

Lombard Loan Agreement

Between

Swissquote Bank Europe SA
2 Rue Edward Steichen,
L-2958 Luxembourg
Luxembourg
(Hereinafter referred to as "the Bank")

And

First Name:
Last Name:
Account Number:
(Hereinafter referred to as "the Client")

Collectively referred to as "the Parties"

The Parties hereby agree as follows:

1. Definitions

Collateral loan facility ("the Facility"): means an authorization issued by the Bank allowing the Client to incur a debit balance on his/her accounts.

Facility limit ("the Limit"): means the maximum amount of the Facility (expressed in the currency selected by the Client).

General Terms and Conditions: means the Bank's [General Terms and Conditions](#) as amended from time to time between the Bank and the Client.

Security: means the first-ranking security interest (gage) granted by the Client to the Bank pursuant to Article 12 ([General Deed of Pledge and Retention, Set-off and Netting Rights](#)) of the [General Terms and Conditions](#).

Digital Assets Specific Terms: means the Bank's [Digital Assets Specific Terms](#) as amended from time to time between the Bank and the Client.

Forex reconciliation: Forex reconciliation is an automatic system that covers negative cash positions on the Client's account.

2. Scope of the Agreement

The present Agreement sets out the terms and conditions of the Facility requested by the Client and granted by the Bank. [The General Deed of Pledge and Assignment](#) as well as the [General Terms and Conditions](#) of the Bank shall form an integral part of the present Agreement.

3. The Facility

a) Granting of the Facility

Upon a Client's request the Bank may, at its sole discretion, grant the Facility in the form of a line of credit on a Cash Account, which can only go into debit up to the Limit. Unless stipulated otherwise, the Facility is granted to the Client for an indefinite period starting from the moment when the present Agreement is signed.

In accordance with the [General Terms and Conditions](#) (Article 5.3), each Client holder of a joint account may dispose severally of the assets and securities held in that account and each Client holder of a joint account will be liable on a joint and several basis. In case of instructions received from one of the Client holders of the joint account, such instructions shall be dealt without distinction of the relevant holder having given the instructions.

The Facility shall be guaranteed by pledging the assets in all the Client's Accounts, including assets held in any Joint Account of which the Client is a joint holder.

The Facility may be terminated by either Party at any time with a 15 (fifteen) days' notice by a Secure Email or letter. In the event that the Agreement is terminated, the net debit balance falls immediately due and payable by the Client.

b) Limit of the Facility

The Client will be informed of the initial Limit and any subsequent change thereto via the Communication Methods as per Article 7 of the [General Terms and Conditions](#).

c) Setting of the Limit

The Limit shall be set by the Bank on the basis of various criteria including, in particular, a percentage of the collateral value, the nature, the risk profile (volatility and liquidity amongst others) and the level of diversification of the assets (shares, bonds, investment fund units, digital assets etc.) held in custody by the Client and pledged with the Bank.

d) Amendment of the Limit

The Client may request an amendment of the Limit online directly on the Bank's trading platform. The Bank is not under any obligation to approve the Client's request.

At the Bank's discretion, the Bank may reduce the Limit at any time, slightly or substantially and is under no obligation to give notice. More specifically, the Bank routinely evaluates the collateral requirements of each pledged Client's accounts and retains the right to amend these at any time, which could reduce or withdraw totally the agreed Limit.

Should the collateral requirement of the Client's Custody Account as defined in the [General Terms and Conditions](#) and/or of the Custody as defined in the [Digital Assets Specific Terms](#) cease to be sufficient, or if for any other reason the Bank considers that the conditions enabling to grant the Limit, have changed, the Bank shall have the right, with immediate effect and without notice to the Client, to reduce or withdraw totally the agreed Limit. In such a case, the Bank will inform the Client of its decision via the Communication Methods that the Bank considers appropriate and will clearly indicate to the Client when the amended Limit supersedes the Limit displayed on the Client's online account. The Bank's will undertake reasonable endeavors to ensure the amendment of the Limit is reflected on the Client's online account accordingly.

By signing the present Agreement, the Client therefore confirms to be aware of what the Limit is at any time. It is the Client's responsibility to check regularly the information provided on the Client's account or issued by the Bank via the Communication Methods it considers appropriate, and more particularly to consider any superseded amended Limit.

e) Use of the Facility

The Facility may only be used by the Client in the form of a debit balance on a current account. The Client shall apply all amounts borrowed under this Facility towards his/her liquidity and/or investment needs and no amounts borrowed under this Facility will be applied by the Client for the purpose of (i) financing renovation works of real estate property or (ii) acquiring or retaining property rights over real estate property.

The Bank is entitled but not required to monitor or verify the application of any amount borrowed under this Facility. The Client agrees to promptly comply with such requests made by the Bank in relation to the use of the amounts borrowed under this Facility. The ability to acquire digital assets is subject to the acceptance of the [Digital Assets Specific Terms](#).

4. Interest rates and fallback clause

The Facility shall be subject to the payment of interest based on the applicable daily rates published by the Bank (available on request or obtained from the Bank's website - [Commissions and Fees Schedule](#)). The interest is calculated based on the exact number of days elapsed and on a year of 365 days. The accrued interest shall be debited from the Client account at the end of each calendar quarter.

The Parties expressly agree that the Bank is entitled to amend the interest rate applicable at any time, with immediate effect, taking into account the performance of the money and capital markets. The Bank may, in particular, use benchmark rates to calculate the

interest rates applicable to the Margin Trading-Lombard loan products. Article 5.5 of the [General Terms and Conditions](#) is hereby incorporated by reference, including the situations pertaining to the temporary and/or permanent unavailability of a benchmark rate. Moreover, the Bank reserves the right to apply differentiated commissions and/or fees depending on whether or not, according to the Bank's opinion, the Client's portfolio is sufficiently diversified.

5. Security

a) General Deed of Pledge

By way of security for the Facility and pursuant to Article 12 ([General Deed of Pledge](#)) of the [General Terms and Conditions](#), the Client hereby pledges to the Bank, as a first-ranking pledge, all its claims (including principal of the claim and outstanding interest, commissions, expenses, cost of disclaimers, agreements concluded and future agreements, etc.) to the total and future balance, in any currency, on its account(s) (present and future) with the Bank.

The Client also pledges all its claims to the securities, bank notes, digital assets and financial instruments deposited currently or in the future by the Client or on its behalf with the Bank. Financial instruments include securities of every kind and non-securitized assets (specifically share certificates with printing of certificates postponed), including expired and future preferential and accessory rights to such instruments (e.g., interest, dividends, subscription rights, bonuses, bonus shares, etc.). This pledge applies to the same extent to all other assets the Client currently possesses or will come into possession and which are deposited from time to time to an account opened with the Bank in the Client's name or any other account that replaces or serves as a substitute for the said account.

b) Realization of the Security by the Bank

The Client undertakes to ensure that the value of the Security held with the Bank at all times conforms to the cover conditions required by the Bank. When the Bank considers that a decrease in the value of the Security has occurred or is imminent, or if for any other reason the Bank judges that the value of the Security has become insufficient, the Client shall be requested from the Bank to either supply additional Security in a form that the Bank considers suitable, or to accept a total or partial reduction of the Facility and to repay any outstanding amounts.

For the avoidance of doubt, the Client agrees that such amounts shall become due and payable immediately upon Bank's request.

Any such deferral of repayment offered to the Client shall be made at the sole discretion of the Bank and without any obligation for the Bank over time. When the Bank decides to offer such a deferral, it is communicated by the Bank via the communication channel(s) that the Bank considers appropriate.

Should the Client fail to comply with the Bank's request to supply additional Security, the Bank shall with immediate effect be entitled to realize all or part of the pledged items at its full discretion, without thereby incurring any liability in respect of the Client. In such an event, the Bank shall have the right to realize the pledged items without delay in any way it deems fit. The Bank may, in particular, at its full discretion, realize individually or all pledged items on the appropriate stock exchange or on the open market if:

- the Client does not comply with a request from the Bank for partial or complete repayment of his/her debt, whereby debit balances on current accounts are being considered due on demand; and/or
- in the Bank's opinion, a decrease in value of the pledged items is impending or has occurred or if for any other reason the coverage proves to be insufficient, leading to a margin call situation, and
 - if the Client does not, or does not entirely, comply with a request from the Bank to furnish additional guarantees or repay the debt before the stipulated deadline if applicable; and/or
 - there is no response or a refusal by the Client to provide additional Security as requested by the Bank, and/or
 - if the value of the pledged assets further decreases after the Client is notified by the Bank.
- in the Bank's opinion, the Client portfolio is not sufficiently diversified; and/or
- in the event of a substantial deterioration in the economic, regulatory, financial conditions or loss of market confidence, which risks the normal functioning of the markets being endangered by drastically reducing the value of the pledged assets held by the Client; and/or
- in the event of unauthorised overrun of the Facility; and/or
- if inaccurate or incomplete information is given by the Client to the Bank within the scope of the Lombard Loan application; and/or
- if the Client is in breach of any provision of the present Agreement; and/or
- if the solvency of the Client is in doubt; and/or
- in the event of the death of the Client; and/or
- if a legal, regulatory or administrative provision, an amendment thereof or the interpretation thereof by any competent authority

renders the performance by the Bank of its obligations contradictory to the said provisions and that causes for the latter, directly or indirectly, an increase in the cost of awarding and continuing the Facility or a reduction of the income it collects therefrom.

If the Facility is reduced or terminated for one of the reasons above, and if the sums which have become due are not paid immediately, they shall automatically incur interest at the applicable interest plus the overrun rate in effect. The Client is informed of the Bank's right to unilaterally realize the assets pledged in order to reimburse the Facility if the Client has not repaid the Facility at the first demand by the Bank. No failure to exercise, nor any delay in exercising, on the part of the Bank, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise of such right or remedy or the exercise of any other right or remedy.

6. Risk Characteristics of the Facility

By signing the present Agreement, the Client confirms that he/she is aware of the risks which may be attached to the use of the Facility.

The Bank has published on its website an [Investment and Risks Warning Notice](#) that provides information concerning the trading services offered by the Bank, together with guidance on and warnings of the key risks associated with those products and services, including Lombard loans. The risk associated with Digital assets can be found in the [Digital Assets Risk Disclosure](#).

7. Communication

All communication between the Bank and the Client may take place by the Communication Method(s) as defined in the [General Terms and Conditions of the Bank](#). By signing the present Agreement, the Client expressly agrees to accept this mode of communication.

In this connection, the Client undertakes to ensure that the e-mail address contained under his/her Client Profile section on the Bank's website is correct, and regularly inspect correspondence received at that address. Any change to the e-mail address must be recorded in the Client Profile or communicated immediately by the Client to the Bank.

8. Forex reconciliation

When the Facility is granted and activated, deactivation of the Forex reconciliation is automatic and mandatory. Therefore, it is the duty of the Client to manage the balances, whether negative or positive, on his or her accounts in any currency that can be negotiated online on the Bank's website.

9. Transferability of the agreement

The rights and obligations under the present agreement cannot in any case be transferred by the Client unless so authorized by the Bank.

The Bank shall have the right to transfer or otherwise assign the rights and obligations relating to the present Lombard loan agreement.

10. Right of withdrawal

As foreseen in Article L.222-18 of the Luxembourg Consumer Code, in case of a distance contract (as defined by Article L.222-1 of the Consumer Code) the Client may benefit from a right of withdrawal of 14 (fourteen) calendar days from the conclusion of the distance contract related to financial services, without prejudice to the legal exclusions mentioned in Article L.222-18 (2) of the Consumer Code. In case of exercise of the withdrawal right, the Client has to inform the Bank in writing.

This Article 10 only applies to Clients understood as individuals acting for non-commercial purposes.

11. General Conditions

The [General Terms and Conditions](#) duly accepted and signed by the Client, shall form an integral part of the present Agreement, and Articles 12 and 13 of the [General Terms and Conditions](#) shall apply in particular in respect of the Bank's right of pledge and compensation.

The present Agreement shall have the force of an acknowledgement of debt in respect of the amount of the Facility used by the Client, plus interest and costs.

Above a certain Limit, the Bank may ask the Client to sign and return a paper copy of the present Agreement.

12. Severability

If any provision of the present Agreement is or becomes prohibited, unenforceable or void in any jurisdiction, this shall not affect the validity or enforceability of any other provisions hereof or affect the validity or enforceability of such provision in any other jurisdiction, but to the extent only as permitted by applicable law.

13. Applicable Law and Place of Jurisdiction

The present Agreement shall be governed solely by Luxembourg law, in particular by the law of 5 August 2005 on financial guarantee contracts.

The place of performance, place of debt collection for Clients domiciled abroad and the sole place of jurisdiction for all disputes arising out of and in connection with the present Agreement shall be Luxembourg. However, the Bank reserves the right to take legal action against the Client before the jurisdiction of any court at the Client's domicile or before any other competent authority, in which event Luxembourg law exclusively shall remain applicable. The foregoing is without prejudice to mandatory provisions of conflicts of laws that would result in the application of the law and/or the competence of the courts of a different jurisdiction.

The agreement is only definitive after acceptance by the Bank.

For the Bank:

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The Client:

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First Name

.....

Last Name

.....

Account Number

.....

Place and Date

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Signature

Agreed Collateral Loan Limit:

..... Currency: (or equivalent in CHF)