some cases fluctuate widely when the Company is not open for business (including when we are performing maintenance). The Company bears no liability whatsoever if you are unable to execute a Virtual Currency transaction outside of business hours.

##### **o Liquidity Risk**

Depending on market trends or trade volumes, etc., your transaction may be difficult or impossible to execute, or you may be forced to execute it at a very unfavorable price.

In the margin trading, depending on market trends or trade volumes, etc., it may be difficult to execute a reversing trade of your position, potentially widening your losses.

##### **o Risks Due to Virtual Currency Networks**

When a Virtual Currency transaction is executed, the transaction will not take effect and will be on hold for a certain period until sufficient transaction confirmation (block chain transaction verification) is completed. Verification is not required for executing trade transactions at the exchange platform or via the crypto-exchanger, but the transfer of the Virtual Currency between the Company and yourself must be verified. Therefore, it is possible that your transaction will not be reflected in your Traders Room, the transfer of Virtual Currency between the Company and yourself may not be completed, or your transaction may be canceled, before sufficient confirmation of the transaction is made in the Virtual Currency network. Furthermore, Virtual Currency may be deleted because it is recorded electronically and its transfer is executed over a network.

- **Risks Due to Changes in Fees, Required Margin, etc.**

The Company may amend its agreement or any annexes to it in the future. In particular, the Company may change its fees (including the fee rate), the required margin, or the stop order rate, etc. depending on the situation. If these changes are made, extra funds may be required due to that change and the chances of being subject to a stop-out may increase.

- **System Risks**

Customers execute transactions using an electronic transaction system. If a customer incorrectly enters an order, the customer's intended order may not be executed, or an unintended order may be executed. The electronic transaction system may be unusable temporarily or for a certain period for many reasons, such as malfunctioning telecommunications or system equipment, or telecommunication network problems at the Company or a customer, or an order may be invalidated if a customer's instructions for placing an order arrive late (or not at all) to the Company's system.

In addition, a customer's ability to transact may be suspended in some cases whenever there is an electronic transaction system failure. If there is a sudden and severe change in the market, etc., the retrieval of price information may be delayed, leading to discrepancies between the price information on the electronic transaction system and the actual market prices.

If information such as the login ID or password used for electronic verification on the electronic transaction system is leaked due to a theft or intrusion, etc., the information may be fraudulently used by a third party, and the relevant customer may suffer losses. There is the risk that a system failure may occur due to changes to the external environment, etc., and this may disrupt a customer's ability to execute transactions. A "system failure" is when the Company finds that a malfunction (not including obstructed network lines or problems with a customer's computer, etc.) has clearly arisen in the system required to provide the Company's services, and customers are no longer able to place orders over the Internet (the Company's website, Exchange Platform or applications) or customers' orders arrive late or cannot be placed. Please be aware that in the event that a customer loses any opportunity (e.g., the Company is unable to receive a customer's order and the customer therefore loses the opportunity to place the order, losing profits that he or she ordinarily would have earned) due to emergency system maintenance or a system failure, the Company will not be able to execute a process to fix the error because it will be unable to identify the order details that the customer intended to place (the original order). The system may produce an aberrant value for the buy or sell price of the Virtual Currency calculated by the system. Please be aware that if the

Company finds that a transaction took effect based on an aberrant value, the Company may cancel the transaction. Your understanding is appreciated.

- **Risk of operational challenges.**

The Company may experience sophisticated cyber-attacks, unexpected surges in activity, or other operational or technical difficulties that may cause interruptions in the services. You understand that the services may experience operational issues that lead to delays on our exchange platform. You agree to accept the risk of transaction failure resulting from unanticipated or heightened technical difficulties, including those resulting from sophisticated attacks. You agree not to hold the Company accountable for any related losses.

## **5. Risks specific for margin trading**

- **Risks Due to Stop-Out**

The stop-out system allows the Company to cancel non-executed new orders and forcibly execute a reversing trade, and settle all, of a customer's positions to protect the customer from escalating losses when the customer's margin falls short of the Company's prescribed ratio of the margin to required margin (the "stop-out," which the Company may change at its discretion). The amount of a loss will not be determined until the settlement is completed because the final settlement price in the case of a stop-out is determined by market prices. If market circumstances shift dramatically or something else happens, the final settlement price may significantly differ from the one at the time the transaction was initiated, and it is possible that a customer's loss may exceed the amount that the customer has deposited with the Company. Customers must promptly deposit any shortfall in funds with the Company.

- **Risks Due to Leverage Effects, etc.**

In Virtual Currency margin trading, the margin principal and profit are not guaranteed. Virtual Currency margin trading involves significant risks due to leveraging. The more leverage you use, the more you can trade relative to the actual amount of asset that you invest (including the amount of deposited margin), so you may reap bigger profits, but your losses may also similarly increase significantly if market prices are inconsistent with your expectations. Therefore, the Company may execute a compulsory reversing trade of your entire position and settle the transaction using the Company's prescribed methods to protect you from escalating losses in the case that the market moves in a direction that is unfavorable to your position, and you may suffer greater losses than the assets you invested (including the amount of deposited margin).

## 6. Legal risks

### ○ **Company's obligation to comply with a legislation**

The Company is a regulated entity and must comply with applicable law. Applicable law, regulation, and executive orders may require Company to, upon request by government agencies, freeze withdrawals or trading (or both), or provide information regarding any of your accounts. Further, our recordkeeping and customer verification procedures are subject to change at any time as required by law or industry practices. We must comply with the law and You accept any inconveniences to You or other consequences resulting from our compliance.

### ○ **Bankruptcy Risk**

The Company may not be able to continue its business if the external environment changes (including more stringent regulations regarding Virtual Currency), the Company's financial condition deteriorates, or a service provider, etc. retained to provide systems or necessary services to the Company goes bankrupt, etc. If the Company is no longer able to operate its business, it will carry out procedures under the respective bankruptcy legislation, and other applicable laws and regulations, including matters with respect to customer assets. The

Company may receive deposits or Virtual Currency from customers, but the assets deposited by customers will be managed separately from the Company's assets. The Company does not, however, take client fund safety measures such as depositing them in an account with a trust bank, etc. regarding these assets, so if the Company goes bankrupt, the Company will not be able to return customer assets, and customers may suffer losses.

### ○ **Risks Due to Changes to Legislation and the Tax Code**

Many changes are taking place now regarding the laws, regulations, and tax codes in relation to Virtual Currency that applies to individuals who execute Virtual Currency transactions. In the future, Virtual Currency may be banned, restrictions or taxes may become more onerous, etc. and holding or trading Virtual Currency may be restricted or treated less favorably than it is now due to changes to laws, regulations, the tax code, or government policy, etc. In that case, customers may suffer unexpected losses. Please consult with your tax adviser, certified public tax accountant, lawyer, or other professional for details.