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AL ARABI INVESTMENT GROUP CO.

Disclosure of Securities Online Trading Risks & Client Acceptance

In light of expansion of the Internet and the increase in its use by a very large number of people of various age and educational levels, and in addition to the wide spread of computers, the service of brokerage and trading securities through the Internet is witnessing a remarkable increase, whether in terms of the volume of operations or the number of dealers or the securities traded. This has resulted in increasing demand for dealing through the Internet instead of dealing in the traditional way of delegating Al Arabi Investment Group to carry out the required operations/process.

Accordingly, the client who wishes to trade securities over the Internet should realize that this mechanism differs significantly and fundamentally from the traditional method. In fact, the client tracks the securities prices live in addition to other trading information and any information provided by Al Arabi Investment Group to him/her, after which he enters his purchase and sale orders without the need to contact Al Arabi Investment Group to authorize it to do so. Hence, the client must fully realize that he is the owner of the purchase or selling decision, and he is responsible for implementing this decision by entering the appropriate order into the electronic trading system by means of the program provided by Al Arabi Investment Group to its clients.

Yet, and before using the online trading service, the client must be aware of some technical and organizational matters related to this service, in addition to being fully aware that using the Internet involves a number of risks that may cause him an unwanted loss. Risks are various and may be related to the Internet itself, the program used, the electronic trading system in addition to the misuse of the service by the client. Therefore, the client must acknowledge that he/she understands and accepts these risks that he/she may face while trading online, and that Al Arabi Investment Group will not be responsible for cases of communication failure, disruption or delay when trading online, nor will it be responsible for errors resulting in account balances as a result of this failure or malfunction.

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Some of online trading risks:

1. Loss of the client's account password:

Losing login information of the client's account, such as the user name and password, or the customer's negligence in maintaining it, or disclosing it to others, may entail many risks through which a third party may gain access to the customer's account and misuse this account.

2. How the online trading program works:

The client's lack of familiarity with the functions of the online trading program before starting to use it may lead to committing mistakes that may cause an unwanted loss, so the client must read carefully the manual for using the program before using it to get to know all its functions well, and to inquire from Al Arabi Investment Group about any matters that were not clear to him through the user guide.

3. Internet malfunctions:

Since Al Arabi Investment Group does not have any control over the Internet used to provide trading service to clients, faults that this network are exposed to may lead to a partial or complete interruption of the service, which means losing contact with the orders entered into the electronic trading system, in which case the client shall contact with Al Arabi Investment Group immediately and inform it of the problem that he faced, so that Al Arabi Investment Group, in turn, takes control of the entered orders and returns to the traditional method of trading until the service returns in accordance with the client's orders.

4. Speed of connection with the Internet:

Al Arabi Investment Group does not have any control over the Internet as it also does not have any control over the speed of the client's communication with it. This may affect the efficiency of receiving information or its transmission over the Internet, which also may lead to a delay in the receipt of trading information and notification messages received from the trading system regarding the entered orders. Yet, it may also lead to a delay in sending buy and sell orders to the electronic trading system.

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5. Sudden increase in trading activity:

The sudden increase in trading activity or even the increase of crowding on the service provided by Al Arabi Investment Group to its clients may result an increase in the momentum of information that is sent through the Internet which may lead to the possibility of a delay in the arrival of information or updating the prices of securities on the used program, in addition to the role it may play in disconnection or the failure to connect to the service.

6. Malfunctions of the computer equipment used by the client:

The malfunctions that the client's computer/equipment may be exposed to may lead to a reduction in the chance of completing the operations or not being able to execute them at all. In addition, the inability to access the Internet to connect to the service, or even not receiving notification messages received from the electronic trading system regarding the entered orders is also a malfunction risk. The client must do the necessary regular software and hardware maintenance for the used computer/equipment for fear of sudden malfunctions.

7. Errors in the rates/prices and information of trading securities that are broadcasted through the online Trading Program:

The above-mentioned faults that the systems and software, or the devices and communication lines used are exposed to may lead to the wrong arrival of the information to the client. Upon noticing such errors, the client should, stop using the service immediately and inform Al Arabi Investment Group about the same for fear of unfortunate losses.

8. Third-party intervention:

Among the risks that the customer may be exposed to is also the intervention of a third party in the network, including the interception of notification messages or sending them by fraudsters and impersonators of others such as people who are able to monitor, enter and tamper with Internet websites.

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In fact, this type of risk also includes the introduction of programs and systems by a third party into the client's computer, including viruses, intrusion and intrusion programs, etc., which may interfere with or damage communications and cause damage to the user's computer systems. Therefore, the customer must always run programs that block and protect against intruders and hackers (Firewalls), and anti-virus programs, and work to follow up the process of updating them periodically and according to the requirements of these programs which guarantee reducing the third-party intervention in the customer's computers risks.

9. Internal modifications to the client's computer systems by his employees, servants and workers (if the customer is a body corporate).
10. Negligence in dealing with sensitive and confidential data by persons using the client's computer systems or the data stored therein.
11. Failure to provide programs that block and protect (Firewalls), passwords and other access control mechanisms on the client's computer, which help reduce the risks of using the Internet in communications and in the execution of trading operations.
12. Any other risks resulting from using the Internet.

Further, the customer also acknowledges that he/she/it is aware that the security and protection techniques, and the means used for the purposes of intrusion, access to and tampering with Internet sites, interception and interference with Internet communications, and any other risks resulting from the use of the Internet are increasing steadily over time, and that it is necessary to keep updating security and protection techniques and procedures continuously in addition to improving internet communications and mechanisms of executing trading operations that take place over the Internet.

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Further risk considerations and recommendations for the client who wants to use online trading:

- 1- The online trading service does not necessarily mean a direct connection with the electronic trading system on the stock exchange:

Although the client follows the movement of securities trading in live modes, in addition to entering own purchase and sale orders without the need to contact Al Arabi Investment Group to authorize it to do so, yet the client must realize that the entered orders are first passed to the Al Arabi Investment Group systems to verify electronically the adequacy of the cash balance or the balance of securities and any other conditions, and then electronically direct them to the electronic trading system at the stock exchange. Therefore, the customer must wait before judging that the order arrived to the electronic trading system, and not try to repeat the entry of the order to avoid duplication. The client must realize and agree that he/she/it is solely responsible for any repetition of the orders entered through the internet.

- 2- Read the privacy policy and terms of service applied by Al Arabi Investment Group Company.
- 3- Ask Al Arabi Investment Group Company about how to communicate directly with customer service in case you want to inquire about the service or if there are problems that you would like to inform Al Arabi Investment Group about as well as about the work mechanism that the company adopts in emergency situations.

- 4- Entering orders over the Internet does not mean executing them immediately:

The fact that the customer enters the purchase or sale order through the program does not mean the execution of this order immediately. The arrival of the entered order to the trading system may be delayed due to the many reasons previously mentioned represented in the failure or disruption of the Internet or the systems and programs used, or a delay resulting from the mechanism of verifying the matter in the systems of AlArabi Investment Group before passing it to the electronic trading system, or also as a result of severe crowding on the

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service provided by Al Arabi Investment Group or the increase in the activity of the trading movement in the stock exchange, or otherwise as a result of changing the forces of supply and demand before the order reached the trading system. Therefore, the order is recorded on the order book pending execution.

The customer must realize that what Al Arabi Investment Group provides is a service for entering purchase and sale orders through the Internet only, and does not guarantee or implement these orders. The client must follow the status of the entered order notified thereof and not to repeat the same order entry.

5- Delay in updating the client's account balances upon execution of the order:

In some cases, and despite the execution of the entered order, the account balances may not be updated immediately and concurrently with the execution due to the possibility of delay in receiving the notification message with the implementation of the entered order as a result of the previously mentioned reasons and faults. In fact, the failure to receive a confirmation message does not necessarily mean that the order is not executed. The customer must be patient and follow up on the received messages and not to re-enter the orders while in case of not receiving any message. It is preferable to contact Al Arabi Investment Group to inquire about the status of the entered order and inform them of the problem.

6- The client must adhere to the minimum technical requirements set by Al Arabi Investment Group.

7- In case of loss of the password, then the client shall do the following: - the client contacts Al Arabi Investment Group and asks them to change his password (which includes resetting the password and replacing it with a new one) after having Al Arabi Investment Group verified the identity of the calling customer.

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This appendix is deemed as an integral part of the securities trading agreement

I, the client, acknowledge that I have read and understood all the terms, conditions and risks for online brokerage and trading, which are clear and understandable to me and that I bear all these risks or what results from them without Al Arabi Investment Group Company assuming any responsibility in case any of these risks resulting in financial losses. I do not have the right to claim or challenge the same before the courts.

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