DISCLOSURE
&
MARKET DISCIPLINE REPORT

Go Markets Ltd (ex Galactus Ltd)

YEAR ENDED 31 DECEMBER 2019

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GO Markets Ltd | 73 Agias Zonis and Tertaiou Corner, Dena House 3rd floor | 3090 Limassol | Cyprus|

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CySEC License No: 332/17 | Registration No. HE351644

General Notes

- The following disclosures are based on the Audited Financial Statements of Go Markets Ltd - ex Galactus Ltd (hereafter referred to as “the Company”) as at 31 December 2019. The information has been prepared for the purposes of explaining how risks are managed by the Company and to disclose the capital requirements corresponding to these risks, in line with the requirements of the Cyprus Securities and Exchange Commission.

- The disclosures have been reviewed by the Company’s Board of Directors and Senior Management.

- The disclosures verified by the Company’s External Auditors.

- The Company does not undertake any securitizations.

- The Company does not have any equity exposures in the non-trading book.

- All figures are presented in Euros. Figures are rounded to the nearest thousands, except where otherwise stated.

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1 Introduction

1.1 Governing Law

The Management of Go Markets Ltd (ex Galactus Ltd) has prepared the Disclosures and Market Discipline Report of the Company in accordance with Part Eight of European Regulation (EU) 575/2013 as adopted by Directive DI144 2014 14 of the Cyprus Securities and Exchange Commission for the Capital Requirements of Investment Firms (hereafter the "Capital Requirements Directive").

1.2 Scope of Application

These disclosures apply to Go Markets Ltd (ex Galactus Ltd) on a solo basis. The Company does not have any subsidiaries and thus does not need to produce any consolidated results.

1.3 Frequency of Disclosure

The Directors of the Company have assessed the need to publish some or all of the disclosures more frequently than annually in light of the relevant characteristics of the business, such as scale of operations, range of activities, etc. With these considerations in mind, the Directors have decided that the disclosures will be published on an annual basis on the Company's website (www.gomarkets.eu).

1.4 Background

Go Markets Ltd (ex Galactus Ltd) was incorporated in Cyprus on 26 January 2016 as a Limited Liability Company under the Companies Law, Cap. 113.
The Company obtained its licence from the Cyprus Securities and Exchange Commission (''CySEC'') to operate as a Cypriot Investment Firm on 25 April 2017 under license number 322/17.

In 2019, the Company signed a memorandum of understanding with ASIC regulated entity GO MARKETS PTY LTD and the Company's management submitted the applications for change of shareholders and change of Directors to CySEC.

The Cyprus Securities and Exchange Commission has informed the Company on the 25th of October, 2019, with a letter, that the Board of the Cyprus Securities and Exchange Commission does not object to the acquisition of the 100% of the shareholding capital of the Company by GO MARKETS PTY LTD.

Following the Cyprus Securities and Exchange Commission approval, the Company proceeded with changes in the shareholder and Board of Directors structure and renamed the Company to GO MARKETS LTD.

The Company is licensed to provide the following investment services:

- Reception and transmission of orders in relation to one or more financial instruments;

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- Execution of orders on behalf of clients;
- Dealing on own account.

The Company is also licensed to provide the ancillary services of safekeeping and administration of financial instruments, including custodianship and related services and Foreign exchange services where these are connected to the provision of investment services.
The Company aims to provide the above-mentioned investment and ancillary services in accordance with the principles of good faith and fair business conduct. The Company takes all suitable measures in order to ensure the best possible protection of its clients' interests, as well as adherence to the principles of sound corporate governance and proper business practices.

1.5 Board of Directors – Corporate Governance

The Board assesses and periodically reviews the effectiveness of the policies, arrangements and procedures put in place to comply with the obligations under the Law, and to take appropriate measures to address any deficiencies, set the strategy of the Company. The Board is responsible for the monitoring of the internal control mechanisms of the Company to enable prevention of activities outside the scope and strategy of the Company and the prevention of any unlawful transactions, the identification of risks, and the timely and adequately flow of information.
All the supervisory functions (i.e. Compliance, AML Compliance, Risk Management and Internal Audit) of the Company have an open line of communication with the Board in order to communicate any findings and/or deficiencies they identify in a timely manner and ensure that those will be resolved through the guidance of the management body. In addition, the Risk Management and Investment Committees are communicating their suggestions and findings to the Board, as and if necessary.

Full name of Director	Position/Title / Capacity	Country
Quam Chum Yong	CEO, Executive Director, "4 eyes"	Cyprus
Ioannis Koutelakis	General Manager, Executive Director, "4 eyes"	Cyprus
Konstantinos Arapopoulos	Non-executive Director, Independent	Cyprus
Maria Stylianou	Non-executive Director, Independent	Cyprus
Soyeb Rangwala	Non-executive Director, Dependent	Australia
Khim Thiew Khor	Non-executive Director, Dependent	Australia

Risk Management Function:

The Risk Manager ensures that all the different types of risks taken by the Company are in compliance with the Law and the obligations of the Company under the Law, and that all the necessary procedures, relating to risk management are in place. The Risk Manager shall report to the Senior Management of the Company.

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As an addition to the above, the Company is operating a Risk Management Committee, which is responsible for monitoring and controlling the Risk Manager in the performance of his duties. Also is formed with the view to ensure the efficient management of the risks inherent in the provision of the investment services to Clients as well as the risks underlying the operation of the Company.

Compliance Function:

The Compliance Officer of the Company has the required knowledge and expertise in order to perform his duties effectively. Moreover, the duties of the Compliance Officer are to establish, implement and maintain adequate policies and procedures designed to detect any risk of failure by the Company to comply with its obligations, and put in place adequate measures and procedures designed to minimize such risk and to enable the competent authorities to exercise their powers effectively.

Internal Audit Function:

The Internal Auditors review and evaluate the adequacy and effectiveness of the Company's systems of internal controls and the quality of operating performance when compared with established standards on an ongoing basis. The recommendations that the Internal Auditor makes to the Senior Management and the Board regarding the internal controls and the management of the various risks that are associated with the operations, aim to secure a controlled environment in the Company.

Anti-Money Laundering Compliance Officer

Anti-Money Laundering Officer reports directly to the Board of Directors and is responsible for:

- Ensuring implementation of the procedures described in the Company's AML Procedures Manual
- Ensuring that Company employees attend training sessions on anti-money laundering and terrorist financing procedures
- Ensuring that all clients' accounts must be opened only after the relevant pre-account opening due diligence and identification measures and procedures have been conducted, according to the principles and procedures set in the AML Manual
- Compliance with high standards of anti-money laundering (AML) practice in all markets and jurisdictions in which the Company operates
- Ensuring the implementation of the "know your client" procedures of the Company
- Gathering information with regards to the new customers of the Company
- Analysing the customers' transactions
- Continuous improvement of the existing control procedures
- Providing a written annual report to the Board of Directors on the matters of own responsibility, indicating in particular whether the appropriate remedial measures have been taken in the event of any deficiencies.

The corporate governance of the Company regarding risk management is considered adequate through the establishment of an effective risk oversight structure. The internal organisational controls are in place to safeguard that the Company accelerate the ability to identify, assess and mitigate the relevant risks. Also, the aim of the Company and in general the risk management function is to quickly recognize potential adverse events, be more proactive and forward looking

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and establish the appropriate risk responses were deemed necessary and at all times to comply with the relevant legislation

Recruitment Policy

Recruitment of Board members combines an assessment of both technical capability and competency skills referenced against the Company's regulatory and operational framework. It seeks to resource the specific experience and skills needed to ensure the optimum blend (diversity) of individual and aggregate capability having regard to the Company's long-term strategic plan.
The persons proposed for appointment to the Board should commit the necessary time and effort to fulfil their obligations. Prior to their appointment the proposed persons should obtain the approval of the Commission. Main factors influencing the decision to propose the appointment of potential Directors include:

- Integrity and honesty;
- High business acumen and judgment;
- Knowledge of financial matters including understanding of financial statements and important financial ratios;
- Knowledge and experience relevant to financial institutions;
- Risk Management experience; and
- Specialized skills and knowledge in finance, accounting, law, or related subject.

Number of Directorships held by members of the Board

As per Article 9(4) of the Law, the numbers of directorships which may be held by a member of the Board of Directors at the same time shall take into account individual circumstances and the nature, scale and complexity of the CIF's activities. Unless representing the Republic, members of the Board of Directors of a CIF that is significant in terms of its size, internal organization and the nature, the scope and the complexity of its activities shall not hold more than one of the following combinations of directorships at the same time:

a) One executive directorship with two non-executive directorships;
b) Four non-executive directorships

In addition to the above, the following shall count as a single directorship:

a) executive or non-executive directorships held within the same group
b) executive or non-executive directorships held within:
    (i) institutions which are members of the same institutional protection scheme, provided that the conditions set out in Article 113, paragraph (7) of Regulation (EU) No 575/2013 are fulfilled; or
    (ii) undertakings (including non-financial entities) in which the CIF holds a qualifying holding.

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The Board members of the Company hold the following directorships to other entities:

Full name of Director	Position / Title / Capacity	# Executive	# Non-Executive
Quam Chum Yong	CEO, Executive Director, “4 eyes”		
Ioannis Koutelakis	General Manager, Executive Director, “4 eyes”		
Konstantinos Arapopoulos	Non-executive Director, Independent		2
Maria Stylianou	Non-executive Director, Independent		
Soyeb Rangwala	Non-executive Director, Dependent	1	2
Khim Thiew Khor	Non-executive Director, Dependent	1	

Diversity Policy

Diversity is increasingly seen as an asset to organizations and linked to better economic performance. It is an integral part of how we do business and imperative to commercial success. The Company recognizes the value of a diverse and skilled workforce and is committed to creating and maintaining an inclusive and collaborative workplace culture that will provide sustainability for the organization into the future.
The Company recognizes the benefits of having a diverse Board of Directors which includes and makes use of differences in the skills, experience, background, race and gender between directors. A balance of these differences will be considered when determining the optimum composition of the Board of Directors.

Risk Management Committee

The Company, due to its size, scale and complexity has established a Risk Management Committee in order to better handle the risks that arise from its operations.

The Risk Management Committee is a committee appointed by the Board of Directors to review the Company's system of risk management. The Risk Management Committee is formed with the purpose of ensuring the efficient management of the risks inherent in the provision of the investment services to Clients as well as the risks underlying the operation of the Company.

The Risk Management Committee, which reports directly to the Board of Directors, consists of 4 participants and during 2019 held one meeting.

The role of the Risk Management Committee is essential to:
- ensure the efficient management of the risks inherent in the provision of the investment services to clients;
- monitor the risks underlying the operation of the Company;
- be responsible for monitoring and controlling the associated risks;
- identifying additional risks that the Company is/may exposed to;
- sets and monitors risk limits and other mitigation measures;
- evaluates the adequacy and effectiveness of controls in place for managing the risks;
- adopts necessary actions;

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The Risk Management Committee bears the responsibility to monitor the adequacy and effectiveness of risk management policies and procedures that are in place, the level of compliance by the Company and its relevant persons with the policies and procedures adopted, as well as the adequacy and effectiveness of measures taken to address any deficiencies with respect with those policies and procedures that are in place, including failures by the Company's relevant persons to comply with those policies and procedures.

Reporting and Information Flow

The Company has established a risk-related informational flow to the Board of Directors to be in line with the requirements set out in the Law and subsequent Directives. Details of the major reports submitted to the Board are presented in the table below:

Report Name	Report Description	Owner	Recipient	Frequency
Risk Management Report	Annual Risk Management Report	Risk Manager	BoD, CySEC	Annual
Compliance Report	Annual Compliance Review	Compliance Officer	BoD, CySEC	Annual
Internal Audit Report	Annual Internal Audit Review	Internal Auditor	BoD, CySEC	Annual
Financial Statements	Audited financial statements of the Company	External Auditor	BoD, CySEC	Annual
Pillar III Report	Disclosures regarding risk management, capital adequacy and risk exposures of the Company	Risk Manager	BoD, CySEC, Public	Annual
ICAAP Report	Internal Capital Adequacy Assessment Process	Risk Manager, Compliance Officer, Head of Accounting	BoD, CySEC	Annual
Capital Adequacy Reports	Capital requirement calculation	Senior Management, Head of Accounting	Senior Management, CySEC	Quarterly

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2 Risk Management

The Company has a strong risk management culture which is embedded in all levels of the organization and aims to minimize the potential adverse effects of the constantly changing risk environment, on the Company's financial performance. In light of this, the Company has established an effective risk oversight structure and all the necessary internal controls have been implemented in order to ensure that the Company identifies and manages its risks adequately and effectively.

2.1 Roles and Responsibilities

The Risk Management function prepares policies and procedures which are consistent with the Company's corporate strategy and risk appetite, monitors that these policies and procedures are functioning as directed, and that the necessary steps are taken in order to foster a culture of risk awareness throughout the organization.

In particular, the Company's Risk Management function is primarily responsible to control and monitor (i) the adequacy and effectiveness of the Company's risk management policies and procedures, (ii) the level of compliance by the Company and its employees with the arrangements, processes and mechanisms adopted, and (iii) the adequacy and effectiveness of measures taken to address any deficiencies in those policies, procedures, arrangements, processes and mechanisms, including failures by the relevant persons of the Company to comply or follow such policies and procedures.

Furthermore, the responsibilities of the Board of Directors, Senior Management, Internal Auditor, as well as of the Risk Management function, in relation to the management of the Company's risks include the following:

- the Board of Directors and Senior Management review and discuss the written reports prepared by the Risk Management function, which identify the risks faced by the Company and the mitigating actions to be taken;

- the Internal Auditor evaluates the adequacy and effectiveness of the Company's internal control systems, policies and procedures with respect to risk management;

- the Risk Management function ensures efficient management of the risks arising from the provision of investment and ancillary services to clients, as well as the operation of the Company in general. In addition, the Risk Management function is responsible for making recommendations and indicating whether the appropriate remedial measures have been taken in instances where deficiencies have been identified.

The Company's risk management is focused on the key areas of Credit Risk, Market Risk and Operational Risk. These risks are analyzed individually in greater detail in the sections which follow.

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2.2 The Investment Firm's approach in assessing internal capital

The Company is assessing its internal capital on a continuous basis. Processes and methodologies for the measurement, monitoring and assessment of internal capital are summarised in the Internal Capital Adequacy Assessment Process ("ICAAP") Report. The ICAAP Report covers all the business areas of the Company and assesses the business plans, risks and capital requirements of Go Markets Ltd (ex Galactus Ltd).

The assessment of internal capital is considered a key element in the Company's risk management regime. The Company has adopted the "Pillar 1 plus" approach to determine its internal Pillar 2 capital requirements.

3 Capital Base

The Company's capital base comprises of Original Own Funds (Tier 1 capital). Tier 1 capital is divided into share capital, shareholders' advances for future increase of share capital and audited loss for the current year. In order to arrive at the Tier 1 capital, the value of intangible assets, after the application of amortisation charges, is deducted.
A detailed breakdown of the Company's Total Eligible Own Funds, as at 31 December 2019, is presented in the table below:

	31 DECEMBER 2019 €000'S
ORIGINAL OWN FUNDS	
SHARE CAPITAL	2
Share Premium	998
SHAREHOLDERS' ADVANCES for future capital increase	1.975
ACCUMULATED LOSSES	-2.162
DEDUCTION: INTANGIBLE ASSETS	-57
DEDUCTION: INVESTOR COMPENSATION FUND	-57
TOTAL ORIGINAL OWN FUNDS (TIER 1)	**699**
TOTAL ELIGIBLE OWN FUNDS	**699**

4 Capital Adequacy Ratio

In accordance with the Capital Requirements Directive, Go Markets Ltd (ex Galactus Ltd) must maintain a minimum capital adequacy ratio of 8%. However, the Company always aims to maintain a capital adequacy ratio well above the required minimum. For the calculation of Credit Risk and Market Risk capital requirements, under Pillar 1, the Company uses the Standardised Approach whereas for the purposes of Operational Risk, the Basic Indicator Approach is used.
As at 31 December 2019, the Company's capital requirements with respect to the three risk categories were as follows:

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RISK CATEGORY	31 DECEMBER 2019 €000'S
Total Own Funds	**699**
Credit Risk – Own Funds Requirement	22
Market Risk – Own Funds Requirement	-
Operational Risk – Own Funds Requirement	1
Total Capital Requirements	**23**
Capital Adequacy Ratio	**244,02%**

5 Credit Risk and Counterparty Credit Risk

5.1 Definition

Credit Risk is the risk of loss that the Company would incur if the counterparty in a transaction failed to perform its contractual obligations. The management of the Company's Credit Risk also encompasses Counterparty Credit Risk, as well as concentration risk and wrong-way risk.

The Company's Credit Risk arises mainly from derivative financial instruments and deposits with banks and financial institutions, as well as from credit exposures to customers, including outstanding receivables. It is noted, however, that as at 31 December 2019 the Company did not have significant concentrations of Credit Risk.

5.2 Mitigation and Measurement

The following processes and measurement techniques are followed by Go Markets Ltd as follow:

- Accepts as counterparty, for the purposes of depositing clients' funds, only financial institutions (including banking institutions) that the Firm internally assesses as financially stable; in order to diversify its exposure;

- All client funds are held in segregated accounts, separated from company funds, meaning that once received clients' funds are deposited by the Firm on the clients' behalf. It should be noted that the above mentioned accounts are held by Go Markets Ltd in a fiduciary capacity and are not represented in the Firm's financial statements as assets or liabilities;

- Assesses the credit quality of its counterparty taking into account its financial position, past experience and other related factors (if there is no independent credit rating by a rating agency).

- Ensures that clients fund their accounts prior to the commencement of trading in financial instruments

With regards to banks and financial institutions, only parties which Management has internally assessed as financially healthy and stable are accepted. If there is no independent credit rating

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available then Management, in cooperation with the Risk Management function, assesses the credit quality of the counterparty, taking into account amongst others its financial position and past experience. In addition, individual risk limits are set based on internal and external ratings in accordance with the guidance issued by the Board of Directors.

With regards to the Company's retail clients, all transactions with customers are settled through major credit cards and banks or financial institutions specializing in online transferring of funds and transactions. As such the Company maintains the Credit Risk arising from transactions relating to its retail operations to a minimum. It is important to note that during the year no credit limits were exceeded.

5.3 Exposure Classes and Minimum Capital Requirements

Asset Class	Exposure Value	Risk Weighted Exposure	Minimum Capital Requirements
	€000's	€000's	€000's
Institutions	596	120	10
Corporate	109	109	9
Retails	-	-	-
Other Items	50	49	4
Grand Total	**755**	**278**	**23**

5.4 Breakdown of Exposures by Risk Weight

Risk Weight	Exposure Value
	€000's
= 0%	-
> 0 and ≤ 12%	-
> 12 and ≤ 20%	596
> 20 and ≤ 50%	-
> 50 and ≤ 75%	-
> 75 and ≤ 100%	159
> 100 and ≤ 425%	-
> 425 and ≤ 1250%	-
Grand Total	**755**

5.5 Exposures by significant geographical location

Asset Class	CYPRUS	UK	Poland	Non-EU	Total
	€000's	€000's	€000's	€000's	€000's
Institutions	596	-	-	-	596
Corporate	109	-	-	-	109
Retails	-	-	-	-	-
Other Items	50	-	-	-	50
Grand Total	**755**	**-**	**-**	**-**	**755**

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5.6 Exposures by significant counterparty type

Asset Class	Counterparty (Banks)	Counterparty (Other Financial Institutions)	Counterparty (Other)	Total
	€000's	€000's	€000's	€000's
Institutions	596	-	-	596
Corporate	-	102	7	109
Retails	-	-	-	-
Other Items	-	-	50	50
Grand Total	**596**	**102**	**57**	**755**

5.7 Exposures by residual maturity

Asset Class	Residual Maturity ≤ 3 months	Residual Maturity > 3 months	Total
	€000's	€000's	€000's
Institutions	595	1	596
Corporate	-	109	109
Retails	-	-	-
Other Items	-	50	50
Grand Total	**595**	**160**	**755**

5.8 Nominated External Credit Assessment Institutions for the application of the Standardised Approach

The External Credit Assessment Institution ("ECAI") used by Go Markets Ltd for the application of the Standardised Approach is Moody's Investors Service, Inc.

Nevertheless, due to the fact that original maturity of exposures to financial institutions is less than 3 months, they were assigned a risk weight of 20%.

5.9 Counterparty Credit Risk

Counterparty Credit Risk arises from derivative financial instruments (mainly positions in contracts for difference (CFDs)). The maximum Counterparty Credit Risk assumed at the reporting date is the carrying value of the CFDs. Nonetheless, mitigation of Counterparty Credit Risk is achieved through unilateral close out of client positions between the Company and third parties.

For the management of Counterparty Credit Risk the Company uses the Mark-to-Market ("MTM") method. The MTM method is described in the steps below:

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- Step (a): by attaching current market values to contracts, the current replacement cost of all contracts with positive values is obtained.

- Step (b): to obtain a figure for the potential future credit exposure, the notional principal amounts or underlying values are multiplied by the percentages presented in Table 1 under Article 274 of the European Regulation (EU) 575/2013.

- Step (c): the sum of the current replacement cost and the potential future credit exposure is the exposure value.

5.10 Past due and Impaired

In accordance with IFRS 7 Appendix A, "a financial asset is past due when a counterparty has failed to make a payment when contractually due". It is noted that during the year the Company did not have any past due exposures.
Go Markets Ltd recognises impairment losses in the Statement of Comprehensive Income when incurred as a result of one or more "loss events" that occur after the initial recognition of the financial asset and which have an impact on the amount or timing of the expected future cash flows.
The criteria which the Company uses to determine whether there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;

- a breach of contract, such as a default or delinquency in interest or principal payments;

- the Company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Company would not otherwise consider;

- it becomes probable that the borrower will enter bankruptcy or other financial reorganization;

- the disappearance of an active market for that financial asset because of financial difficulties; or

- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

  (i) adverse changes in the payment status of borrowers in the portfolio;

  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

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6 Market Risk

6.1 Definition

Market Risk is defined as the risk of financial loss resulting from changes in market factors which reduce the Market Value of the financial instruments trading portfolio, as well as the risk of financial loss due to foreign currency movements.

6.2 Measurement

The following processes and measurement techniques are followed by Go Markets Ltd as follow:

- Applies a *mark to market* valuation, for accounting purposes.

- Sets the maximum loss that may be incurred, due to a client's trading activity at a certain level whereupon full hedging procedures should commence.

- Employs, on a full time basis, a Risk Manager.

- Records, through its trading platform(s) and real time reporting tool, the clients' trading activity including but not limited to the transactions that are executed; this gives the option to constantly monitor the Firm's exposure and take appropriate action, if required.

- It is the responsibility of the Head of the Execution Department, or the supervisor of the Execution Department in his/ her absence, and the Risk Manager to ensure that Go Markets Ltd maintains, at all times, sufficient funds in its multiple hedging accounts to offset, if required, any exposure. The Head of the Execution Department, or the supervisor of the Execution Department, shall inform the *Board of Directors*, accordingly.

- In case of an extraordinary event the Head of the Execution, or the supervisor of the Execution Department in his/ her absence, is responsible for taking all required measures to ensure the safeguard of the best interests of Go Markets Ltd and its clients. The Head of the Execution, or the supervisor of the Execution Department in his/ her absence, shall oversee the implementation of a business continuity plan, if required.

Go Markets Ltd follows the Standardised Approach for Market Risk. In accordance with the Standardised Approach, the Market Risk capital requirements are calculated with respect to Position Risk, Commodities Risk and Foreign Exchange Risk.

6.3 Exposure to Market Risk

Go Markets Ltd Market Risk arises from exposures to price, currency and interest rate risk, as well as from the cash notional positions arising from the trading of CFDs.

I.Price Risk

The Company is exposed to market price risk from fluctuations in foreign currencies,

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commodities and equity securities due to the open CFD positions which are held by the Company as counterparty to its customers and other third parties, and classified on the Statement of Financial Position as derivative financial instruments. The Company itself does not take proprietary positions based on expected market movements. However, not all net client exposures are hedged and, as a result, the Company may have a residual net position in any of the underlying currencies, commodities or equities, it offers.

To manage its price risk, the Company has a Risk Policy set by the Board of Directors, which includes limits for every single financial market in which the Company trades. These limits determine the net exposure arising from client activity and hedging which the Company is prepared to accept. The Risk Management function continually monitors the Company's exposures against these limits. If the Company's exposure exceeds these limits, then the Company will carry out sufficient hedging to bring the exposure back within the approved limits. For this purpose, the Company maintains trading (hedging) accounts with other regulated financial institutions for engaging in proprietary positions in financial instruments when a need to hedge arises.

II.Foreign Exchange Risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency other than the Company's functional currency (the Euro).
The Company's Management, as well as the Risk Management function, monitor exchange rate fluctuations on a continuous basis.

III.Cash flow and fair value interest rate risk

The Company's cash flow interest rate risk arises from its trading activities and more specifically from the interest charged on the derivative financial instruments (both assets and liabilities) that remain open overnight. In addition, cash flow interest rate risk arises on the cash and cash equivalents held at variable interest rates. Other financial assets and liabilities held at fixed interest rates expose the Company to fair value interest rate risk, however this risk is insignificant to the Company as these assets/ liabilities are not material.

7 Operational Risk

7.1 Definition

Operational Risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. As part of Operational Risk the Company also manages legal risk.

Overall the Company manages Operational Risk through a control-based environment in which

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processes are documented and transactions are reconciled and monitored. This is supported by continuous monitoring of Operational Risk incidents to ensure that past failures are not repeated.

Furthermore, as the Company depends heavily on Information Technology, any damage or failure of the systems would place the Company at significant risk. As such, the Company has recovery programs and back-up systems in place in order to be able to carry out its core operations should such an event take place. The Company also pro-actively improves and renews systems in order to ensure no failure or damages occur.

7.2 Measurement

As previously mentioned, Go Markets Ltd adopted the Basic Indicator Approach ("BIA") for calculating its Operational Risk capital requirements. Under the Basic Indicator Approach the capital requirement is equal to 15% of the relevant indicator, the relevant indicator being the three year average of the sum of gross income.

8 Remuneration Disclosures

8.1 Scope and Applicability

The Policy applies to those categories of staff whose professional activities have a material impact on the risk profile of the Company, i.e. the Senior Management, the members of the Board of Directors, the Control functions, the Heads of the departments (i.e. key management personnel). Moreover the Policy also applies to persons who can have a material impact on the service provided and/or corporate behaviour of the Company, including persons who are in the provision of investment and/or ancillary services.

The policy aims to provide transparency in the procedure for payment of additional remuneration, to motivate staff and provide for sufficient incentives so as for the key personnel of the Company to achieve the business targets, to increase productivity and competitiveness, to deliver an appropriate link between reward and performance whilst at the same time consisting of a comprehensive, consistent and effective risk management tool that prevents excessive risk taking and/or mis-selling practices in light of financial incentives schemes, which could lead to compliance risks for the Company in the long-run.

The policy is aligned with effective conflict of interest management duties and conduct of business management duties so to ensure that clients' interests are not impaired by the Company's remuneration policies and practices.

8.2 Procedures and Controls

The applicability of the Company's Policy is reviewed regularly, at least annually, by the Board of Directors, in the context of an internal review for compliance with the relevant legislation as well as to confirm applicability, viability and alignment with the industry's remuneration standards. The Board of Directors shall also review the Policy in the context of the business and

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conflicts of interest requirements of the Law 87(I)/2017.

The Company's remuneration system inevitably takes into account the highly competitive sector in which the Company operates, and the considerable amount of resources the Company invests in each member of the staff. Thus, the Company considers remuneration as a significant method of attracting and retaining key employees whose talent can contribute to the Company's short and long term success; whilst simultaneously ensuring that Clients' interests will not be impaired by the remuneration policies and practices adopted by the Company in the short, medium and long term.

8.3 Remuneration

A. Fixed Remuneration

The employees' total remuneration currently consists of a fixed component while variable components may also occur (see Section 5(B) below).

Fixed remuneration varies for different positions/roles depending on each position's actual functional requirements, and it is set at levels which reflect the educational level, experience, accountability, and responsibility needed for an employee to perform each position/role.

The Policy is also set in comparison with standard market practices employed by the other market participants/competitors. The Company's policy is to provide an attractive fixed remuneration to its employees so to ensure good and stable performance.

The Company's fixed remuneration is approved by the Board of Directors for all the relevant employees. Benefits provided to the Company's employees, such as medical, indemnity & insurance protection, card and rent allowances are not employee performance-related and are considered part of the Fixed Remuneration.

B. Variable Remuneration

The Company does not guarantee any variable remuneration. Nevertheless, the Company is dedicated to recognize the contribution of the employees to its success by payment of bonuses whenever it is financially appropriate and depending on the performance of the Company as a whole. Moreover, the variable remuneration is also allocated to employees based on the individual performances. The current portion of the variable remuneration does not exceed the half of the annual fixed remuneration of any employee.

The Board of Directors for the payment of any variable remuneration to employees takes into consideration and reviews the current financial position and performance of the Company, the development plans, liquidity, operational and capital risks.

It is noted that, no remuneration is payable under deferral arrangements (with vested or unvested portions), nor there are any severance payments.

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Further to this, the Company shall periodically review the Policy, as and when applicable, and thus adjust, it should the need arises for remuneration to include any other possible sources of additional variable components.

In this regard, it is understood that should the Policy incorporates additional variable components in the future, then the fixed and variable components should be appropriately balanced and the fixed component shall always represent a sufficiently high proportion of the total remuneration to allow the operation of a fully flexible policy on variable remuneration components (even to allow for zero variable component to be offered).

Further to the above, variable remuneration should be designed to ensure that the total remuneration remains in competitive levels thus rewarding the staff for its performance whilst remaining aligned with the department's and/or the Company's performance and long term targets.

C. Other Factors

Other factors taken into account for the remuneration of the Company's employees are the following:

- The financial viability of the Company
- The general financial situation and the state in which the Company operates
- Each employee's personal objectives (such as personal development, compliance with the Company's systems and controls, compliance with regulatory requirements, commitment and work ethics).
- Each employee's professional conduct with Clients (such as acting in the best interest of the Client, fair treatment of Clients and inducing Client satisfaction), as applicable.

Further to the above, the Policy of the Company is not designed so as to, inter alia:

a. Give incentives that might influence the Company's relevant employees to sell one product or category of product, instead of another

b. Achieve a quota of minimum sales level across a range of products in order to earn any bonus thus might also impair the duty to act in the best interest of Clients

c. Create disproportionate return for marginal sales, where relevant persons need to achieve a minimum level of sales before bonus payments can be earned, or incentives are increased

d. Increase the relevant employee's focus on short-term gains rather than the client's best interest

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Early Termination Agreement

In the case of an employee's early termination of a contract, the Policy is designed so as to only reflect the performance achieved over time, and thus, not reward failure.

Pension

The Company does not have currently any active pension scheme. The Company shall proceed and establish such arrangements when and if deemed necessary, while taking into consideration the business strategy, objectives, values and long-term interests of the Company.

8.4 Performance Appraisal

The Company implements a performance appraisal method, mainly to foster talent and promote healthy competition amongst personnel (i.e. it is not currently related to any variable remuneration scheme) which is based on a set of Key Performance Indicators, developed for each department.

In general, the performance appraisal is performed in a multiyear framework in order to ensure that the appraisal process is based on longer-term performance and that in the future (i.e. when applicable), the actual payment of performance-based components of remuneration will be spread over a period which will take into account the Company's underlying business cycle.

Additionally, the performance appraisal on medium and short-term is being performed as follows:

a. The appraisal entails the review of the performance of the individuals against the set personal targets/objectives of the year.

b. Targets/objectives are defining what the Company's functions, departments and individuals are expected to achieve over an upcoming period of time.

c. There are also mid-term procedures that allow, if necessary, to amend any targets/objectives and incorporate any changes that might happen during the year.

d. Performance checks and feedbacks: managers provide support and feedback to the concerned staff during the time periods decided, during the daily activities or during formal or informal performance reviews; the aim is to assist the staff to develop their skills and competencies

e. Performance evaluation takes place annually, usually at the end of each year in order to set the targets for the following year.

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8.5 Remuneration Committee

It is noted that the Company has taken into account its size, internal organization and the nature, the scope and the complexity of its activities and it does not deem necessary the establishment of a Remuneration Committee. The design of the remuneration policies and practices has been approved by the Board of Directors after taking advice from the compliance function. In case the Company shall deem necessary to establish a Remuneration Committee in the future, then this section shall be updated as applicable.

8.6 Documentation and Disclosures

The Senior Management shall keep records containing information as regards the remuneration of the Company's employees in a separated file/record (e.g. payroll data) at the Company's premises.

The Company, as part of its Disclosure and Market discipline obligations (Pillar 3 Disclosures), discloses in its annual disclosures, information relevant to its Remuneration Policy.

For the year ended 31 December 2019 the Firm identified the persons classified as Code Staff and the disclosure of the aggregate remuneration of the Code Staff can be found below:

	Staff No.	**Fixed Remuneration**	**Variable Remuneration**	**TOTAL**
Executive Directors	2	€ 88.400	0	**€ 88.400**
Non-Executive Directors	4	€ 8.750	0	€ 8.750
Other Code Staff	5	€ 87.849	0	€ 87.849
TOTAL	**10**	**€ 184.999**	**0**	**€ 184.999**

The Executive Directors of the Board are being remunerated through their monthly basic salaries. The Non-Executive Directors of the Board are being paid on a quarterly basis for their appointment. The total remuneration of the Non-Executive members of the Board during 2019 was €8.750.

FAQs

Questions regarding this Disclosure Report should be addressed to the Compliance Department of Go Markets Ltd at the email, compliance@gomarkets.eu

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9 Additional events after the reporting period

There is an uncertainty about the consequences of the so-called COVID-19 pandemic (Coronavirus) that started in China, but spread to other countries, and about the impact it may have on the global economy, the deterioration of the global assets and the increase in global financial volatility.

In this regard, various national and supranational authorities are taking measures to mitigate its effects. Among others, on March 12, 2020, the EBA and ECB have announced transitional measures to mitigate the impacts of COVID-19 on the European banking sector.
ESMA, in its initial statement on the COVID-19 pandemic on 11 March, made among others the following recommendations to financial market participants: Business Continuity Planning – All financial market participants, including infrastructures should be ready to apply their contingency plans, including deployment of business continuity measures, to ensure operational continuity in line with regulatory obligations;

In general the overall future economic outlook of the economy remains unstable due to the recent developments on the outbreak of Coronavirus (COVID-19).

In particular, and following the outbreak of COVID-19 in Cyprus, the Firm has taken the required measures to ensure that its employees have access to its technology infrastructures necessary for the completion of their tasks and that additional system for critical functions are being provided.
Furthermore, the Company is closely monitoring the impact of COVID-19 on its financial position in order to be able to take proactive measures.

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