Schedule of Products and Services Risk Disclosures

PART I: INTRODUCTION

This Schedule of Product and Service Risk Disclosures is for use by professional clients of First Abu Dhabi Bank PJSC, London Branch **("FAB UK")** only and must not be relied on by anyone else. A reference to any **"Affiliate"** of FAB UK is to direct or indirect subsidiaries of FAB UK and the direct or indirect subsidiaries of FAB UK's direct or indirect holding companies from time to time, any entity directly or indirectly controlled by FAB UK and any entity directly or indirectly under common control with FAB UK and any other connected or associated person, whether or not any such subsidiary, holding company, entity or person exists as at the date of the Terms of Business of FAB UK (the **"Terms")** or is established or acquired after. It cannot disclose all the risks and other significant aspects of the products you may purchase, sell or subscribe for from or through us **("products"),** but is intended to give you information on and a warning of the risks associated with them so that you are reasonably able to understand the nature and risks of the services and of the specific types of investment being offered and, consequently, to take investment decisions on an informed basis. You should also read any product/transaction specific disclosures that may be included in any product/transaction specific documentation provided to you.

All defined terms used herein shall have the meaning given in the Terms, unless specified otherwise.

You must not rely on the guidance contained in this Schedule of Product and Service Risk Disclosures as investment advice based on your personal circumstances, nor as a recommendation to enter into any of the services or invest in any of the products listed below. Where you are unclear as to the meaning of any of the disclosures or warnings described below, we would strongly recommend that you seek independent legal or financial advice.

You should not deal in these or any other products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the product and/or service is suitable for you in light of your circumstances and financial position and, where necessary, you should seek appropriate independent advice in advance of any investment decisions.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of any investment. In any of the situations described below, the use of leverage (which has the effect of magnifying potential positive or negative outcomes) may significantly increase the impact on you of any of the risks described.

All financial products carry a certain degree of risk and even low risk investment strategies contain an element of uncertainty. The types of risk that might be of concern will depend on various matters, including how the instrument is created, structured or drafted. The specific risks of a particular product or transaction will depend upon the terms of the product or transaction and the particular circumstances of, and relationships between, the relevant parties involved in such product or transaction. Different instruments involve different levels of exposure to risk and in deciding whether to trade in

such instruments or become involved in any financial products you should be aware of the guidance set out below:

PART II: PRODUCTS AND INVESTMENTS

Set out below is an outline of the major categories of risk that may be associated with certain generic types of financial instruments, which should be read in conjunction with Parts III and IV.

1. MONEY-MARKET INSTRUMENTS

A money-market instrument is a borrowing of cash for a period, generally no longer than six months, but occasionally up to one year, in which the lender takes a deposit from the money markets in order to lend (or advance) it to the borrower. Unlike an overdraft, the borrower must specify the exact amount and the period for which he wishes to borrow. Like other debt instruments (see Clause 2 below), money-market instruments may be exposed to the major risk types in Part III below, namely credit and interest rate risk.

2. DEBT INSTRUMENTS/BONDS/DEBENTURES

All debt instruments are potentially exposed to the major risk types in Part III below, specifically credit risk and interest rate risk.

Debt securities may be subject to the risk of the issuer's inability to meet principal and /or interest payments on the obligation and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer, general market liquidity, and other economic factors, amongst other issues. When interest rates rise, the value of corporate debt securities can be expected to decline. Fixed-rate transferable debt securities with longer maturities/lower coupons tend to be more sensitive to interest rate movements than those with shorter maturities/higher coupons.

Prior to their exchange or conversion, the price volatility of exchangeable or convertible bonds may differ from that of non-exchangeable or non-convertible bonds due to the impact of the potential for exchange or conversion into a new instrument. Once exchanged or converted into a new instrument, that new instrument will carry the risks relevant to it.

3. DERIVATIVES, INCLUDING OPTIONS, FUTURES, SWAPS, FORWARD RATE AGREEMENTS, DERIVATIVE INSTRUMENTS FOR THE TRANSFER OF CREDIT RISK

The risks set out in 3.1- 3.5 below may arise in connection with all types of derivative contract, whether it is in the form of a listed instrument, an OTC instrument, or a securitized product such as a note or a certificate.

3.1 Derivatives Overview

A derivative is a financial instrument, the value of which is derived from an underlying asset's value. Rather than trade or exchange the asset itself, an agreement is entered into to exchange money, assets or some other value at some future date based on the underlying asset. A premium may also be payable to acquire the derivative instrument.

There are many types of derivative, but options, futures and swaps are among the most common. An investor in derivatives often assumes a high level of risk, and therefore investments in derivatives should be made with caution, especially for less experienced investors or investors with a limited amount of capital to invest.

If a derivative transaction is particularly large or if the relevant market is illiquid (as may be the case with many privately negotiated off-exchange derivatives), it may not be possible to initiate a transaction or liquidate a position at an advantageous price.

On-exchange derivatives are subject, in addition, to the risks of exchange trading generally, including potentially the requirement to provide margin. Off- exchange derivatives may take the form of unlisted transferable securities or bi-lateral "over the counter" contracts **("OTC").** Although these forms of derivatives may be traded differently, both arrangements may be subject to credit risk of the issuer (if transferable securities) or the counterparty (if OTCs) and, like any contract, are subject also to the particular terms of the contract (whether a one-off transferable security or OTC, or a master agreement),

as well as the risks identified in Part III below. In particular with an OTC contract, the counterparty may not be bound to "close out" or liquidate this position, and so it may not be possible to terminate a loss-making contract. Off-exchange derivatives are individually negotiated. As the terms of the transactions are not standardized and no centralized pricing source exists (as exists for exchange traded instruments), the transactions may be difficult to value. Different pricing formulas and financial assumptions may yield different values, and different financial institutions may quote different prices for the same transaction. In addition, the value of an off-exchange derivative will vary over time and is affected by many factors, including the remaining time until maturity, the market price, price volatility and prevailing interest rates.

Derivatives can be used for speculative purposes or as hedges to manage other investment or economic risks. In all cases the suitability of the transaction for the investor should be very carefully considered.

You are therefore advised to ask about the terms and conditions of the specific derivatives and associated obligations (e.g. the circumstances under which you may become obligated to make or take delivery of an underlying asset and, in respect of options, expiration dates and restrictions on the time for exercise). Under certain circumstances the specifications of outstanding contracts (including the exercise price of an option) may be modified by the exchange or clearing house to reflect changes in the underlying asset.

Normal pricing relationships between the underlying asset and the derivative may not exist in all cases. This can occur when, for example, the futures contract underlying the option is subject to price limits while the option is not. The absence of an underlying reference price may make it difficult to assess 'fair' value.

The points set out below in relation to different types of derivative are not only applicable specifically to these derivatives but are also applicable more widely to derivatives generally. All derivatives are potentially subject to the major risk types in Part III below, especially market risk, credit risk and any specific sector risks connected with the underlying asset.

3.2 Futures/Forwards/Forward rate agreements

Transactions in futures or forwards involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The 'gearing' or 'leverage' often obtainable in futures and forwards trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you. Futures and forwards transactions have a contingent liability, and you should be aware of the implications of this, in particular margining requirements: these are that, on a daily basis, with all exchange-traded, and most OTC off-exchange, futures and forwards, you will have to pay over in cash losses incurred on a daily basis and if you fail to, the contract may be terminated. See further, 1 and 2 of Part IV below.

3.3 Swaps

A swap agreement is a derivative where two counterparties exchange one stream of cash flows against another stream, calculated by reference to an "underlying" (such as securities' indices, bonds currencies, interest rates or commodities, or more intangible items).

A swap agreement may also be combined with an option. Such an option may be structured in two different ways. On the one hand, "swaptions" are transactions that give the purchaser of the swaption the right, against payment of a premium, to exercise or not to exercise, until the agreed maturity date, its right to enter into a pre-agreed swap agreement. On the other hand, "caps", "floors" and "collars" enable a party, against payment or receipt of a premium, to protect itself against, or to take an exposure on, the variation on the value or level of an underlying.

A major risk of off-exchange derivatives, (including swaps) is known as counterparty risk, whereby a party is exposed to the inability of its counterparty to perform its obligations under the relevant financial instrument. For example, if Party A, wants a fixed interest rate loan and so swaps a variable rate loan with Party B, thereby swapping payments, this will synthetically create a fixed rate for A. However, if B goes insolvent, A will lose its fixed rate and will be paying a variable rate again. If interest rates have gone up a lot, it is possible that A will struggle to repay.

The swap market has grown substantially in recent years, with a large number of banks and investment banking firms acting both as principals and as agents utilizing standardized swap documentation to cover swaps trading over a broad range of underlying assets. As a result, the swap market for certain underlying assets has become more liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap.

PART III: GENERIC RISK TYPES

1. GENERAL

The price or value of an investment will depend on fluctuations in the financial markets outside of anyone's control. Past performance is no indicator of future performance.

The nature and extent of investment risks varies between countries and from investment to investment. These investment risks will vary with, amongst other things, the type of investment being made, including how the financial products have been created or their terms drafted, the needs and objectives of particular investors, the manner in which a particular investment is made or offered, sold or traded, the location or domicile of the issuer, the diversification or concentration in a portfolio (e.g. the amount invested in any one currency, security, country or issuer), the complexity of the transaction and the use of leverage.

The risk types set out below could have an impact on each type of investment:

2. LIQUIDITY

The liquidity of an instrument is directly affected by the supply and demand for that instrument and also indirectly by other factors, including market disruptions (for example a disruption on the relevant exchange) or infrastructure issues, such as a lack of sophistication or disruption in the securities settlement process. Under certain trading conditions it may be difficult or impossible to liquidate or acquire a position. This may occur, for example, at times of rapid price movement if the price rises or falls to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit your losses to intended amounts, but market conditions may make it impossible to execute such an order at the stipulated price. In addition, unless the contract terms so provide, a party may not have to accept early termination of a contract or buy back or redeem the relevant product and there may therefore be zero liquidity in the product. In other cases, early termination, realization or redemption may result in you receiving substantially less than you paid for the product or, in some cases, nothing at all.

3. CREDIT RISK

Credit risk is the risk of loss caused by borrowers, bond obligors, guarantors, or counterparties failing to fulfil their obligations or the risk of such parties' credit quality deteriorating. Exposure to the credit risk of one or more reference entities is particularly relevant to any credit linked product such as credit linked notes, and the potential losses which may be sustained, and the frequency and likelihood of such losses occurring, when investing in credit linked products may be substantially greater than when investing in an obligation of the reference entity itself.

4. MARKET RISK

The price of investments goes up and down depending on market supply and demand, investor perception and the prices of any underlying or allied investments or, indeed, sector, political and economic factors. These can be totally unpredictable.

4.1 Overseas markets

Any overseas investment or investment with an overseas element can be subject to the risks of overseas markets which may involve different risks from those of the home market of the investor. In some cases, the risks will be greater. The potential for profit or loss from transactions on foreign markets or in overseas denominated contracts will be affected by fluctuations in overseas exchange rates.

4.2 Emerging Markets

Price volatility in emerging markets, in particular, can be extreme. Price discrepancies, low trading volumes and wide pricing spreads can be common and unpredictable movements in the market not uncommon. Additionally, as news about a country becomes available, the financial markets may react with dramatic upswings and/or downswings in prices during a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency, market infrastructure, legal certainty and regulation found in more developed markets. For example, these markets might not have regulations governing market or price manipulation and insider trading or other provisions designed to "level the playing field" with respect to the availability of information and the use or misuse thereof in such markets. They may also be affected by sector, economic and political risk. It may be difficult to employ certain risk and legal uncertainty management practices for emerging markets investments, such as forward currency exchange contracts or derivatives. The impact of the imposition or removal of foreign exchange controls at any time should be considered, as well as potential difficulties in repatriation of assets. The risks associated with nationalization or expropriation of assets, the imposition of confiscatory or punitive taxation, restrictions on investments by foreigners in an emerging market, sanctions, war and revolution should also be considered.

5. SETTLEMENT RISK

Settlement risk is the risk that a counterparty does not deliver the security (or its value) in accordance with the agreed terms after the other counterparty has already fulfilled its part of the agreement to so deliver. Settlement risk increases where different legs of the transaction settle in different time zones or in different settlement systems where netting is not possible. This risk is particularly acute in foreign exchange transactions and currency swap transactions.

6. INSOLVENCY

The insolvency or default of the firm with whom you are dealing, or of any brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent or, indeed, investments not being returned to you. There is also insolvency risk in relation to the investment itself, for example of the company that issued a share or bond or of the counterparty to off-exchange derivatives (where the risk relates to the derivative itself and to any collateral or margin held by the counterparty).

Banks and other financial institutions may become subject to resolution procedures. In such situations the value of shares and certain debt instruments issued by the bank or financial institution may be written down in whole or in part.

7. CURRENCY RISK

In respect of any foreign exchange transactions and transactions in derivatives and securities that are denominated in a currency other than that in which your account is denominated, a movement in exchange rates may have a favourable or an unfavourable effect on the gain or loss achieved on such transactions.

The weakening of a country's currency relative to a benchmark currency or the currency of your portfolio will negatively affect the value of an investment denominated in that currency. Currency valuations are linked to a host of economic, social and political factors and can fluctuate greatly, even during intra-day trading. Some countries have foreign exchange controls which may include the suspension of the ability to exchange or transfer currency, or the devaluation of the currency. Hedging can increase or decrease the exposure to any one currency but may not eliminate completely exposure to changing currency values.

8. INTEREST RATE RISK

Interest rates can rise as well as fall. A risk with interest rates is that the relative value of a security, especially a bond, will worsen due to an interest rate increase. This could impact negatively on other products. There are additional interest rate related risks in relation to floating rate instruments and fixed rate instruments; interest income on floating rate instruments cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of floating rate instruments at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the relevant instruments provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Changes in market interest rates have a substantially stronger impact on the prices of zero-coupon bonds than on the prices of ordinary bonds because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon bonds can suffer higher price losses than other bonds having the same maturity and credit rating.

9. REGULATORY/LEGAL/STRUCTURALRISK

All investments could be exposed to regulatory, legal or structural risk.

Returns on all, and particularly new, investments are at risk from regulatory or legal actions and changes which can, amongst other issues, alter the profit potential of an investment. Legal changes could even have the effect that a previously acceptable investment becomes illegal. Changes to related issues such as tax may also occur and could have a large impact on profitability. Such risk is unpredictable and can depend on numerous political, economic and other factors. For this reason, this risk is greater in emerging markets but does apply everywhere. In emerging markets, there is generally less government supervision and regulation of business and industry practices, stock exchanges and over-the-counter markets.

The type of laws and regulations with which investors are familiar in the EEA may not exist in some places, and where they do, may be subject to inconsistent or arbitrary application or interpretation and may be changed with retroactive effect. Both the independence of judicial systems and their immunity from economic, political or nationalistic influences remain largely untested in many countries. Judges and courts in many countries are generally inexperienced in the areas of business and corporate law. Companies are exposed to the risk that legislatures will revise established law solely in response to economic or political pressure or popular discontent. There is no guarantee that an overseas investor would obtain a satisfactory remedy in local courts in case of a breach of local laws or regulations or a dispute over ownership of assets. An investor may also encounter difficulties in pursuing legal remedies or in obtaining and enforcing judgments in overseas courts.

In the case of many products, there will be no legal or beneficial interest in the obligations or securities of the underlying reference entity but rather an investor will have a contractual relationship with the counterparty only and its rights will therefore be limited to contractual remedies against the counterparty in accordance with the terms of the relevant product.

In all cases the legal terms and conditions of a product may contain provisions which could operate against your interests. For example, they may permit early redemption or termination at a time which is unfavourable to you, or they may give wide discretion to the issuer of securities to revise the terms applicable to securities. In other cases, there may be limits on the amounts in relation to which rights attaching to securities may be exercised and in the event that you hold too many (or too few) securities, your interests may be prejudiced and you should scrutinize these carefully. In some cases, the exercise of rights by others may impact on your investment. For example, a product such as a bond or note may contain provisions for calling meetings of holders of those bonds or notes to consider matters affecting their interests generally (including yours) and may permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Further, in some cases amendments may be made to the terms and conditions of bonds or notes without the consent of any of the holders in circumstances set out in general conditions attaching to such bonds or notes.

10. OPERATIONAL RISK

Operational risk, such as breakdowns or malfunctioning of essential systems and controls, including IT systems, can impact on all financial products. Business risk, especially the risk that the business is run incompetently or poorly, could also impact on shareholders of, or investors in, such a business. Personnel and organizational changes can severely affect such risks and, in general, operational risk may not be apparent from outside the organization.

11. CONFLICTS

We maintain a conflicts of interest policy for identifying, preventing and managing conflicts of interest between ourselves (including our managers and employees) or any person directly or indirectly linked to us by control and you, or between you and another client that arise in the course of providing services, as required by the Rules. A summary of our policy is available at https://www.bankfab.com/-/media/fabgroup/international/uk/uk-pdfs/conflicts-of-interest-policy.pdf?view=1hand further details may be obtained on request from your usual contact at FAB UK. In the unlikely circumstance that the organizational or administrative arrangements that are in place in respect of conflicts of interest are not able to ensure, with reasonable confidence, that the risks of damage to you will be prevented, we will make you aware of the possibility of such conflict or material interest as well as the steps taken to mitigate those risks prior to providing services to you and may ask you to consent to us acting notwithstanding such conflict or material interest. We may also decline to act where we believe that there is no other practicable way of treating you (or, where applicable, your principal or principals) and our other clients fairly. If you object to us acting where we have disclosed that we have a conflict or material interest, you should notify your usual contact at FAB UK in writing. Unless so notified, we will assume that you do not object to our so acting.

In the ordinary course of their respective businesses, FAB UK and any of its Affiliates will be subject to various actual and potential conflicts of interest which may operate against your interests.

12. VOLATILITY RISK

In addition to the volatility risks outlined above in the specific product and investment section, the price of any instrument or product may be volatile due to a number of factors, including but not limited to there being low liquidity in that instrument or product.

PART IV: TRANSACTION AND SERVICE RISKS

1. COLLATERAL

If you deposit collateral as security with a firm, the way in which it will be treated will vary according to the type of transaction and where it is traded and the terms of any Product Contract you have entered into with us. There could be significant differences in the treatment of your collateral, depending on whether or not you are trading on a trading venue operated by an authorized person (see 4 below), in accordance with the rules of that venue (and the associated clearing house). Deposited collateral may lose its identity as your property once dealings on your behalf are undertaken. Even if your dealings should ultimately prove profitable, you may not get back the same assets which you deposited and may have to accept payment in cash. You should ascertain from the firm how your collateral will be dealt with.

2. EFFECT OF ABSOLUTE TITLE TRANSFER

Where we consider it appropriate, we may require you to provide collateral by way of title transfer.

Where your collateral is subject to total title transfer to us, you should note that:

(a) The assets cease to be your assets and you will no longer have a proprietary claim over them. They will not be held subject to the Custody Rules or the rules of another applicable regulator in safe custody (where they are financial instruments) or subject to the Client Money Rules or other applicable client money protection (where they are cash). The assets become our assets and we can deal with them in our own right;

(b) You will have an unsecured contractual claim against us for re- transfer of equivalent assets; and

(c) As a result, the assets will not be subject to a trust or otherwise insulated in our insolvency. And, in such event, you may not receive back everything so transferred to us and you will only rank as a general creditor. The FCA's Client Money Distribution Rules which are set out in the CASS 7A of the FCA Handbook ("Client Money Distribution Rules") will not apply to these assets where they are cash and you will not be entitled to share in any distribution under the Client Money Distribution Rules.

Further information on the reuse of financial instruments under securities financing transactions under Regulation (EU) 2015/2365 is available here: https://www.bankFABUK.com/en-gb/regulatory.

3. OFF-EXCHANGE TRANSACTIONS

Transactions which are traded on exchanges or trading venues other than those recognized or designated by the relevant regulators may be exposed to substantially greater risks.

4. GUARANTEED TRANSACTIONS

Where a product is guaranteed, your protection may be subject to the continuing solvency and ability to pay of the entity providing a guarantee. You should obtain sufficient information about the guarantor and the guarantee to be able to make an assessment of the value of the guarantee.

5. NON-READILY REALISABLE INVESTMENTS

Both exchange listed and traded and off-exchange investments may be non- readily realizable. These are investments in which the market is limited or could become so. Accordingly, it may be difficult to assess their market value and/or to liquidate your position.