



ACX Ltd

BIOFUEL RISK DISCLOSURE

A. Services

ACX Ltd (“ACX”) is licensed by the Financial Services Regulatory Authority of the Abu Dhabi Global Market as a Recognised Investment Exchange. ACX is permitted by the FSRA to offer Matching services for certain Biofuel Contracts that have been admitted by ACX for Matching on its Biofuels Platform.

B. Definitions

Capitalised terms used but not defined herein have the respective meanings given to them in the Biofuel Rules.

C. Scope

This Risk Disclosure provides Participants with information about the risks associated with their use of the Biofuels Platform and other associated risks.

This Risk Disclosure is not intended to disclose or outline all risks associated with the use of the Biofuels Platform, trading Biofuel Contracts or other associated risks. Participants should ensure that their decisions take into account the risks set out below, as well as all other applicable risks, and they should undertake their own assessment or seek professional advice as to the suitability of their use of the Biofuels Platform in light of their experience, objectives, financial circumstances, risk tolerance and their specific needs and requirements.

Where a Participant is a Member, the Member will be responsible for ensuring its Clients fully understand the relevant risks associated with the Member’s use of the Biofuels Platform.

D. Limitations

The market for biofuels is rapidly developing and the risks of trading such assets may develop in nature and impact. As such, this Risk Disclosure may be updated periodically to identify emerging risks. Updates will be published by ACX.



E. Risks associated with the trading of Biofuel Contracts

1. Risk of loss

The price of biofuels fluctuates, sometimes dramatically, and therefore entering into transactions pursuant to a Match may incur significant losses. Any data on the past performance of a biofuel or Biofuels Contract does not guarantee future results.

2. Liquidity risk

The market liquidity for biofuels may vary, sometimes dramatically. Market conditions may make it costly or impossible for Orders to be Matched, and Participants will be unable to access the Biofuels Platform outside of Market hours. ACX makes no guarantee as to the timing or the occurrence of a Match, nor to the timing or availability of the Biofuels Platform.

3. Volatility risk

The value of biofuels may fluctuate significantly over a short period of time. The volatile and unpredictable fluctuations in price may result in significant losses over a short period of time.

Any biofuel may decrease in value or may be traded at a discount to fossil fuels due to various factors, including discovery of wrongful conduct, market manipulation, change to the nature or properties of the biofuels, shipping or storage costs, shipping route conditions, weather or climate change, governmental or regulatory or industry body activity, legislative changes (including those in tax policies and/or incentives), suspension or cessation of support for a biofuel, its producers or its end users, public opinions, or other factors outside of ACX's control. Technical advancements, as well as broader economic and political factors, may cause the value of biofuels to change significantly over a short period of time.

F. Services Risks

4. Contract Specifications risk

The type of Biofuel Contracts that may be admitted for Matching on the Biofuels Platform, and their associated Biofuels Contract Specifications, may be revised periodically in accordance with the Biofuels Rules. The quality, chemical or physical attributes, lot size, delivery locations, sustainability standards or other features in the Biofuels Contract Specifications may be changed and may affect the type of biofuels that can be Matched on the Biofuels Platform. Following the taking effect of such changes, ACX may cancel an Order.

5. Risks relating to access to Participant Accounts

There are substantial risks in allowing another person to trade or operate a Participant Account, and it is possible that Orders could be placed by persons who are not properly authorised. A Participant accepts all



of the risks of such an operation and irrevocably releases ACX from all liabilities arising out of or in connection with such operation.

6. Nature of Matching services and counterparty risk

The Biofuels Platform provides Matching services only for Orders placed on the Biofuels Platform. Orders that are Matched and subsequently confirmed may not result in the execution of a legally binding agreement between the relevant parties. Further, Matches are subject to cancellation within a 3-hour period (the Cancellation Period) pursuant to the Biofuel Rules. Not all Orders that have been Matched will be confirmed or ultimately result in the execution of legally binding agreements between the relevant parties, nor the performance of payment and delivery obligations thereunder (such as delivery of biofuels that conform to the Biofuels Contract Specifications).

7. Risks related to eligibility criteria for Participants

The eligibility criteria to be a Participant of the Biofuels Platform may be subject to changes from time to time to reflect the latest developments in regulatory requirements, sustainability standards or other applicable industry standards. ACX may restrict or suspend a Participant's access to the Biofuels Platform if such Participant no longer holds the relevant certificate, or ACX updates its eligibility criteria.

8. Risks relating to timing

The occurrence of a Match, its confirmation and the resultant execution of a legally binding agreement do not occur at the same time. A Participant or its Client may suffer loss if any of the above occurs not at the desired time.

9. Risks relating to third-party data

The Biofuels Platform may display real time or delayed price data from third parties. ACX makes no warranty, express or implied, either as to the results to be obtained from the use of any such delayed price data. Further, none of ACX or any third-party data providers warrants that the data displayed will be uninterrupted, error free, timely, complete, or accurate. A Participant acknowledges that the display of any third-party data does not constitute a recommendation of any kind and is provided for informational purposes only. The use of any displayed third-party data is at a Participant's risk.

G. Technology-Related Risks

10. Cyber-attacks and fraudulent activity

The technologic reliance of the services on the internet exposes Participants to an increased risk of fraud or cyber-attack. The Biofuels Platform, DEA, a Participant Account, the Website, a Registered Email account



may be targeted by malicious persons who may attempt to intervene in any Orders placed or our Matching services. This includes, but is not limited to, interventions by way of: (a) distributed denial of service; (b) sybil attacks; (c) phishing; (d) social engineering; (e) hacking; (f) smurfing; (g) malware; (h) misinformation campaigns; and (i) spoofing. The Biofuels Platform, DEA, a Participant Account, the Website, a Registered Email account may also be vulnerable to exploitation of vulnerabilities in code, as well as to human error.

11. Reliance on the internet and other technologies

Matching of Orders relies heavily on the internet and other technologies. However, the public nature of the internet means that either parts of the internet or the entire internet may be unreliable or unavailable at any given time. Further, 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. The result of the above may be that your Order is not Matched according to your instructions at the desired time, or not at all.

No authentication, verification or computer security technology is completely secure or safe. The internet or other electronic media (including without limitation electronic devices, services of third party telecom service providers such as mobile phones or other handheld trading devices or interactive voice response systems) are an inherently unreliable form of communication, and such unreliability may be beyond ACX's control.

Any information (including any document) transmitted, or communication made, over the internet or through other electronic media (including electronic devices, services of third party telecommunication service providers such as mobile phones or other handheld trading devices or interactive voice response systems) may be subject to interruption, transmission blackout, delayed transmission due to data volume, internet traffic, market volatility or incorrect data transmission (including incorrect price quotation) or stoppage of price data feed due to the public nature of the internet or other electronic media.

12. Unauthorised access

Unauthorised third parties may access or use a Participant Account or access to the Biofuels Platform and submit Orders without one's knowledge or authorisation, whether by obtaining access to or control over log-in details or access method for a Participant Account, passwords, email account, as well as computer, smartphone and any other devices that a Participant may use. A Participant is solely responsible for protecting itself against such actions.



H. General Risks

13. Regulatory risk

Biofuels Contracts are recognised as “Environmental Instruments” and hence “Financial Instruments” under the Financial Services and Markets Regulations 2015 by the FSRA. ACX admits certain biofuel contracts to be Matched on the Biofuels Platform. Further, regulations related to sustainability or greenhouse gas emissions are unsettled and rapidly developing. Different jurisdictions may adopt different regulatory approaches or definitions. Absent of any cross-border harmonisation of regulatory standards, the recognition or regulatory treatment of Biofuel Contracts by FSRA may be different from the home jurisdiction of a Participant. The recognition of any Biofuel Contract by FSRA as an “Environmental Instrument” may be withdrawn, resulting in the delisting of such Biofuel Contracts from the Biofuels Platform.

14. Country risks

If an Order is submitted by a Participant 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 government or other official bodies. Before a Participant or a Client confirms a Match, it should satisfy itself about any rules or laws relevant to its counterparty of the particular Match. A Participant’s local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where the delivery resulting from a Matched Order will be effected. A Participant should obtain independent advice about the different types of redress available in both its home jurisdiction and other relevant jurisdictions before it starts to trade.

If a Participant’s country of residence imposes restrictions on biofuel , ACX may be required to discontinue its access to the Biofuels Platform, and may not be permitted to provide Matching services, until such time as the regulatory environment permits ACX to do so.

15. Tax treatment and accounting

Some biofuels may be subject to the tax laws and regulations in an applicable jurisdiction. The tax treatment and accounting of biofuels is not a well-tested area of law and practice, which are subject to changes. Tax treatment of biofuels may vary amongst jurisdictions. ACX may receive queries, notices, requests or summons from tax authorities and as a result may be required to furnish certain information about Orders that are confirmed. If a Participant is unsure about the tax implications of its Orders and the associated deliveries, it should seek independent professional advice before carrying out a delivery.