

CREDIT LINE AGREEMENT

We are happy to offer you a premium service under which you may receive a credit line enabling you to engage in margin trading on your eToro X Exchange Account. This Credit Line Agreement (this “**Agreement**”) supplements the eToro X Terms and Conditions for Digital Assets Exchange Services available on etorox.com and also [here](#) (the “**Terms**”). All capitalized terms used herein and not otherwise defined shall bear the meaning ascribed to them in the Terms. In case of conflict between this Agreement and the Terms, this Agreement will prevail.

This Agreement is entered by and between eToro X Limited, with a registered office at 57/63 Line Wall Road, Gibraltar (“**eToro X**”), and by you, the individual or legal entity (the “**Counterparty**” or “**you**”) whose details are prescribed under the Credit Line Term Sheet attached hereto as [Exhibit A](#) (“**Credit Line Term Sheet**”). The Counterparty and eToro X shall be referred together as the “**Parties**” and each a “**Party**”.

WHEREAS, the Parties desire to enter into this Agreement pursuant to which eToro X may provide the Counterparty certain amount of Supported Digital Assets (“**Credit Line**”) subject to the terms and conditions of this Agreement; and

WHEREAS, the Counterparty has considered his trading experience, investment objectives, risk tolerance, financial situation and all such other relevant criteria, and found them to be appropriately aligned and sufficiently qualifying in order to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and intending to be legally bound, the Parties agree as follows:

1. Grant of Credit Line

- 1.1. The Counterparty may request from eToro X a certain amount of Credit Line via a form that will be published on eToro X website www.etorox.com or by approaching eToro X via the following email address: partners-etorox@etoro.com (“**Credit Line Request**”).
- 1.2. eToro X may agree to extend the Credit Line under such terms as shall be memorized using the Credit Line Term Sheet. eToro X, at its sole discretion, shall be free to refuse to extend a Credit Line without providing any explanation and/or extend a Credit Line under such terms as it deems fit considering, *inter alia*, KYC procedures, AML, market conditions and other internal policies or procedures. The Credit Line Term Sheet shall be delivered to the Counterparty via email.
- 1.3. The Counterparty is expected to sign the Credit Line Term Sheet and send a scanned clear copy of it to eToro X. eToro X, at its sole discretion, will confirm acceptance of the Credit Line Term Sheet via email (“**Confirmation Notice**”). If eToro X does not deliver Confirmation Notice or if the Credit Line Request is not fully or correctly filled or signed, this Agreement shall not materialize. eToro X may approach the Counterparty in order for it to be able to rectify a flaw, however, such communication should not be deemed a Confirmation Notice. For the avoidance of doubt, only once eToro X explicitly notifies the Counterparty via Confirmation Notice that the Credit Line Request is received in full, will this Agreement come into effect.
- 1.4. The Credit Line amount shall be credited and reflected in the Counterparty Account within 5 business days as of delivery of the Confirmation Notice. In case of change of any of the circumstances under which your Credit Line eligibility was approved, eToro X may modify the Credit Line Term Sheet terms or cancel your entitlement and immediately reflect such change/cancellation in your Account.
- 1.5. Other than the Initial Balance defined in advance in the Credit Line Term Sheet, the Counterparty must have no other funds in its Account, and he must not deposit additional

funds above the Initial Balance, until the Credit is received in its Account. After the Credit is received in the Counterparty's Account, the Counterparty may deposit additional funds. Failure to comply with these specifications may lead to your account reaching the Margin Liquidation Level.

2. **Non-Withdrawable Account; Collateral**

- 2.1. Notwithstanding anything to the contrary in the Terms, once the Counterparty signs the Credit Line Term Sheet, the initial Balance together with the Credit and any other current or future assets in the Counterparty's Account ("Account Balance Value") may only be used for trading in the Counterparty's Account and cannot be withdrawn and/or transferred other than in accordance with section 3.2.
- 2.2. For the avoidance of doubt, you will not be entitled to withdraw funds from your Account unless: (i) you have added assets to your Account or gained profits in excess of your Margin Call Level (as defined below), and (i) such withdrawal shall not reduce the ratio of your Margin Level, and (ii) eToro X has approved and confirmed to you in writing that you may withdraw the requested amount of funds from your Account.
- 2.3. The then current Balance shall be used as a collateral for securing Counterparty's obligations in respect of this Agreement during its term and specifically in order to ensure your repayment of the Credit Amount. Counterparty hereby pledges with, assigns to, and grants eToro X a continuing first priority security interest in, and a lien upon, the Balance in the Account.

3. **Margin and the Liquidation of Assets**

- 3.1. eToro X systems will continuously track your Account in order to calculate a ratio ("Margin Level") determined as follows:

Margin Level = Margin Value/Account Balance Value.

Margin Value = Account Balance Value – Account Credit Value.

Account Balance Value = Sum of the Balance Values for all coins in the Account.

Balance Value(x) = (balance(x) * MIP(x) * price(x)).

Balance(x) = The total amount of a specified coin in the Account.

Account Credit Value = Sum of the Credit Values for all coins in the Account.

Credit Value(x) = (credit(x) * MIP(x) * price(x))

Credit(x) = Amount of coin x credited to the Counterparty.

Margin Call Level = The ratio defined in advance in the Credit Line Term Sheet.

Margin Liquidation Level = the ratio defined in advance in the Credit Line Term Sheet.

- 3.2. In the event that the Margin Level falls below the ratio of the Margin Call Level, the Counterparty will be required to add more funds in order to increase the ratio back to at least the Margin Call Level.
- 3.3. In the event that the Margin Level falls below the ratio of the Margin Liquidation Level, an Event of Default may be declared by eToro X and eToro X may exercise its right to close some or all of the Counterparty's open Orders and/or exercise its power to withdraw, sell or liquidate all or any part of any assets held in your Account without further notice to you, as further detailed under section 6. eToro X shall be entitled to apply the proceeds of sale or other disposal towards satisfaction of your obligation herein.
- 3.4. All market values are evaluated by eToro X's systems in USD and will be evaluated continuously

throughout the term of this Agreement. The USD/Supported Digital Asset rates shall be determined by eToro X in accordance with the prices available to it at the prevailing time.

- 3.5. All Supported Digital Assets available for trading on eToro X are assigned a margin-impact parameter (“MIP”). The MIP is a value between 0 and 1 determining the extent to which the asset can be purchased on margin. If an asset class is denominated with a MIP of 1, the market value of the asset will be evaluated fully as part of the Balance. If an asset is assigned with a MIP of 0.5 (50%) of the asset value will be evaluated as part of the Balance. If an asset is assigned with a MIP of 0, the asset is not evaluated as part of the Balance and thus, it cannot be purchased on credit. Hence, the asset must be purchased with Collateral assets only.
- 3.6. Any other Supported Digital Asset deposited by you into your Account will increase the Margin Level, subject to the MIP of the asset. Deposit of additional funds made for the purpose of the maintenance of the Margin Level will be considered accepted, and the ratio of the Margin Level will increase, only once the deposit was confirmed on the relevant Digital Asset network, blockchain or otherwise, within the currently applicable best-practice expectations for transaction finality. We are not responsible for delays, errors, attempts to transfer non-supported assets, delays in the transfer of funds from external accounts, blockchain network or other transmission delays or for any other failure of depositing Supported Digital Assets to satisfy your margin requirements. The funds will not count towards meeting the margin requirements until the funds are accepted by us.
- 3.7. Deposits of additional funds made for the purpose of the maintenance of the Margin Level will be subject to the MIP for the Digital Assets deposited to the account.
- 3.8. Notwithstanding the fact that eToro X is not obliged to make Margin Call Level warnings or Margin Liquidation Level warnings prior to declaring an Event of Default and/or prior to exercising its rights hereunder, Margin Call warning or Margin Liquidation Level warning may be made at any time by in-app notification, telephone, voice mail, letter, fax, e-mail or any other means of electronic communication. eToro X shall not be liable for any failure by it to contact the Counterparty or attempt to contact it. If eToro X makes a Margin Call Level warning or Margin Liquidation Level warning, in no way does this waive its rights under this Agreement. Any payment made by or on the Counterparty’s behalf in satisfaction of a Margin Call Level warning or Margin Liquidation Level warning must be received by eToro X within the time specified within the Margin Call Level warning or Margin Liquidation Level warning.

4. **Interest**

- 4.1. The Credit Line shall bear a monthly interest at such rate as set forth under the Credit Line Term Sheet (the “Interest”). eToro X may modify and amend the Interest at its sole discretion. The Counterparty shall be notified of such modification with a 5 days prior notice.
- 4.2. The Interest shall be calculated and deducted from the Counterparty’s Account pursuant to eToro X’s internal procedures and policies. The Counterparty hereby authorizes eToro X to automatically debit any due Interest from its Account without notice.
- 4.3. Any shortfall resulting from an Interest debit shall be first attributed to the Counterparty’s Collateral and therefore may immediately cause a decrease in Margin Level.

5. **Appropriateness Assessment**

We may conduct an initial and/or periodic assessment of your performance against due diligence criteria which may include: (a) your governance and ownership structure; (b) the types of strategies to be undertaken by you; (c) your operational set-up; (d) your historical trading pattern and behavior; (e) your level of expected trading and order volume; (f) your ability to meet your financial obligations to us; (g) your disciplinary history, where available; and (h) any other criteria we determine, in our sole discretion, to be appropriate (“**Appropriateness Assessment**”). You agree to provide us promptly, upon request, with all information or other assistance which we may reasonably request in order to conduct

Appropriateness Assessments.

6. Termination by Counterparty

- 6.1. Counterparty shall have the right to terminate this Agreement by providing a 15 days prior written notice to eToro X at partners-etorox@etoro.com, provided, however, that the Counterparty has sufficient amount of Supported Digital Asset required to repay the Account Credit Value, in full and in the same Supported Digital Asset originally provided to Counterparty, unless otherwise agreed by eToro X.
- 6.2. The Account Credit Value shall be deducted from the Counterparty's Account by eToro X or delivered to eToro X wallet address designated in advance, at eToro X's discretion.

7. Termination by eToro X

eToro X shall have the right to terminate this Agreement without any notice in the following cases (each, an **"Event of Default"**): (a) in case eToro X is required to terminate this Agreement under any applicable law or according to any regulatory demand; (b) in the event that the Margin Level reaches the Margin Liquidation Level and the Counterparty did not comply with its obligations under Section 4; (c) if for any reason eToro X decides to discontinue to provide the Credit Line services; (d) if the Counterparty tries to withdraw or transfer any portion of its Balance without prior approval of eToro or if eToro X otherwise suspects that the Counterparty is trying to breach this Agreement; (e) upon a material adverse change in the business, assets, properties, liabilities (actual or contingent), operations, condition (financial or otherwise) or prospects, of the Counterparty; (f) if the result of eToro X's Due Diligence Assessment is, in eToro X sole discretion, not satisfactory; (g) if eToro X reasonably believes that any representation or warranty made by the Counterparty proves to have been materially incorrect or inaccurate when made; (h) if eToro X believes that the Counterparty has breached any of the terms of this Agreement or the Terms or any other agreement or document made between the Parties; (i) if it is or becomes illegal for the Counterparty to perform its obligations under this Agreement; (j) in case of an issuance of an application, order, resolution or other announcement in relation to the bankruptcy or winding-up proceedings in which the Counterparty is involved; (k) in the event that the Counterparty has not submitted at least one Order during a period of 180 days or more; and (l) in the event that eToro X becomes suspicious that the Counterparty may be engaging in or have engaged in fraudulent, unlawful or improper activity, including, without limitation, money laundering activities, or conducts otherwise in violation of this Agreement or the Terms.

8. Remedies

- 8.1. In the Event of Default, eToro X shall be entitled to demand immediate repayment of the Account Credit Value and it will be allowed to deduct from your Account the Account Credit Value in addition to any Interest accrued or any other debt you may have under this Agreement which has not yet been paid. For the purpose of the above, eToro X may, without any prior notice, close any and/or all open Orders and/or sell and/or withdraw any of the Counterparty's assets in order to repay its outstanding debt.
- 8.2. In the event that the Counterparty does not have enough assets in its Account in order to reimburse the Account Credit Value full upon termination of this Agreement, it shall be obligated to settle the outstanding debt immediately upon eToro X's demand. The Counterparty shall pay to eToro X upon demand all pre-approved reasonable costs and expenses, including without limitation, reasonable attorneys' fees and court costs incurred by eToro X in connection with the enforcement of its rights hereunder. For each calendar day in excess of the termination date in which the Counterparty has not repaid its debt to eToro X in accordance with this section, the Counterparty shall incur an additional interest of 25% (annualized, calculated daily) of the notional amount of the outstanding debt.
- 8.3. eToro X may deduct any outstanding debt from any other account the Counterparty may have with any of the eToro's Subsidiaries.

9. **Risks**

9.1. Should the Counterparty decide to , it confirms that it understands and acknowledges the following:

- (a) Trading with credit may result in proportionately greater either gains or losses. A relatively small movement in the underlying market, any deduction of Interest due from the Collateral or a change in the MIP of a digital asset, can disproportionately effect the Counterparty's Account Balance Value and its compliance with its obligations herein, including but not limited to its obligation to maintain sufficient Margin Level.
- (b) There is a real possibility that the Counterparty can lose all its Digital Assets and be required to deposit additional funds to maintain its Orders.
- (c) The Counterparty may be called upon to deposit a substantial additional amount of Collateral, at short or even without notice, to maintain eToro X's Margin Level requirements which may change from time to time.
- (d) Depositing additional funds will be considered accepted for the purpose of the maintenance of the Margin Level requirements only once such deposit is confirmed on the relevant Digital Asset blockchain six times or to the extent that the transaction can reasonably be considered final in accordance with applicable best-practices. This can potentially cause the ratio of the Margin Level to fall below the Margin Liquidation Level even if the Counterparty has deposited additional funds before the Margin Liquidation Level.
- (e) The Counterparty has carefully considered its investment objectives, trading experience and risk appetite. The Counterparty is solely responsible for all its risks, financial resources that it uses and for the chosen trading strategy and it understands that it is responsible for all the losses suffered to its Account Balance Value.
- (f) It has read and understood the risks associated with using eToro X Exchange Services as set forth in the Terms.

10. **Obligations of the Counterparty**

10.1. The Counterparty shall comply with the Terms, including the process of creating its account and provide all the required documents for the KYC process. eToro X is entitled to request any additional document at its sole discretion as may be required from time to time.

10.2. The Counterparty acknowledges that eToro X solely decides its Anti-Money Laundering compliance procedures, which may evolve due to the legal and regulatory environment, and that eToro X is not required to inform the Counterparty beforehand. The Counterparty hereby waives any claims against eToro X in this respect.

11. **Representations and Warranties of the Parties**

11.1. Each Party hereby represents and warrants to the other Party that: (a) if the a Party is a legal entity, it is a company duly organized and validly existing under the laws of the jurisdiction of its incorporation; (b) it has full corporate or legal power and authority to consummate the transactions contemplated hereunder; (c) the execution and performance of this Agreement by it has been duly authorized by all necessary actions, and this Agreement has been duly executed and delivered by it; and (d) this Agreement is valid and binding upon it and enforceable in accordance with its terms.

11.2. The Counterparty represents to eToro X and acknowledges that: (a) it has good and marketable title to the Collateral, and the Counterparty has the absolute right to sell, assign, convey, transfer and deliver the Collateral. The Collateral are and will remain free and clear of any and all security interests, liens, pledges, claims (pending or threatened), charges, escrows,

encumbrances or similar rights and are free of any other limitation or restriction other than as agreed herein; (b) it has the capacity, experience and understanding necessary to enter into this Agreement, that it has not relied on any statements whether written or oral made by eToro X or any of its representative prior to entering into this Agreement and that it has obtained its own independent legal advice; and (c) it has read and understood section 6 of the Terms which sets out important risk and other disclaimers concerning Tokenized Assets.

12. Miscellaneous

Each Party shall be responsible for its tax consequences and shall pay all compulsory payments resulting from this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Gibraltar and the courts of Gibraltar will have exclusive jurisdiction. This Agreement constitutes the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes any prior agreements and understandings relating thereto. Any term of this Agreement may be amended or terminated and the observance of any term hereof may be waived (either prospectively or retroactively and either generally or in a particular instance) with the written consent of eToro X and the Counterparty.

SAMPLE

Exhibit A

Credit Line Term Sheet

Please review the terms in this Credit Line Term Sheet along with the agreement to which this Exhibit is annexed to and send a signed copy to eToro X at: customerservice-etorox@etoro.com

Effective Date	Pre-filled by eToro X following receipt of Credit Line Request
Credit Line	Pre-filled by eToro X following receipt of Credit Line Request
Margin Level	Pre-filled by eToro X following receipt of Credit Line Request
Initial Balance to deposit by User	Pre-filled by eToro X following receipt of Credit Line Request
Margin Call Level	Pre-filled by eToro X following receipt of Credit Line Request
Margin Liquidation Level	Pre-filled by eToro X following receipt of Credit Line Request
Annual Interest Rate	Pre-filled by eToro X following receipt of Credit Line Request
Credit Line Term	Pre-filled by eToro X following receipt of Credit Line Request

By submitting this Credit Line Term Sheet I agree that I have read, understood and accepted the terms of the Agreement associated with this service which are supplemental to the eToro X Terms and Conditions for Digital Assets Exchange Services.

TO BE FILLED BY Counterparty	
Registered Email	
Full Legal Name	
ID or Company Number	
Date	
Signature	

Services provided by eToro X Limited ('eToro X'), a limited liability company incorporated in Gibraltar with company number 116348 and with its registered office at 57/63 Line Wall Road, Gibraltar. eToro X is a regulated DLT provider licensed by the Gibraltar Financial Services Commission under the Investments and Financial Fiduciary Services Act with licence number FSC1333B.