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Spec Capital Group Pty Ltd

WHOLESALE CLIENT RISK DISCLOSURE STATEMENT

Version: 01 August 2026

SPEC CAPITAL

ABN 55 683 368 765 | AFSL 700136

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1. Important Information

This Risk Disclosure Statement is issued by **Spec Capital Group Pty Ltd** (“Spec Capital”, “we”, “us” or “our”).

It provides important information about the risks associated with trading foreign exchange, contracts for difference, precious metals, indices, commodities and other over-the-counter derivative products made available by Spec Capital (“Products”).

Spec Capital provides financial services under this offering only to clients classified as Wholesale Clients under the Corporations Act 2001 (Cth), including clients classified by Spec Capital as Institutional Clients. Wholesale Clients do not receive all the protections and disclosure documents that are available to retail clients.

This document does not describe every risk that may arise. Before trading, you should carefully consider whether the Products are appropriate for your financial circumstances, investment objectives, experience and risk tolerance.

You should obtain independent legal, financial and taxation advice where appropriate.

2. High-Risk Products

OTC derivatives are complex and involve a high degree of risk. You may lose all funds deposited into your trading account and may incur losses exceeding your account balance. You remain liable for any negative account balance unless Spec Capital, in its absolute discretion, determines to waive or write off all or part of that balance.

You should not trade with funds that you cannot afford to lose.

Past performance, historical prices, hypothetical results and previous trading outcomes are not reliable indicators of future performance.

3. Leverage Risk

Products offered by Spec Capital may be traded using leverage. Leverage allows you to obtain market exposure greater than the amount of margin deposited.

While leverage may increase potential profits, it also magnifies losses. A relatively small adverse market movement may:

- significantly reduce your account equity;
- trigger a margin call or margin close-out;
- result in the closure of some or all open positions; or
- create a negative account balance.

Higher leverage increases the speed and extent at which losses may occur.

4. Margin Requirements and Close-Out

You must maintain sufficient margin to support your open positions.

Margin requirements may vary depending on:

- the Product;
- market conditions;
- position size;
- concentration risk;
- liquidity;
- upcoming economic or political events;
- trading platform settings; and
- Spec Capital's risk-management requirements.

Spec Capital may increase margin requirements at any time in accordance with the Client Agreement.

If your account equity falls below the applicable margin requirement, Spec Capital may close one or more positions without prior notice. You remain responsible for monitoring your account and maintaining sufficient available funds.

A margin warning or margin call is not guaranteed to be issued before positions are closed.

5. Losses Exceeding Deposited Funds

Wholesale Clients are not entitled to negative balance protection. Extreme volatility, market gaps, illiquidity, execution delays or other circumstances may result in losses exceeding the funds held in your account.

You remain liable for any resulting debit balance and may be required to pay that amount immediately. Spec Capital may, in its absolute discretion and having regard to the circumstances of the particular case, waive or write off all or part of a negative account balance. Any such waiver or write-off is determined on a case-by-case basis and does not create an entitlement to negative balance protection or an obligation for Spec Capital to provide the same treatment in any other case.

6. OTC and Counterparty Risk

The Products are traded over the counter and are not executed on an exchange or centrally cleared, unless otherwise expressly stated.

Unless otherwise stated, Spec Capital acts as principal and is the counterparty to your transactions. Your rights are therefore against Spec Capital rather than against an exchange or central clearing house.

You are exposed to the risk that Spec Capital may be unable to meet its obligations due to insolvency, operational failure, financial distress or another event.

OTC derivative transactions may also be subject to Australian derivative transaction-reporting requirements. ASIC administers the relevant reporting framework for OTC derivative transactions and positions.

7. Market Risk

Financial markets can move rapidly and unpredictably.

Market movements may be caused by matters including:

- economic announcements;
- interest-rate decisions;
- political developments;
- wars and geopolitical events;
- natural disasters;
- market intervention;
- unexpected corporate announcements;
- changes in regulation;

- reduced market liquidity; and
- movements occurring while a market is closed.

You may suffer significant losses within a short period, including before you have an opportunity to respond.

8. Market Gaps

A Product may reopen at a price materially different from its previous closing price. This is commonly known as a market gap.

Gaps may occur:

- after weekends or public holidays;
- following significant news;
- during periods of extreme volatility;
- when trading resumes after a suspension; or
- when the underlying market is closed.

Orders, including stop-loss orders, may be executed at the first available price rather than the requested price.

9. Liquidity Risk

Some Products may become difficult or impossible to trade at the expected price or within the expected timeframe.

Reduced liquidity may result in:

- wider spreads;
- reduced available volume;
- partial fills;
- rejected orders;
- delayed execution;
- slippage; or
- an inability to open or close a position.

Liquidity may be particularly limited outside normal market hours, around major announcements or in less commonly traded Products.

10. Pricing and Execution Risk

Prices displayed on a trading platform may change before an order reaches the execution system.

The price at which an order is executed may differ from:

- the price shown when the order was submitted;
- the best bid or offer displayed;
- the stop-loss or take-profit level requested; or
- prices available from another broker or market venue.

This may occur because of:

- market movement;
- available liquidity;
- order size;
- latency;
- price-feed changes;
- liquidity-provider execution;
- market gaps; or
- technical delays.

Positive and negative slippage may occur.

A displayed price does not necessarily represent a price at which the entire requested order size can be executed.

11. Order Risk

Different order types involve different risks.

Market orders

A market order seeks execution at the best available price but does not guarantee a particular execution price.

Limit orders

A limit order may not be filled, even if the market reaches the requested price, because sufficient liquidity may not be available.

Stop orders

A stop order becomes active when the relevant trigger level is reached but may be executed at a materially different price.

Pending orders

Pending orders may be rejected, partially filled or cancelled in accordance with the Client Agreement and applicable trading conditions.

12. Volatility and Concentration Risk

Holding a large position in one Product, market, currency or direction increases exposure to adverse market movements.

Concentration risk may also arise where several positions are economically correlated, even if they relate to different Products.

Diversification does not guarantee against loss.

13. Foreign-Exchange Risk

Your trading account may be denominated in a currency different from:

- the currency of the Product;
- the underlying asset;
- your funding currency; or
- your home currency.

Exchange-rate movements may affect your profits, losses, margin requirements, account equity and withdrawals.

Currency conversions may be subject to conversion rates, spreads or fees.

14. Financing, Swap and Rollover Costs

Positions held overnight may incur financing, swap, rollover or holding charges.

These charges may:

- vary between Products;
- be positive or negative;
- change without prior notice where permitted by the Client Agreement;
- be affected by interest rates and market conditions; and
- be higher around weekends or holidays.

Financing costs may materially reduce the profitability of a position held for an extended period.

15. Corporate Actions and Underlying-Market Events

Products referencing shares, indices or other assets may be affected by:

- dividends;
- share splits;

- consolidations;
- rights issues;
- mergers;
- takeovers;
- delistings;
- trading suspensions;
- contract expiries; or
- other corporate actions.

Spec Capital may adjust positions, prices, cash balances, margin requirements or trading conditions in accordance with the Client Agreement.

Such adjustments may not replicate the treatment received by a direct holder of the underlying asset.

16. No Ownership of the Underlying Asset

Trading a CFD or another derivative generally does not give you ownership of the underlying asset.

You ordinarily do not receive:

- voting rights;
- legal title;
- shareholder rights;
- physical delivery; or
- other ownership rights,

unless expressly provided in the relevant Product terms.

17. Client Money Risk

Money received from clients will be held in a segregated Client Money Account and handled in accordance with applicable law and the Client Agreement.

Client Money is segregated from Spec Capital’s own operational funds. However, segregation does not eliminate all risks associated with holding Client Money, including risks arising from the insolvency or failure of the bank or other financial institution at which the Client Money Account is maintained.

The treatment of Client Money, including permitted withdrawals, payments, transfers, reconciliations and the consequences of insolvency, is subject to applicable law and the Client Agreement.

You should review the Client Agreement for further information regarding the handling and use of Client Money.

18. Technology and Operational Risk

Trading depends on technology, communications networks and third-party systems.

Risks include:

- internet outages;
- platform failures;
- server disruption;
- delayed or missing price feeds;
- hardware or software malfunction;
- cyberattacks;
- power failures;
- connectivity problems;
- mobile-network interruption;
- API or bridge failure; and
- errors caused by automated trading systems.

These events may prevent you from opening, modifying or closing a position.

You are responsible for maintaining appropriate equipment, connectivity, security controls and backup arrangements.

19. Automated and Algorithmic Trading Risk

Expert advisers, algorithms, APIs, copy-trading systems and other automated tools may generate unexpected orders or losses because of:

- programming errors;
- incorrect parameters;
- duplicated orders;
- connection failures;
- latency;
- incompatible platform settings;
- abnormal market conditions; or
- reliance on inaccurate data.

You remain responsible for orders placed through your account, including orders generated by an authorised automated system.

Historical back-testing does not guarantee future results.

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20. Account Security Risk

You are responsible for maintaining the confidentiality and security of your account credentials.

You must promptly notify Spec Capital if you suspect:

- unauthorised access;
- compromised credentials;
- account sharing;
- fraudulent instructions;
- changes to your registered contact details that you did not request; or
- unauthorised changes to your withdrawal details.

Spec Capital may act on instructions that reasonably appear to have been submitted using valid credentials, subject to the Client Agreement.

21. Third-Party and Service-Provider Risk

Spec Capital may rely on third parties, including:

- liquidity providers;
- banks;
- payment providers;
- trading-platform providers;
- data vendors;
- technology providers;
- custodians; and
- telecommunications providers.

A failure, delay, default or disruption affecting a third party may affect pricing, execution, deposits, withdrawals or access to your account.

22. Conflicts of Interest

Spec Capital may act as principal to client transactions and may:

- internalise client orders;
- hedge some or all exposure with third parties;
- receive revenue from spreads, commissions, financing charges or other fees; and
- have interests that differ from those of a client.

Spec Capital maintains arrangements designed to identify and manage conflicts of interest. However, those arrangements may not eliminate every actual or potential conflict.

Further information is contained in the Client Agreement and any applicable Conflicts of Interest Policy.

23. Regulatory and Legal Risk

Changes to laws, regulations, regulatory policy or market rules may affect:

- Product availability;
- leverage;
- margin;
- trading hours;
- reporting;
- pricing;
- taxation;
- the treatment of positions; or
- Spec Capital's ability to provide services.

Spec Capital may be required to restrict, suspend or close positions to comply with applicable laws or regulatory requirements.

24. Tax Risk

Trading may have taxation consequences that differ depending on your circumstances and jurisdiction.

Spec Capital does not provide taxation advice. You should seek advice from a qualified tax professional.

Tax treatment may change and may apply differently to trading profits, losses, financing charges, fees and foreign-currency gains or losses.

25. Force Majeure and Exceptional Events

Events beyond Spec Capital's reasonable control may affect the availability or operation of its services.

These events may include:

- market closures;
- exchange or pricing disruptions;

- war;
- terrorism;
- civil unrest;
- natural disasters;
- pandemics;
- government action;
- cyber incidents;
- telecommunications failures; and
- failures of financial-market infrastructure.

Spec Capital may take action in response to such an event in accordance with the Client Agreement, including suspending trading, changing margin requirements or closing positions.

26. No Personal Advice

Spec Capital does not provide personal financial product advice. Any market commentary, educational material, research, trading tools or information provided by Spec Capital is general or factual in nature and does not take into account your objectives, financial situation or needs.

ASIC distinguishes personal advice from general advice based on whether the client's objectives, financial situation or needs have been considered.

You are responsible for making your own trading decisions.

27. Wholesale Client Status

As a wholesale client, you may not receive certain protections available to retail clients, including some disclosure, conduct and dispute-resolution protections.

Spec Capital's acceptance of you as a wholesale client does not mean that:

- the Products are suitable for you;
- Spec Capital has assessed the merits of any trade;
- Spec Capital recommends a particular strategy; or
- your trading will be profitable.

You must notify Spec Capital promptly if your circumstances change in a manner that may affect your wholesale-client status.

28. Independent Assessment

Before trading, you should consider:

- your knowledge and experience;
- your financial resources;
- your ability to withstand losses;
- your investment objectives;
- your expected trading frequency;
- the amount of leverage used;
- your operational and technology arrangements; and
- whether independent advice is required.

You should not rely solely on information provided by Spec Capital when deciding whether to trade.

29. Client Acknowledgement

By opening an account or entering into a transaction with Spec Capital, you acknowledge that:

1. you have read and understood this Risk Disclosure Statement;
2. you understand that the Products are complex, leveraged and high risk;
3. you may lose all funds deposited and may incur losses exceeding your account balance, and any waiver or write-off of a negative balance is at Spec Capital's discretion and determined on a case-by-case basis;
4. stop-loss and other orders do not guarantee execution at the requested price;
5. Spec Capital generally acts as principal and counterparty to your transactions;
6. you have independently assessed whether trading the Products is appropriate for your circumstances;
7. you have had the opportunity to obtain independent legal, financial and taxation advice; and
8. you accept the risks associated with trading the Products.

30. Related Documents

This Risk Disclosure Statement should be read together with:

- Institutional and Wholesale Client Agreement;
- Wholesale Client Order Execution Policy;
- Conflicts of Interest Policy;
- Privacy Policy;
- any Product-specific terms or notices provided by Spec Capital.

If there is any inconsistency between this Risk Disclosure Statement and the Client Agreement, the Client Agreement prevails to the extent of the inconsistency.

31. Contact Details

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