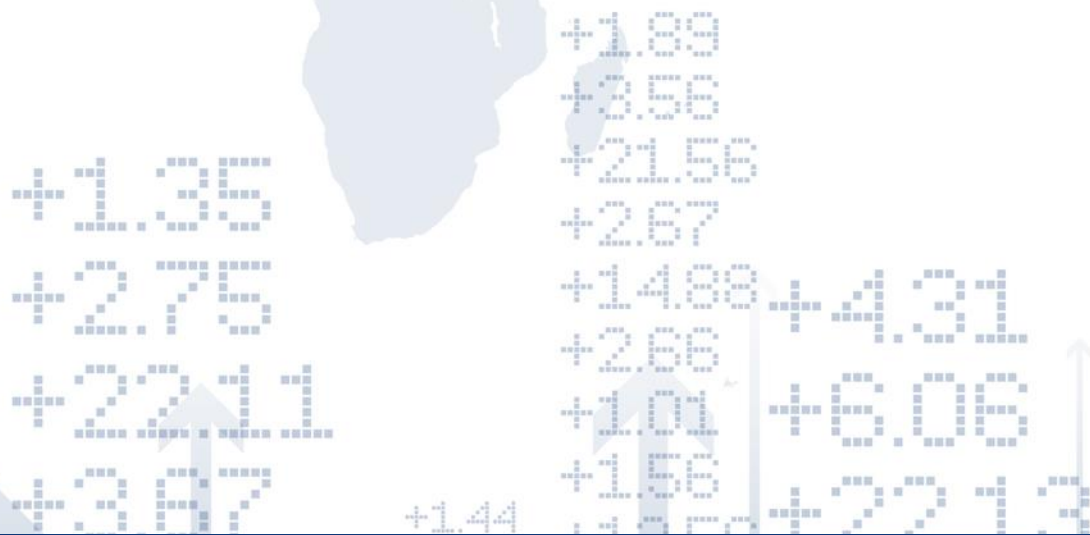


Plus500AU Pty Ltd

Plus500

World's Trading Machine



Counterparty and Hedging Policy





Counterparty and Hedging Policy

Given you are dealing with Plus500AU as counterparty to every transaction you open, you will have an exposure to us in relation to each transaction if we are not ready, willing or able to meet our obligations, for example, if Plus500AU were to become insolvent.

You are reliant on Plus500AU's ability to meet its counterparty obligations to you to settle the relevant contract. Plus500AU limits this exposure by hedging its exposure to its clients by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. Plus500AU is then exposed to counterparty risk with that hedging party.

Plus500AU's policy to manage its exposure to market risk from client positions is to offset (hedge) all of its clients trades with its parent company, Plus500 Ltd i.e. on a back-to-back basis. Thus, there is limited risk to Plus500AU.

In turn Plus500 Ltd centrally manages the exposure it has to Plus500AU and other entities by aggregating its exposure and internally offsetting client trades with each other. Any net exposure of Plus500AU is then hedged by Plus500 with its liquidity provider. Providers are chosen based on their ability to provide liquidity in the underlying market as well as the strength of their balance sheet. At present the primary hedging counterparties used by Plus500 Ltd is Interactive Brokers.



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