Robinhood Financial and Robinhood Securities Margin Disclosure Statement

Robinhood Financial LLC (“RHF”) and Robinhood Securities, LLC (“RHS, and collectively with RHF, “we,” “us,” or “our”) are broker-dealers and members of FINRA and SIPC. RHS acts as RHF’s clearing broker-dealer for accounts introduced by RHF. For purposes of this Margin Disclosure Statement, the terms “you” and “your” refer to each owner of such an account.

We do not provide investment, legal, or tax advice. Margin is not suitable for everyone. You should examine your investment objectives, financial resources and risk tolerance to determine whether borrowing against securities, and trading on margin in particular, is appropriate for you. The increased leverage that margin provides may heighten the risks of investing.

We are furnishing this document to you to provide some basic facts about purchasing securities on margin, and to alert you to the risks involved with trading securities in a margin account. Before trading stocks in a margin account, you should carefully review this Margin Disclosure Statement and Credit Terms, the RHF-RHS Customer Margin and Short Account Agreement, the RHF Fee Schedule, and the RHF-RHS Customer Agreement. If you have any questions or concerns, please contact us.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from RHS. If you choose to borrow funds from RHS, you will need to do so through a margin account with RHS through RHF. The securities purchased are used as collateral for the loan to you. If the securities in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, we can take action, such as issue a margin call and/or sell securities or other assets in any of your accounts, in order to maintain the required equity in the account. It is important that you fully understand the risks involved in trading securities on margin. These risks include, without limitation, the following:

> **YOU CAN LOSE MORE FUNDS THAN YOU DEPOSIT IN THE MARGIN ACCOUNT.** A decline in the value of securities purchased on margin may require you to provide additional funds to your account to avoid the forced sale of those securities or other securities or assets in your account(s).
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> **WE CAN FORCE THE LIQUIDATION OR SALE OF SECURITIES OR OTHER ASSETS IN YOUR ACCOUNT(S).** If the equity in your account falls below the Self-Regulatory Organization (“SRO”) maintenance margin requirements or our “house” requirements, we can sell the securities or other assets in any of your accounts to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.

WE CAN SELL YOUR SECURITIES OR OTHER ASSETS WITHOUT CONTACTING YOU. Some investors mistakenly believe that their brokerage firm must contact them for a margin call to be valid, and that their firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. Although we may attempt to notify you of margin calls, we are not required to do so. However, even if we have contacted you and provided a specific date to meet a margin call, we can still take necessary steps to protect our financial interests, including immediately selling the securities without notice to you. We may forcibly liquidate all or part of your account without prior notice, regardless of your intent to satisfy a margin call, in order to protect your interests or our interests.

YOU ARE NOT ENTITLED TO CHOOSE WHICH SECURITIES OR OTHER ASSETS IN YOUR ACCOUNT(S) ARE LIQUIDATED OR SOLD TO MEET A MARGIN CALL. Because the securities are collateral for the margin loan, we have the right to decide which security to sell in order to protect our interests.

WE CAN INCREASE "HOUSE" MAINTENANCE MARGIN REQUIREMENTS AT ANY TIME AND ARE NOT REQUIRED TO PROVIDE YOU ADVANCE WRITTEN NOTICE. These changes in policy often take effect immediately and may result in the issuance of a maintenance margin call. Your failure to satisfy the call may require us to liquidate or sell securities in your account(s).

YOU ARE NOT ENTITLED TO AN EXTENSION OF TIME ON A MARGIN CALL. While an extension of time to meet margin requirements may be available to customers under certain conditions, a customer does not have a right to the extension.

THE IRS REQUIRES BROKER-DEALERS TO TREAT DIVIDEND PAYMENTS ON LOANED SECURITIES POSITIONS AS A "SUBSTITUTE PAYMENT" IN LIEU OF A DIVIDEND. A substitute payment is not a "qualified dividend" and is taxed as ordinary income.

RHS MAY HYPOTHECATE THE SECURITIES IN YOUR ACCOUNT. All securities now or hereafter held by RHS, or carried by RHS in any account for you (either individually or jointly with others), or deposited to secure same, may from time to time, without any notice, be carried in RHS's general loans and may be pledged, repledged, hypothecated or re-hypothecated, separately or in common with other securities for the sum due to RHS thereon or for a greater sum and without retaining in RHS's possession or control for delivery a like amount of similar securities. Any securities in your margin or short account may be borrowed by RHS, or lent to others.

INDUSTRY REGULATIONS MAY LIMIT, IN WHOLE OR IN PART, YOUR ABILITY TO EXERCISE VOTING RIGHTS OF SECURITIES THAT HAVE BEEN LENT OR PLEDGED TO OTHERS. You may receive proxy materials indicating voting rights for a fewer number of shares than are in your account, or you may not receive any proxy materials.

Robinhood Financial and Robinhood Securities Credit Terms.

We charge interest on a daily basis on credit we extend to you at the rate ("Margin Interest Rate") described in the Robinhood Financial Fee Schedule ("Fee Schedule"). The daily interest charged is determined by multiplying the daily margin interest rate interest rate ("Daily Margin Interest Rate") by the daily adjusted debit balance ("Daily Adjusted Debit Balance") to the extent it is above a certain threshold, as described in the Fee Schedule. With some exceptions, the Daily Adjusted Debit Balance is the settled debit balance in your margin account, increased by the value of securities held short. The Daily Margin Interest Rate is based on a 360-day year and is calculated by dividing the Margin Interest Rate by 360, which results in a higher effective interest rate than if 365 days were used. We compound interest on a daily basis. We may change the Margin Interest Rate at any time with a contemporaneous update to the Fee Schedule and without prior notice.

The Federal Reserve Board and FINRA determine margin loan rules and regulations. When you purchase securities on margin, you agree to deposit the required initial equity by the settlement date and to maintain your equity at the required levels. The minimum initial margin requirement for common stock is 50% of the value of marginable securities purchased in your margin account; different requirements apply to non-equity securities, such as options. If the market value of stock held as collateral increases after you have met the initial margin requirements, your available credit may increase proportionately. Conversely, if the market value decreases, your available credit may proportionately decrease. Initial margin requirements may change without prior notice. We may impose more stringent requirements on positions that, in our sole discretion, involve higher levels of risk, at any time and without notice. You may purchase only certain securities on margin or use them as collateral in your margin account at our discretion. We reserve the right not to extend credit on any security.

You must maintain a minimum amount of equity in your account to collateralize your outstanding loans and other obligations. This minimum maintenance margin may change without prior notice. We may issue a "margin call" to deposit additional collateral if your account equity falls below regulatory requirements or our discretionary ("house") requirements. This can happen for various reasons. The amount of additional collateral we require usually is an amount sufficient to raise your equity to minimum regulatory or house requirements. We retain absolute discretion to determine whether, when and in what amounts we will require additional collateral. In some situations, we may find it necessary to require a higher level of equity in your margin account based upon your margin account holdings, market conditions, and your financial resources. Equity in your margin account collateralizing your outstanding margin loans and other obligations is subject to a first and prior lien and security interest for the discharge of all of your obligations to Robinhood.

You should carefully review this Margin Disclosure Statement and Credit Terms, which contain key information about your margin account. Your margin account is subject to all the terms of the RHF-RHS Customer Margin and Short Account Agreement and any other agreements which you executed to open and maintain your brokerage account (including, without limitation, the RHF-RHS Customer Agreement).