

RISK DISCLOSURE DOCUMENT

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This Risk Disclosure Document illustrates the risks involved in trading Virtual Assets and the use of services provided by the Unicoi DCX. These risks, and any other risks that may arise either now or in the future, could result in loss or jeopardies your assets and inability to receive any benefits available to you.

Before beginning to use the Services, you should ensure that you have read and understand (and you represent and warrant that you have read and understand) the following risk disclosures. You should note that this is not an exhaustive list of all of the risks associated with Virtual Assets and the Services.

You may seek professional advice before making any decisions. You must also check regularly the latest terms and conditions applicable to the services, as they may change from time to time.

1. No Advice and No Reliance

- 1.1 Unicoi DCX does not advise on the merits of any particular transaction, trading risks, or tax consequences, and Unicoi DCX does not provide any other financial, investment, taxation or legal advice in connection with the Services. To the extent that we or our representatives provide market commentary, or any other information, the act of doing so is incidental to your relationship with us and such information should not be construed as investment or financial advice. Any decision by you to use the Services and transact in Virtual Assets is your own independent decision. You represent that you are not relying on any communication (written or oral) by us as investment advice or as a recommendation to use the Services and transact in Virtual Assets. Unicoi DCX will not be liable for any loss suffered by you or any third party.
- 1.2 You accept the risk of trading Virtual Assets. In entering into any transaction on the Platform, you represent that you have been, are, and will be solely responsible for making your own independent appraisal and investigations into the risks of such transaction and the underlying Virtual Asset. You represent that you have sufficient knowledge, market sophistication, professional advice and experience to make your own evaluation of the merits and risks of any transaction entered into on the Platform or any underlying Virtual Asset.
- 1.3 Unicoi DCX is not your broker, intermediary, agent, or advisor and has no fiduciary relationship or obligation to you in connection with any trades or other decisions or activities effected by you using the Services.

2. Risks of Virtual Asset Trading

- 2.1 The Virtual Assets are highly volatile and carries a high degree of risk, subject to rapid and unexpected price fluctuations. The price of a Virtual Asset may move up or down, and may become valueless.
- 2.2 The Virtual Assets are not legal tender. They may not be backed by physical assets, and are not guaranteed by a government. They may not have intrinsic value. Some of the Virtual Assets may not circulate freely or widely, and may not be listed on any secondary markets.
- 2.3 Virtual Asset services, including but not limited to, initial coin offerings, secondary market trading, alternative trading systems, are riskier, if these operations are not under the purview of any regulator and it would be difficult to detect, monitor and manage conflicts of interest with respect to such operations.
- 2.4 Transactions involving Virtual Assets are irrevocable. Lost or stolen Virtual Assets may be irretrievable. Once a transaction has been verified and recorded on a blockchain, loss or stolen Virtual Assets generally will not be reversible
- 2.5 Virtual Assets trading may incur losses rather than profit. Virtual Assets, being a high-risk asset class, you should exercise utmost caution while dealing / trading in Virtual Assets.

3. Virtual Asset Liquidity, Volatility & Transfers

- 3.1 Trading in Virtual Assets can be extremely risky and volatile. Virtual Assets may have unique features that make them more or less likely to fluctuate in value.
- 3.2 Factors beyond UnicoIn DCX's control, such as regulatory activity or unexplainable price volatility, may affect market liquidity for a particular Virtual Asset. Blockchain networks may go offline as a result of bugs, Forks or other unforeseeable reasons. Any Virtual Asset may decrease in value or lose all of its value due to various factors including discovery of wrongful conduct, market manipulation, change to the nature or properties of the Virtual Asset, governmental or regulatory activity, legislative changes, suspension or cessation of support for a Virtual Asset or other exchanges or service providers, public opinion, or other factors outside of our control. Technical advancements, as well as broader economic and political factors, may cause the value of Virtual Assets to change significantly over a short period of time.
- 3.3 As a general matter, you should not engage in active trading on the Platform or use our Services, if you have limited trading experience or low risk tolerance. Speculating on the value of Virtual Assets involve high risk and you should never trade more than you can afford to lose.
- 3.4 Understanding Virtual Assets requires advanced technical knowledge. Virtual Assets are often described in exceedingly technical language that requires a comprehensive understanding of applied cryptography and computer code in order to appreciate the inherent risks. The listing of a Virtual Asset on the Exchange/Platform does not indicate UnicoIn DCX's approval or disapproval of the underlying technology of any Virtual

Asset and should not be used as a substitute for your own understanding of the risks specific to each Virtual Asset. We provide no warranty as to the suitability of the Virtual Assets traded under the Terms and assume no fiduciary duty to you in connection with such use of the Services.

- 3.5 You accept all consequences of sending Virtual Assets to an address off-the-platform. Virtual Asset transactions may not be reversible. This means accidental or fraudulent transactions in respect of Virtual Assets may not be recoverable. Once you send Virtual Assets to an address, you accept the risk that you may lose access to your Virtual Assets indefinitely. For example, an address may have been entered incorrectly and the true owner of the address may never be discovered, or an address may belong to a person that will not return your Virtual Assets or may return your Virtual Assets but first require action on your part, such as verification of your identity or compensation.

4. Supply and value of Virtual Assets

- 4.1 The value of Virtual Assets may be derived from the continued willingness of market participants to exchange Virtual Assets for fiat currency and other Virtual Assets, which may result in the permanent and total loss of value of a particular Virtual Asset should the market for that Virtual Asset disappear.
- 4.2 You acknowledge and agree that Virtual Assets and/or Services (in whole or in part) available in one jurisdiction may not be available for trading, use or access, as applicable, in another.

5. Margin trading

- 5.1 Margin trading is HIGH RISK. As a borrower, you may sustain a total loss of Virtual Assets, fiat currency and any other assets (collectively, "Assets") in your Account, or owe Assets beyond what you have deposited in your Account. When you lend Assets to other Users, you risk the loss of an unpaid principal if the borrower defaults on a loan and liquidation of the borrower's Account fails to raise sufficient Assets to cover the borrower's debt.

6. Complex Products

- 6.1 Virtual Assets may be complex products by virtue that the terms, features and/or risk are not readily understood due to the complex structure, novelty and reliance on technological features.
- 6.2 Trading of complex products, including but not limited to Futures Contracts, Options Contracts, and any other Derivatives Contracts (collectively, "Complex Products"), may not be suitable for all Users. Complex Product trading is designed to be utilised only by sophisticated users, such as active traders employing dynamic strategies. You should use extreme caution when trading Complex Products and only trade them if you understand how they work, including but not limited to the risks associated with margin trading, the use of leverage, the risk of shorting, the effect of compounding and market volatility risks on leveraged products.

- 6.3 Complex Product trading entails significant risk, and you may feel the effects of losses immediately. Complex Product trading requires initial posting of collateral to meet initial margin requirements. If movements in the markets for a Complex Product or the underlying Virtual Asset decrease the value of your position in such Complex Product, you may be required to have or make additional collateral available as margin to ensure that maintenance margin requirements are met. If your Account is under the minimum margin requirements, your position may be liquidated at a loss, and you may lose all of your Assets in your Account. If there are any additional deficits in your Account, you will also be liable for all such deficits.
- 6.4 Users who do not understand leverage or margin trading, or do not intend to actively manage their portfolio, should not engage in complex product trading.
- 6.5 UNICOIN DCX AND ITS AFFILIATES DO NOT TAKE ANY RESPONSIBILITY WHATSOEVER FOR ANY LOSSES OR DAMAGE INCURRED AS A RESULT OF YOUR USE OF ANY COMPLEX PRODUCT TRADING SERVICES OFFERED ON THE EXCHANGE/PLATFORM OR YOUR FAILURE TO UNDERSTAND THE RISKS ASSOCIATED WITH COMPLEX PRODUCT TRADING.

7. Blacklisted Addresses and Forfeited Assets

- 7.1 UnicoIn DCX reserves the right to "blacklist" certain addresses and freeze associated assets (temporarily or permanently) that it determines, in its sole discretion, are associated with illegal activity or activity that otherwise violates the Terms ("Blacklisted Addresses"). In the event that you send Assets to a Blacklisted Address or receive Assets from a Blacklisted Address, UnicoIn DCX may freeze such Assets and take steps to terminate your Account.
- 7.2 In certain circumstances, UnicoIn DCX may deem it necessary to report such suspected illegal activity to applicable law enforcement agencies and other Regulatory Authorities, and you may forfeit any rights associated with your Assets, including the ability to redeem or exchange your Virtual Assets for other Virtual Assets or fiat currency. UnicoIn DCX may also freeze Assets held in your Account in the event that we receive a related order or request from a legal or Regulatory Authority.

8. Reliance on Distributed Ledger Technology

- 8.1 Virtual Assets rely on various types of distributed ledger technology. Some of this technology is open-source software that is built upon experimental technology, namely blockchain. Risks arising from this reliance include the existence of technical flaws in the technology, targeting by malicious persons, majority-mining, consensus-based or other mining attacks, changes in the consensus protocol or algorithms, decreased community or miner support, rapid fluctuations in value of relevant Virtual Assets, the existence or development of competing networks, platforms and assets, flaws in the scripting language, disputes between developers, miners and/or users and regulatory action.
- 8.2 The software protocols that underlie Virtual Assets are typically open-source projects or are otherwise operated by third parties, which means that: (i) the operations,

functionalities, development and control of such Virtual Assets and their underlying networks are outside of Unicoi DCX's control; and (ii) such software protocols are subject to sudden and dramatic changes that might have a significant impact on the availability, usability or value of a given Virtual Asset.

9. Technology Challenges

- 9.1 You are aware and acknowledge that, you alone are responsible for securing your private key in respect of any address in your control. Lost or compromised control of your private key will permanently and irreversibly deny you access to your Virtual Assets.
- 9.2 You are aware that the Exchange's reliance on internet and technology, exposes you to an increased risk of fraud or cyber-attack which includes, but not limited to (i) distributed denial of service; (ii) phishing; (iii) social engineering; (iv) hacking; (v) smurfing; (vi) malware; (vii) majority-mining & other mining attacks; (viii) Forks; (ix) spoofing etc.
- 9.3 Virtual Assets, Accounts, Wallets, Agreed Communication Methods, Trading Tools or the Exchange may also be vulnerable to exploitation of vulnerabilities in smart contracts and other code, as well as to human error.
- 9.4 A limited amount of your Virtual Assets may be stored in hot wallets (ie online environments which provide an interface with the internet), which can be prone to hacking or cyber-attacks. Cyber-attacks resulting in the hacking of virtual asset trading platforms and thefts of virtual assets are common. Victims may have difficulty recovering losses from hackers or trading platforms. This could result in significant loss and/or other impacts that may materially affect your interests.
- 9.5 You are aware that interruption, delay, corruption or loss of data, the loss of confidentiality in the transmission of data, or the transmission of malware may occur when transmitting data via the internet and/or other technologies which may result in delayed or non-execution of your instructions.
- 9.6 The above events may affect the features, functions, operation, use, access or other properties of the Virtual Assets, your Account, your Wallet, an Agreed Communication Method or the Exchange. You alone are responsible for protecting yourself against such actions.

10. Virtual Asset Creation and Distribution Risks

- 10.1 Risks also arise from the different ways in which virtual assets are issued and distributed. There are several ways to create and issue virtual assets, such as pre-mining, continuous mining, and a hybrid approach. Virtual assets are usually distributed through pre-token sale, initial coin offering or token sale, mining, airdrops, and forks. Pre-mining is where all the tokens are created in one batch as a single event, whereas in continuous mining, virtual assets are likely to be created on an ongoing basis or at frequent intervals for either a designated period or until a set deadline.

- 10.2 Pre-mining has the potential to create some consumer risk, such as price manipulation through pump-and-dump” schemes. The use of proof-of-work mining requires significant energy and runs counter to the global aim of transitioning to a low-carbon economy. The environmental impact of mining, carries both ethical and reputational risks. Other types of consensus mechanisms might generate concerns around security, transparency, or concentration. The shift from proof-of-work to proof-of-stake would improve energy efficiency and scalability, it could create excessive concentration of decision-making powers on virtual exchanges and wallet services providers, which may increase market integrity risks.
- 10.3 Virtual assets issued on a decentralized public network are less likely to have a single point of failure risk, with nodes and validators potentially spread around the world. However, such networks are still vulnerable to some cyberattacks (such as 51 percent attacks), and centralized components like virtual asset exchanges and wallet providers are also prone to cyber and operational risks. Risks of selfish mining and miner extractable value in certain networks could also lead to risks to market integrity.

11. Network Events - Forks

- 11.1 Virtual Assets may be subject to Forks or attacks on the security, integrity or operation of the networks, including Network Events. Such events may affect the features, functions, operation, use or other properties of any Virtual Asset, network or platform. The events may also severely impact the value of any Virtual Assets, or even result in the shutdown of the network or platform associated with the Virtual Asset. Such events are beyond the control of Unicoi DCX, or to the extent Unicoi DCX has any ability to impact such event, Unicoi DCX’s decision or actions may not be in your interests.
- 11.2 If a Fork occurs, it will result in the creation of a new Virtual Asset related to an existing Virtual Asset. You understand, acknowledge and agree that each Fork may materially affect the value, function, and/or name, of the existing Virtual Asset that we hold in your Account and/or Wallet, and that the new or forked Virtual Asset may have minimal or no value.
- 11.3 In the event of a Fork, Unicoi DCX may temporarily suspend any access to the Exchange and/or Services (with or without advance notice to you) and we may determine, in our sole discretion, whether or not to support the Forked Network(s). In the event that Unicoi DCX decides not to support any such Forked Network, the Virtual Assets offered by such unsupported Forked Networks will not be made available to you. Notwithstanding the foregoing, we may, in our sole discretion obtain and retain the Virtual Assets offered by such unsupported Forked Network as property belonging solely to Unicoi DCX.
- 11.4 You understand, acknowledge and agree that you have no right, claim or privilege in, or with respect to, any new Forked Asset. If we do not support a new Forked Asset, you may not be able to withdraw it promptly or at all; you may not be able to trade the

new Forked Asset on the Exchange or otherwise on through our Services; and you may lose any value associated with such new Forked Asset.

- 11.5 If we determine not to support a new Forked Asset, we may, in our sole discretion:
- i. obtain and retain the new Forked Asset as property belonging to us; or
 - ii. make the new Forked Asset available to you on a one-time basis, based on your holding of such Virtual Asset at the time of the Fork, subject to the withholding and retention by us of an amount reasonably calculated to fairly compensate us for the cost of making such new Forked Asset available and subject to our withdrawal procedures.

We will notify you only if we elect to permit a one-time withdrawal pursuant to clause 10.5 (ii) above.

- 11.6 You acknowledge the risks presented by Forks and hereby accept that we have no responsibility for any losses or damage arising as a result of an unsupported Forked Network.
- 11.7 Unicoindcx have no control over, nor have the ability to influence, the creation or implementation of a fork or of the new forked asset. Unicoindcx cannot provide any assurances about the security, functionality or supply of any virtual asset, before or after the fork. You understand, acknowledge and agree that Unicoindcx assume no liability relating to any change in the value of any virtual asset, whether or not resulting from a fork. You understand, acknowledge and agree that a fork could constitute a network event and/or a force majeure event beyond our reasonable control, which could affect the value of your virtual assets, and that Unicoindcx does not assume any liability for losses resulting from such events.

12. Operational Challenges

- 12.1 You are aware of and accept the risk of operational challenges that may impact the Services. The Platform may experience sophisticated cyber-attacks, unexpected surges in activity or other operational or technical difficulties that may cause interruptions to the Services. You understand that the Services may experience operational issues that lead to delays. 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 Unicoindcx liable for any related losses.
- 12.2 You understand that the technology underlying Virtual Assets is subject to change at any time, and such changes may affect your Virtual Assets stored on the Exchange/Platform. You are fully responsible for monitoring such technological changes and understanding their consequences for your Virtual Assets.
- 12.3 Certain Network Events may occur rapidly and affect adversely on your ability to conduct transactions or liquidate a position in the Virtual Assets on the Exchange. Information relating to these Network Events may be difficult to ascertain ahead of time and may be subject to limited oversight by any third-party who is capable of intervening to stabilize the network.

- 12.4 Users conduct all trading on their own account and Unicoi DCX does not take any responsibility for any loss or damage incurred as a result of your use of any Services or your failure to understand the risks associated with Virtual Assets use generally or your use of our Services.
- 12.5 There are substantial risks in allowing another person to trade or operate your Account, eg: Authorised Persons. You accept all of the risks of such an operation and irrevocably release us from all liabilities arising out of or in connection with such operations.
- 12.6 Virtual Assets depend on the availability and reliability of power, connectivity, and hardware. Interruption or failure of any of these things may disrupt the networks on which the Virtual Assets rely or your ability to access or transact in Virtual Assets.

13. Compliance with Jurisdictional Laws

- 13.1 You are responsible for complying with all Applicable Laws. You agree that Unicoi DCX is not responsible for determining whether or which laws and regulations may apply to your transactions, including but not limited to tax laws and regulations. You are solely responsible for reporting and paying any taxes arising from your use of the Services.
- 13.2 Residents, tax residents or persons having a relevant connection with jurisdictions other than Permitted Jurisdictions are prohibited from using the Exchange and its Services. Changes in your place of domicile or Applicable Law may result in you violating any legal or regulatory requirements of your applicable jurisdiction. You are responsible for ensuring that your usage of Services is, and remains lawful despite changes to Applicable Law, your residence and circumstances.
- 13.3 Dealing in Virtual Assets may be subject to the tax laws and regulations in a permitted jurisdiction. The tax treatment and accounting of Virtual Assets (and any ancillary benefits) may vary amongst jurisdictions. If you are unsure about the tax implications of your use of the Services, you should seek independent professional advice.

14. Legislative and Regulatory Changes

- 14.1 Virtual Assets received or held by us may be subject to other applicable laws and regulations of the relevant overseas jurisdictions. Legislative and regulatory changes or actions at the domestic or international level may adversely affect the use, transfer, ability to transact in, and value of Virtual Assets, or your access to, and our ability to provide, the Services. You acknowledge and accept the risks that such changes may bring and that Unicoi DCX is not liable for any adverse impact that that you may suffer as a result.

15. No Deposit Protection

- 15.1 Neither Virtual Assets nor any fiat currency or any other assets held in your Account is eligible for any public or private deposit insurance protection.
- 15.2 You should be aware that, Virtual Assets may not subject to a right to claim under any investor compensation fund established by any Government Agency as like other

assets, including Fiat Currencies. Any Virtual Assets held in an Account may not be protected deposits, and may not be protected by any deposit protection scheme in any jurisdiction. This means that Virtual Assets may have a reduced level or type of protection compared to Fiat Currencies, as well as other products and asset classes.

16. Virtual Asset Distributions Not Supported

- 16.1 Certain Virtual Assets are built on protocols that support Virtual Asset Distributions including, but not limited to, Forks, Staking Rewards and Airdrops. Unicoi DCX is not obligated to support any such Virtual Asset Distributions for Users. If you hold these Virtual Assets in your Account, you thereby forfeit the ability to claim any Virtual Asset Distributions from Unicoi DCX. If you hold Virtual Assets with proof-of-stake or delegated proof-of-stake consensus algorithms, Unicoi DCX may in its sole discretion stake these Virtual Assets without any obligation to distribute Staking Rewards to you. Staking may subject your Virtual Assets to additional risks and Unicoi DCX is not liable for losses you may incur related to staking.

17. Reliance on Third-parties & Country Risks

- 17.1 Your use of the Services and the value of certain Virtual Assets may rely on the acts of third parties or the fulfilment of related obligations by third parties. Unicoi DCX is not responsible for the acts or omissions of such third parties.
- 17.2 Virtual Assets, which are subject to foreign laws or transactions made on markets in other jurisdictions, including markets formally linked to a domestic market, recovery of the sums invested and any profits or gains may be reduced, delayed or prevented by exchange controls, debt moratorium or other actions imposed by the relevant government or other official bodies. Your local regulatory authority may be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been affected. You should obtain independent advice about the different types of redress available in both your home jurisdiction and other relevant jurisdictions before you start to deal with such Virtual Assets.

VIRTUAL ASSETS AND RELATED SERVICES INCLUDING BUT NOT LIMITED TO TRADING, INVESTMENTS, TRANSFERS ETC INVOLVES SUBSTANTIAL RISK OF LOSS. YOU SHOULD BE CAPABLE OF BEARING A LOSS IN FULL OR PARTIAL OF THE AMOUNTS INVESTED AS A RESULT OF OR IN CONNECTION WITH THE USAGE OF THE SERVICES AND ANY ADDITIONAL LOSS OVER AND ABOVE THE INITIAL AMOUNTS INVESTED THAT MAY BECOME DUE AND OWING BY YOU. YOU SHOULD THEREFORE CAREFULLY CONSIDER WHETHER THE USAGE OF SUCH SERVICES ARE SUITABLE FOR YOU IN LIGHT OF YOUR INVESTMENT OBJECTIVES, FINANCIAL CIRCUMSTANCES, RISK TOLERANCE AND YOUR INVESTMENT EXPERIENCE.