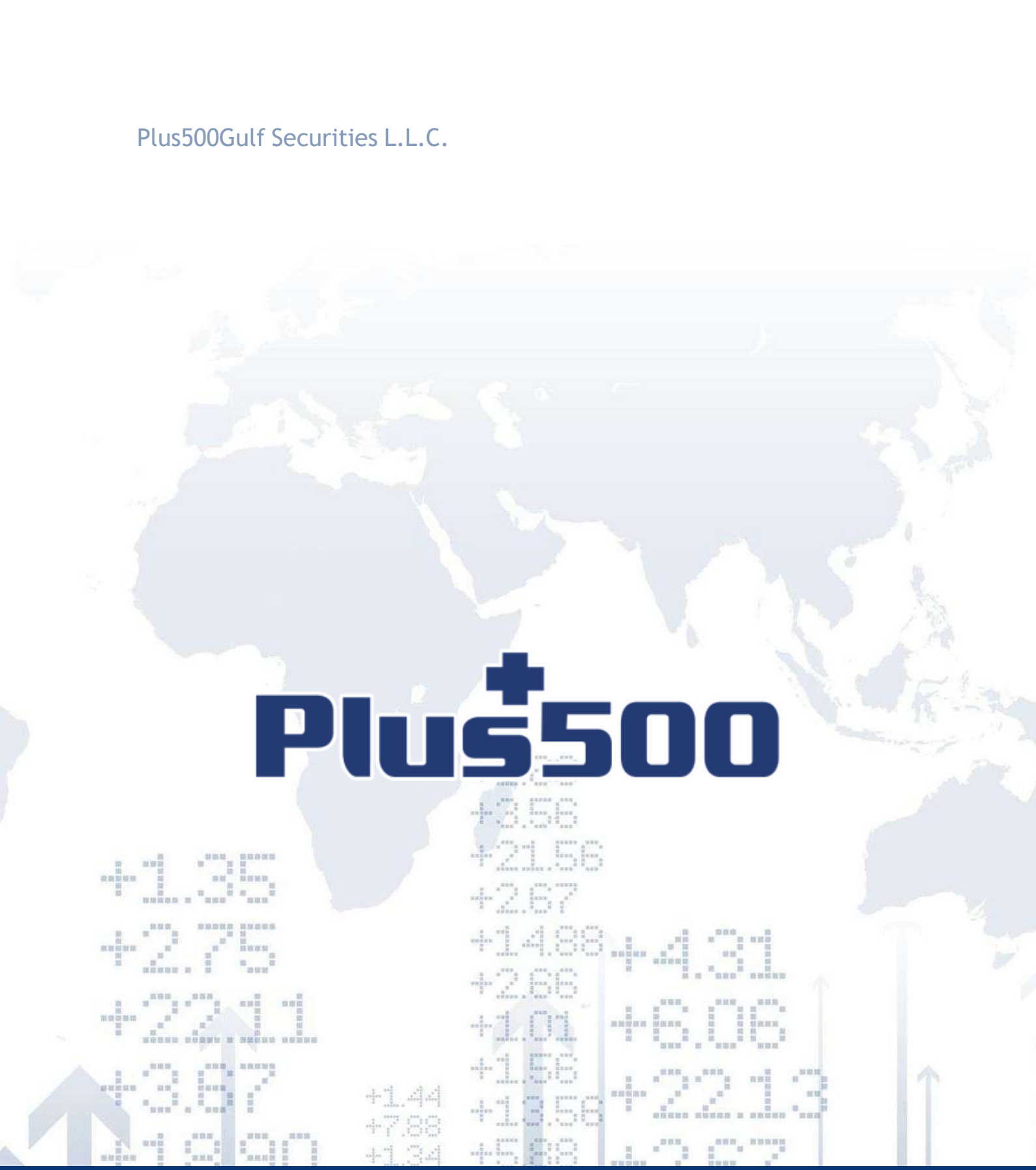
Plus500Gulf Securities L.L.C.



Risk Disclosure Notice

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1. THIS RISK DISCLOSURE NOTICE FORMS PART OF THE CLIENT AGREEMENT AS DEFINED IN THE USER AGREEMENT

1.1. Plus500Gulf Securities L.L.C. ("Plus500", "we", "our", "us', "it" and the "Company") a company incorporated with limited liability under the laws of the Emirate of Dubai, United Arab Emirates ("UAE") and the federal laws of the UAE (with Registration Number 1396403, having its registered address at Unit 405, Building 4, One Central, DWTC | Dubai, UAE , and licensed and regulated by the Capital Market Authority ("CMA") as a: (i) trading broker in the international markets; and (ii) trading broker of OTC derivatives and currencies in the forex spot market, license number 20200000232.

1.2. You are considering to deal in Contracts for Difference ('CFDs') using the Plus500 trading platform (the "**Trading Platform**"). CFDs are high-risk investments, which are not suitable for many investors.

1.3. This notice provides you with information about the risks associated with CFDs, but it cannot explain all of the risks nor how such risks relate to your personal circumstances. Given the high-risk nature of CFDs you should consider seeking independent professional advice.

1.4. It is important that you fully understand the risks involved before deciding to enter into a trading relationship with us. If you choose to enter into a trading relationship with us, it is important that you remain aware of the risks involved, that you have adequate financial resources to bear such risks and that you monitor your positions carefully.

2. MAGNIFIED LOSSES

2.1. The nature of margin trading markets means that both profits and losses can be magnified and you could incur very large losses if your position moves against you. To avoid incurring large losses, where possible, you should use the risk management tools offered by Plus500. Please note you cannot lose more than the balance on your Trading Account.

3. CFDS ARE NOT SUITED FOR LONG TERM INVESTMENT

3.1. CFDs are not suited to the long-term investor. If you hold a CFD open over a long period of time the associated costs increase, and it may be more beneficial to buy the underlying asset instead.

4. NO RIGHTS TO THE UNDERLYING INSTRUMENT

4.1. CFDs do not provide any right to or rights relating to the underlying instruments, or in the case of Equity CFDs, to voting rights, amongst others.

4.2. You are trading with CFDs, which means that you enter into a contract with us for the Difference between the value of an Instrument as specified on the Trading Platform at the time of opening a Transaction, and the value of such Instrument at the time of closing the Transaction. You are not entitled to ownership of the underlying asset of such a contract e.g. the actual shares or the rights offered in a rights issue event or the shares offered in an options contract. There is no delivery of the underlying asset.

5. ONLY INVEST MONEY YOU CAN AFFORD TO LOSE

5.1. Do not invest in CFDs with money you cannot afford to lose. An investment in CFDs carries a high degree of risk to the investor and, due to fluctuations in value, the investor may not get back the amount he has invested.

6. APPROPRIATENESS

6.1. Subject to the assessment of appropriateness of the Trading Platform for your circumstances, any decision whether or not to open an account, and whether or not you understand the risks is solely yours. CFDs are complex financial instruments that may not be suitable for all investors. Trading CFDs involves high risk due to leverage and market volatility. You should not trade CFDs unless you fully understand the risks involved and have adequate financial resources to sustain losses.

6.2. We assess your experience and knowledge of trading during the account application process to determine whether CFDs are appropriate for you. However, this does not constitute investment advice. Clients are responsible for assessing whether CFD trading aligns with their financial objectives and risk tolerance. Seeking independent financial advice is strongly recommended if you are uncertain about the suitability of CFDs.

6.3. We may also ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money that you have sent us or your profits and losses are consistent with that information. It is up to you to assess whether your financial resources are adequate and what level of risk you take.

7. POTENTIAL RISKS

7.1. You cannot lose more than the balance of your trading account ("**Trading Account**").

7.2. Before you open a CFD trade you must have enough funds on your account to cover the Initial Margin and, in order to keep the Transaction open, you must ensure that the amount in your Trading Account exceeds the Maintenance Margin. The Initial Margin will differ between Instruments and the amounts will be indicated on the Trading Platform. Trading using 'leverage' can work for or against you in equal measures; a small price movement in

your favour can result in a high return on the Initial Margin placed for the trade, but a small price movement against you may result in substantial losses.

Leverage limits for retail clients are subject to imposed caps to ensure responsible trading and investor protection. Plus500Gulf applies maximum leverage restrictions based on the underlying asset class, in compliance with CMA's Client Protection Framework. However, the use of leverage magnifies the size of your trade, which means your potential gain and your potential loss are equally magnified.

You should, therefore, closely monitor all of your open positions to mitigate against the risk of large losses.

Each instrument has a fixed leverage which is specified in the instrument's details. An important consideration is whether or not, you wish to dedicate all of your deposit to meet your margin requirements. By dedicating all your deposit in this manner, you will be less able to deal with market volatility than if you only dedicate some of your deposit.

7.3. You must ensure that the amount in your Trading Account exceeds the Maintenance Margin in order to keep a Transaction open, otherwise, if our price moves against you, you may need to deposit additional funds, at short notice, to maintain your open position(s). If you fail to do this, we will be entitled to close or partially close one or more or all of your trades and you will be responsible for any losses that may be incurred.

7.4. Before opening a CFD position, you must have sufficient funds in your account to cover the Initial Margin. To keep a position open, you must ensure that your account balance exceeds the Maintenance Margin at all times. If the balance in your account falls below the Maintenance Margin requirement due to market fluctuations, under our User Agreement we are entitled, at our sole discretion, to make a Margin Call which you are required to satisfy immediately. If you do not satisfy the Margin Call in a timely manner, we will be entitled to close or partially close one, or more, or all of your trades at the prevailing market rate. This could result in significant losses. You are solely responsible for monitoring your account and ensuring you maintain sufficient margin. For more information please visit: https://www.plus500.com/en-AE/tradingacademy/faq/trading/whatismargincall.

7.5. Unless you have taken steps to place an absolute limit on your losses by setting a "Guaranteed Stop" it is possible for adverse market movements to result in the loss of the entire balance of your Trading Account. Guaranteed Stops are not offered on all instruments, but there are other risk management tools available, e.g. by placing "Close at Loss" or "Close at Profit" orders on your account, that will help mitigate your losses. However, please note "Close at Loss" and "Close at Profit" are not guaranteed if the rate changes by more than a single pip. For more information please visit our FAQ Trading page: https://www.plus500.com/en-AE/tradingacademy/faq/trading.

7.6. With CFDs customers can buy ("go long") and close the position later by selling. Alternatively, customers can sell ("go short") and close the position later by buying (the mere action of closing the position functions as the action of buying/selling). Selling at a higher/lower price than the purchase price yields a gain/loss accordingly. If the market goes against you and you do not have the necessary risk management tools in place your position could result in significant losses.

7.7. Market disruptions, such as geopolitical events, central bank interventions, and extreme price volatility, may cause trading suspensions or market halts. As per CMA regulations, Plus500Gulf reserves the right to suspend or limit trading during such events to protect

clients from excessive risk. In such cases, order execution may be delayed or result in unexpected pricing outcomes.

8. NOT SUITABLE AS INCOME

8.1. The inherent concept of CFDs means they are not suitable for an investor seeking an income from their investments, as the income from such investments may fluctuate in value in money terms. For an investment in an over-the-counter ("**OTC**") product, which is not a readily realisable investment, it may be difficult to sell or realise the investment and obtain reliable information about its value or the extent of the risks to which it is exposed.

9. FLUCTUATIONS IN THE MARKET

9.1. It is important that you comprehend the risks associated with trading in CFDs, as fluctuations in the price of the underlying market will have an effect on the profitability of the trade. For example: the value of investments denominated in foreign currencies may diminish or increase due to changes in the rates of exchange.

9.2. CFD prices are subject to market volatility, which can result in rapid and unpredictable price movements. In volatile conditions, stop-loss orders and limit orders may not be executed at the requested levels, leading to slippage where orders are filled at a different price

9.3. Slippage occurs when the market moves suddenly in any direction, and is the difference between the expected price of a trade, and the price at which the trade was actually executed. The price is then said to have 'slipped' when the market has 'gapped' from one level to another. Gapping may occur when the price of an asset moves significantly from one level to another without any trading occurring in between. This applies in the event of either advantageous or disadvantageous price movements and can result in either losses (negative slippage) or gains (positive slippage).

9.4. Market-on-Open Orders (as defined in the User Agreement) shall be executed at the first quoted rate available on the Trading Platform once the underlying market reopens. You should be aware that there is no guarantee as to what the opening rate will be, nor that the execution rate will match the rate anticipated at the time the order was placed. Factors such as market volatility, limited liquidity, wide bid-ask spreads, price gaps due to overnight news or economic events, and corporate announcements can cause significant fluctuations in the opening rate. These conditions may result in slippage or execution at rates materially less favorable than expected.

9.5. Trading CFDs is only appropriate for those customers who fully understand the risks and have previous trading experience. If unsure, it is advisable to seek independent professional advice.

9.6. All client orders are executed in accordance with CMA's Best Execution regulations to ensure fairness and transparency. However, market conditions such as volatility, liquidity constraints, and price gaps may result in execution at a different price than expected.

10. DERIVATIVES

10.1. Positions opened with us are not traded on any exchange. The prices and other conditions are set by us, subject to any obligations we have to provide best execution, to act reasonably and in accordance with our User Agreement and with our Order Execution Policy. Certain CFD Indices offered by the Company are not traded in an exchange but they are created and priced by a third party index service provider. Each CFD trade that you open through our Trading Platform results in you entering into a contract with us; these contracts can only be closed with us and are not transferrable to any other person.

11. NEED TO MONITOR POSITIONS

11.1. Because of the effect of leverage and the speed at which profits or losses can be incurred, it is important that you monitor your positions closely. It is your responsibility to monitor your trades at all times.

11.2. Markets are subject to many influences which may result in rapid price fluctuations. Because of market volatility, there is no CFD transaction available via our trading platform that can be considered "risk free". Given the potential levels of volatility in markets, it is recommended that you closely monitor your transactions at all times. For example, the value of investments denominated in foreign currencies will be impacted by both changes in the rates of exchange and market movement.

12. OPERATIONAL RISKS

12.1. Operational risks with Plus500 on your computer are inherent in every CFD transaction. For example, disruptions in Plus500's operational processes such as communications, computers, computer or mobile networks or external events may lead to delays in the execution and settlement of a transaction. Plus500 does not accept or bear any liability whatsoever in relation to the operational processes of Plus500, except to the extent that it is caused by the fraud, negligence or dishonesty by Plus500.

12.2. In connection with the use of computer equipment and data, you (the "**Client**") bear the following risks amongst other risks, in which cases the Company has no liability of any resulting loss:

a) Power cut of the equipment on the side of the Client or the provider, or communication operator (including voice communication) that serves the Client;

b) Physical damage (or destruction) of the communication channels used to link the Client and provider (communication operator);

c) Outage (unacceptably low quality) of communication via the channels used by the Client, or the Company or the channels used by the provider, or communication operator (including voice communication) that are used by the Client or the Company;

d) Wrong or inconsistent with requirements settings of the Client's terminal (the "**Client Terminal**");

e) Untimely update of the Client Terminal;

f) The use of communication channels, hardware and software, generate the risk of non-reception of a message (including text messages) by the Client from the Company;

g) Malfunction or non-operability of the Platform, which also includes the Client Terminal.

12.3. The Client is warned that when trading on an electronic platform the Client assumes risk of financial loss which may be a consequence of amongst other things:

a) Failure of the Client's devices, software and poor quality of connection;

b) Plus500 or the Client's hardware or software failure, malfunction or misuse;

c) Improper work of the Client's equipment;

d) Wrong setting of the Client Terminal;

e) Delayed updates of the Client Terminal.

12.4. The Client may suffer financial losses caused by the materialization of the above risks, Plus500 accepting no responsibility or liability in the case of such a risk materializing and the Client shall be responsible for all related losses he may suffer.

13. CURRENCY RISK

13.1. Customers should be aware that CFDs denominated in a currency other than their home currency have the additional risk associated with currency fluctuations.

14. CLIENT MONEY & COUNTERPARTY RISK

14.1. Plus500 Gulf Securities L.L.C. is regulated by the Capital Market Authority (CMA) and operates under its client protection framework. This includes regulatory requirements on capital adequacy, reporting obligations, and compliance measures to protect investors.

14.2. All funds and currencies belonging to you ("**Client Money**") shall be held by us in a designated client money bank account (**"Client Money Account"**) and are subject to a right of off-set for all liabilities that you owe to us. Designated Client Money is segregated from the assets of the Company, in accordance with CMA rules. We may place your funds in our designated Client Money Account in a different currency to your base currency. Such Client Money will be at least equal in value to your base currency. No interest is due or will be paid in respect of Client Money.

14.3. Given that you are dealing with Plus500Gulf as the counterparty to every transaction, you will have an exposure to us in relation to each of your transactions and are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as **"Counterparty Risk"**.

15. TRADING CRYPTOCURRENCY CFDs RISK

15.1. Cryptocurrency CFDs are complex, extremely risky and usually highly speculative. Trading in Cryptocurrency CFDs involves a high risk of loss of funds over a short period of time due to high market volatility, execution issues and industry-specific disruptive events, including, but not limited to, discontinuation, regulatory bans and other malicious actors within cryptocurrency ecosystems.

15.2. The pricing of Cryptocurrency CFDs is derived from specific cryptocurrency exchanges, which means that the market depth is limited to what is available in the order books of such exchanges. These markets are relatively new and thus might be volatile and limited in terms of liquidity. The pricing engines of cryptocurrency exchanges may experience delays and/or interruptions which can be caused by numerous potential issues.

15.3. Cryptocurrency CFD trading is not appropriate for all investors and therefore, any person wishing to trade in Cryptocurrency CFDs should have detailed and updated knowledge and expertise in these specific products. Customers should always be fully aware and understand the specific characteristics and risks related to these products as laid down in this section.

16. COMMUNICATION BETWEEN THE CLIENT AND THE COMPANY

16.1. The Client shall accept the risk of any financial losses caused by the fact that the Client has received with delay or has not received at all any relevant notice(s) from the Company.

16.2. The Client acknowledges that the unencrypted information transmitted by e-mail is not protected from any unauthorised access.

16.3. The Company has no responsibility if unauthorized third persons have access to information, including electronic addresses, electronic communication and personal data, access data when the above are transmitted between the Company and the Client or when using the internet or other network communication facilities, or any other electronic means.

17. 24/5 TRADING RISKS

17.1. Generally, during the 24/5 Trading and 24/7 Trading (as defined in the User Agreement) there may be less trading volume and liquidity in comparison to standard Trading Hours. Consequently, trading conducted during 24/5 Trading and 24/7 Trading may include:

a) **Lower liquidity:** Typically, fewer participants prefer to trade during 24/5 Trading, which can result in lower trading volume, reduced liquidity and wider bid-ask spreads. Lower liquidity may also increase the difficulty of executing trades at the requested price or volume.

b) **Higher volatility:** Lower liquidity and reduced market participation may result in rapid and significant price fluctuations. Important financial information, economic developments, geopolitical events and/or other market events may also cause significant price movements, particularly during periods of lower liquidity. For Instruments available during 24/5 Trading, prices may also move significantly at

the transition between post-market and overnight sessions and between overnight and pre-market sessions. For Instruments available during 24/7 Trading, prices may move significantly at any time, including when other financial markets are closed. This is due to the relevant sources supporting continuous trading which may experience significant price volatility, fluctuations in liquidity and periods of reduced market activity.

c) **Pricing differences:** During certain periods of 24/5 Trading or 24/7 Trading, the relevant underlying Exchange or market may be closed, unavailable or illiquid. In such circumstances, prices quoted by the Company may be derived from alternative pricing sources including liquidity providers, Alternative Trading Systems ("ATS") and Electronic Communications Networks ("ECNs"), or other available pricing sources. As a result, prices quoted during 24/5 Trading or 24/7 Trading may differ materially from prices available during normal market hours or once the underlying market reopens.

d) **Execution risks**: During 24/5 Trading or 24/7 Trading, it may be impossible to execute Orders at the Client's requested price. Orders may be rejected, delayed, or executed at the first available price due to, inter alia, reduced liquidity, market volatility, rapid price fluctuations, absence of executable prices, trading halts, exchange suspensions, Corporate Actions or Critical Action Events ("CAs/CACs"), or disruptions affecting pricing sources. 24/5 Trading may also be suspended or closed in advance of CAs/CACs, including but not limited to mergers or acquisitions, reverse stock splits, spin-offs or de-mergers, symbol changes, and full-day trading halts (including ATS rule-based halts), to ensure orderly market conditions and risk management.

e) **Price Gap/Slippage risk:** Prices may move significantly or "gap" during 24/5 Trading or 24/7 Trading, which may result in stop-loss orders being executed at prices less favourable than requested. Unless expressly stated otherwise, stop-loss orders are not guaranteed.

f) **Margin and close-out risk:** Positions held during 24/5 Trading or 24/7 Trading may be subject to margin calls, automatic close-outs and adverse price movements during periods of reduced liquidity and increased volatility.

g) **Wider spreads:** The spread is the difference between the "Bid" (Buy) and "Ask/Offer" (Sell) price of an Instrument. Wider spreads may apply during 24/5 Trading or 24/7 Trading due to reduced market liquidity, lower trading activity, increased volatility and/or changes in the availability of pricing sources

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