

# Risk Disclosure Policy

**Drovix (MU) Ltd**

Authorized and regulated by the Financial Services Commission (FSC) of Mauritius

Investment Dealer (Full Service Dealer) excluding Underwriting, License No. GB21026813

Registered Address: C/o SALVUS (Mauritius) Ltd, Silver Bank Tower, Ground Floor, 18 Bank Street, Cybercity, Ebene 72201, Mauritius

Website: www.drovix.com

**Effective Date:** March 2026 | **Model:** A-Book STP Execution

## 1. Introduction

Drovix (MU) Ltd (hereinafter referred to as "the Company") is authorized and regulated by the Financial Services Commission (FSC) of Mauritius under Investment Dealer (Full Service Dealer) excluding Underwriting, License No. GB21026813. The Company operates on an A-Book Straight Through Processing (STP) execution model.

This Risk Disclosure Policy is provided to all prospective and existing clients to ensure they are fully aware of the risks associated with trading Contracts for Difference (CFDs) and other derivative financial instruments offered by the Company. The Client should carefully consider whether trading in such instruments is appropriate for them in light of their financial circumstances, investment experience, and risk tolerance.

**IMPORTANT: Trading CFDs involves a high level of risk and may not be suitable for all investors. You may lose all of your invested capital. You should not invest money that you cannot afford to lose.**

## 2. General Risk Warning

CFDs are complex financial instruments that carry a significant risk of rapid financial loss due to leverage. A high percentage of retail investor accounts lose money when trading CFDs. The Client should consider whether they understand how CFDs work and whether they can afford to take the high risk of losing their money.

The value of CFDs can fluctuate rapidly and significantly, and the Client may be required to deposit additional funds at short notice to maintain their positions. Failure to deposit additional funds may result in positions being closed at a loss. The Client should monitor their positions closely and should not rely on the Company to notify them of adverse market movements.

## 3. Risk of Leverage

Leverage allows the Client to control positions that are significantly larger than the funds deposited in their Account. The Company offers leverage of up to 1:500 on certain instruments. While leverage can magnify profits, it equally magnifies losses. A small adverse movement in the price of the underlying asset can result in substantial losses relative to the Client's initial investment.

For example, with leverage of 1:500, a deposit of USD 200 enables the Client to control a position worth USD 100,000. A price movement of just 0.2% against the Client's position would result in a loss equal to 100% of the deposited funds. The Client should ensure they fully understand the implications of leveraged trading before engaging in any transactions.

## 4. Higher Margin Requirements and Reduced Leverage

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The Company reserves the right to increase margin requirements and reduce available leverage at any time, including but not limited to: during periods of heightened market volatility; ahead of major economic data releases or events; during weekends and public holidays; for specific instruments that exhibit elevated risk characteristics; and where required by regulatory authorities.

Such changes may be implemented without prior notice, and the Client is responsible for monitoring their Account and ensuring sufficient margin is maintained at all times.

## 5. No Investment Advice

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The Company provides execution-only services and does not provide investment advice, portfolio management, or any form of personal recommendation regarding the suitability or appropriateness of any Financial Instrument or trading strategy. Any market analysis, research, commentary, news, or educational material provided by the Company or its representatives is for general informational purposes only and does not constitute investment advice.

The Client is solely responsible for all trading decisions made on their Account. The Client should seek independent financial, legal, and tax advice before engaging in any trading activities if they are uncertain about the risks involved.

## 6. Costs and Charges

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The Client should be aware of all costs and charges associated with trading, including spreads, commissions, swap/rollover charges, and any other applicable fees. These costs can impact the overall profitability of the Client's trading. Full details of applicable fees are available on the Company's website and within the Trading Platform. Costs may change from time to time.

## 7. Risks of Electronic Communications and Trading

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The Company's services are provided primarily through electronic means, including online trading platforms and electronic communications. The Client acknowledges and accepts the following risks:

- Hardware or software failures may prevent the execution or timely processing of Orders;
- Internet connectivity issues may cause delays, interruptions, or prevent access to the Trading Platform;

- Miscommunication or misinterpretation of instructions transmitted electronically;
- Unauthorized access by third parties due to cyberattacks, hacking, or other security breaches;
- System overloads during periods of high market activity;
- Power outages or failures affecting the Client's or the Company's systems.

The Company shall not be liable for any loss arising from such failures, except where caused by the Company's willful misconduct or gross negligence.

## 8. Investment-Specific Risks

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### 8.1 Foreign Exchange (Forex)

Forex trading involves the simultaneous buying of one currency and selling of another. Exchange rates are highly volatile and can be affected by a wide range of factors including economic data, geopolitical events, central bank decisions, and market sentiment. The decentralized nature of the forex market means that there is no single exchange and prices may vary between liquidity providers.

### 8.2 Commodities

Trading in commodity CFDs carries risks associated with the volatility of commodity prices, which can be influenced by supply and demand dynamics, weather events, geopolitical factors, government policies, and speculative activity. Commodity markets may experience periods of extreme price volatility.

### 8.3 Indices

Index CFDs are subject to the collective risks of the constituent stocks within the index. Market-wide events can cause rapid and significant movements in index values. Corporate actions affecting major constituents can have a disproportionate impact on the index value.

### 8.4 Equities (Stocks)

Equity CFDs carry risks associated with the performance of individual companies, including earnings results, management changes, regulatory actions, and sector-specific trends. Corporate actions such as dividends, stock splits, and mergers may affect the value and terms of equity CFD positions.

### 8.5 Cryptocurrencies

Cryptocurrency CFDs are subject to extreme price volatility and carry a significantly higher degree of risk compared to traditional financial instruments. Cryptocurrency markets operate 24/7 and may experience rapid and unpredictable price movements, low liquidity, regulatory changes, and technology risks including network failures or protocol vulnerabilities.

## 9. Trading Conditions Risks

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### 9.1 Slippage

Slippage occurs when an Order is executed at a price different from the requested price. This can occur during periods of high volatility, low liquidity, or when orders are executed at the market open or around major news events. Slippage can be positive or negative and is an inherent feature of the A-Book STP execution model,

where orders are filled at the best available price from liquidity providers.

## 9.2 Liquidity Risk

Certain Financial Instruments or market conditions may result in reduced liquidity, making it difficult or impossible to open or close positions at the desired price. This risk is heightened during off-market hours, around major economic events, and for less frequently traded instruments.

## 9.3 Gap Risk

Market prices may gap, meaning the price jumps from one level to another without trading at intermediate levels. This can occur between market close and open, or during periods of extreme volatility. Stop loss orders may be executed at prices significantly different from the specified level during gap events.

## 9.4 Currency Risk

If the Client trades Financial Instruments denominated in a currency different from their Account base currency, they are exposed to additional currency risk. Exchange rate fluctuations may impact the value of the Client's positions and Account balance.

## 9.5 Regulatory and Tax Risk

Changes in laws, regulations, or tax policies in the Client's jurisdiction or in Mauritius may affect the Client's ability to trade, the terms of their Account, or the tax treatment of their trading profits or losses. The Client is responsible for understanding and complying with all applicable laws and tax obligations in their jurisdiction of residence.

# 10. Margin Call and Stop Out

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The Company applies a Margin Call Level of 50% and a Stop Out Level of 30%. When the Client's Equity falls to the Margin Call Level, the Client will receive a notification. If the Equity continues to fall to the Stop Out Level, the Company may begin automatically closing the Client's open positions, starting with the position carrying the largest unrealized loss.

The Company provides Negative Balance Protection, meaning the Client's losses will not exceed their Account balance. However, this protection does not eliminate the risk of losing the entire deposited amount.

# 11. Acknowledgement

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By opening an Account with the Company, the Client confirms that they have read, understood, and accepted the risks described in this Policy. The Client acknowledges that they are willing and financially able to assume such risks and that the loss of their entire invested capital would not adversely affect their lifestyle or financial obligations.

This Risk Disclosure Policy does not purport to disclose all risks associated with trading CFDs. The Client should ensure they fully understand the risks involved before commencing trading. If in doubt, the Client should seek independent professional advice.