XYLO

TRADE

XYLO TRADE

CLIENT AGREEMENT

Margin Foreign Exchange (FX) and Contracts for Difference (CFDs) transactions entered into under the terms of this Agreement involve a high level of risk and may not be suitable for all investors. A detailed description of the risks associated with these transactions is provided in the Risk Disclosure Notice. You must ensure that you fully understand the nature and extent of these risks before entering into this Agreement or engaging in any transactions with us.

You are required to read and fully understand this Client Agreement and the Risk Disclosure Notice before making any deposit into your trading account. By depositing funds into your account, you acknowledge and confirm that you have read, understood, and accepted the terms of this Client Agreement and agree to be legally bound by all provisions contained herein.

1.2 TRADE AT YOUR OWN RISK

XYLO TRADE is under no obligation:

a) to assess or determine the suitability of any Position for you;
b) to monitor, manage, or advise you on the status of any of your Positions;
c) to prevent you from trading beyond your financial means, experience, or ability, or to protect you against losses; or
d) to close any open Position on your behalf.

All trading decisions are made solely by you, and you acknowledge that you trade entirely at your own risk.

1.3 DEFINITIONS AND INTERPRETATION

a) Whenever used in this Agreement, unless the context otherwise requires, the following terms shall have the meanings set out below:

Accept or Acceptance means, except in the case of a Third-Party Online Platform, confirmation by the Client or an Authorized User, whether by telephone, email, face-to-face communication, or through an Online Service, that they accept the Trade Contract Terms provided by XYLO TRADE.

Account Value means the total currency value of the Client's Account, as calculated by XYLO TRADE, including:

b) **the equivalent balance of the Client's Account held in the XYLO TRADE client money trust account;**
c) **realised and unrealised profits and losses;**
d) **indicative costs required to Close Positions (including fees and overnight interest); and**
e) **the value of all open Positions not yet closed or booked.**

Application Form means the form completed and submitted by a Client for the purpose of applying to open an account with XYLO TRADE.

Authorized User means a person authorised by the Client to access XYLO TRADE services and/or to place Orders on the Client's behalf.

Base Currency means the first currency listed in a Currency Pair. The Base Currency is assigned a value of one (1) for the purpose of calculating exchange rates.

Bought Swap Rate means the interest rate applicable to the Base Currency at the Close of Business on the relevant Trading Day.

CFD means **a Contract for Difference.**

Client, you, or your means the individual or legal entity entering into this Agreement with XYLO TRADE, including its subsidiaries, affiliates, successors, assigns, officers, directors, employees, and authorised agents, where applicable.

Client Agreement means this Agreement, together with the completed Application Form and any other documents incorporated by reference.

Close of Business means 22:00 GMT.

Closed Out means the termination, in whole or in part, of an Order.

Close-Out Date means the date on which an Order, or part thereof, is Closed Out.

Close-Out Value means the value of an Order on the Close-Out Date.

Corporate Action means any action or event relating to the issuer of an Underlying Asset, including but not limited to the payment of a dividend, scrip dividend, special dividend, rights issue, open offer, bonus issue, capitalization, free distribution of shares, takeover, reverse takeover, merger, demerger, listing, delisting, suspension from listing, or any other analogous event directly affecting holders of the Underlying Asset.

Currency Pair means the Base Currency and the Term Currency forming a Margin Foreign Exchange (FX) contract.

Cut-Off Time means the time (AEST) applicable to the destination country of an international payment by which cleared funds must be received by XYLO TRADE in order for such international payment to be processed on a given Day. The applicable Cut-Off Times are published on the Website.

Day means a day on which commercial banks are open for business (including foreign exchange dealings) in the place specified by XYLO TRADE for such purpose.

Daily Statement means a daily Account statement issued by XYLO TRADE. Daily Statements include details of:

- **a) all open Positions;**
- **b) all new Positions opened during the relevant Day;**
- **c) the opening cash balance of the Account, together with details of Account movements, including deposits, withdrawals, and settlements;**
- **d) the closing Account balance for the relevant Day;**
- **e) profits or losses on open Positions (open trade equity);**
- **f) the value of Positions and movements on the Account in the currency in which the Account is denominated, including, where applicable, the consolidation or conversion rates used;**
- **g) other items affecting the Account, including Rollover Benefits or Rollover Charges applied to the Account;**
- **h) profit or loss on open Positions (open trade equity);**
- **i) the liquidation value of the Account;**
- **j) the Total Margin Requirement; and**
- **k) the Margin excess or deficit.**

Default Event

a) Each of the following shall constitute a Default Event:

i. Any act or omission by:

- the Client;
- any Authorized User; or
- any employee, agent, representative, or assignee of the Client or an Authorized User (whether or not known to XYLO TRADE, and whether acting alone, in concert with others, or through any automated or algorithmic tools),

which, in the sole and absolute discretion of XYLO TRADE, is deemed to constitute:

- negligence;

- error or mistake;
- willful misconduct, including but not limited to commission churning, sniping, causing, contributing to, or benefiting from any Quoting Error, price manipulation of an Underlying Asset, scalping, arbitrage, or off-market pricing;
- the use of, or permitting any other person (whether or not an Authorized User) to use, any electronic device, software, program, algorithm, or trading strategy intended to manipulate or obtain an unfair advantage from the manner in which XYLO TRADE generates, publishes, or transmits its bid or offer prices;
- the use of the same electronic identification point (including but not limited to IP address) as another client, or any form of coordination or communication with other clients for the purpose of abuse;
- the use of excessive leverage;
- money laundering or attempted money laundering;
- any suspicious, abusive, or irregular trading activity;
- the placement of opposing or offsetting orders for the purpose of abusing guaranteed fills or execution conditions;
- any breach of applicable laws, regulations, or regulatory requirements; or
- any breach of any provision of this Agreement.

ii. the Client or any guarantor of the Client becomes insolvent, bankrupt, or enters into liquidation, administration, receivership, or any similar insolvency proceedings;

iii. the Client is deceased or becomes legally incapacitated or of unsound mind;

iv. the Client fails to provide any Margin or any other amounts due under this Agreement within the required time in respect of any Positions, or where the Margin held by **XYLO TRADE** in respect of any Positions falls below the applicable Margin Requirement;

v. the Client breaches any representation, warranty, or undertaking made under this Agreement, or any other material term of this Agreement, or where any information provided by the Client to **XYLO TRADE** in connection with this Agreement is or becomes untrue, inaccurate, or misleading;

vi. any fees, charges, commissions, or other payments due to **XYLO TRADE** are not paid in accordance with the terms of this Agreement;

vii. at any time or for any period, the Client is not contactable or fails to respond to any notice, communication, or correspondence from **XYLO TRADE**;

viii. **XYLO TRADE** reasonably considers it necessary to take action for the protection of its rights, interests, or obligations under this Agreement;

ix. **XYLO TRADE** is requested or required to take action by any regulatory body, authority, governmental agency, or court of competent jurisdiction;

x. the Account balance falls below the Minimum Margin Requirement;

xi. any dispute arises or legal proceedings are commenced and, having regard to the subject matter or issues in dispute, **XYLO TRADE** reasonably determines that it cannot continue to deal with the Client while such dispute or proceedings remain pending;

xii. the Client fails to provide, within ten (10) days of a written request, all information or documentation reasonably requested by **XYLO TRADE** in connection with this Agreement;

xiii. **XYLO TRADE** has reasonable grounds to believe that the Client is unable to properly manage or control the risks arising from their Positions;

xiv. the Client fails to comply with any limit, restriction, or condition imposed by **XYLO TRADE** in connection with the Account, including but not limited to restrictions on the type, volume, or value of Orders;

xv. any change in applicable law, regulation, or regulatory interpretation renders the performance of any provision of this Agreement unlawful or impracticable for **XYLO TRADE**; and

xvi. a chargeback is initiated or occurs in relation to any payment made by the Client.

b) in the case of a body corporate:

i. the Client goes into liquidation, voluntarily or otherwise, or a liquidator, receiver, an administrator is appointed

ii. a valid deed of guarantee and indemnity with respect to the obligations under this Agreement has not been provided to STARTRADER.

c) In the case of a trust, the Client ceases to be the trustee of the trust or the relevant trust is terminated.

Deposit means the amount deposited by the Client with **XYLO TRADE**, as requested by **XYLO TRADE**, in relation to all Financial Products, at the time of booking and at any time prior to the

Value Date. Such amount constitutes a part-payment toward the agreed Order value and shall not be treated as client monies.

Deposit also includes any amounts deposited by the Client with **XYLO TRADE**, as requested by **XYLO TRADE**, in respect of any anticipated or existing Open Positions which the Client has or may have with **XYLO TRADE**.

Financial Product means a foreign exchange contract or any transaction in which the Client and **XYLO TRADE** enter into an over-the-counter (OTC) derivatives contract based on the value of an Underlying Asset.

Force Majeure means any event or circumstance beyond the reasonable control of **XYLO TRADE**, including but not limited to: acts of God, perils of the sea, unavoidable accidents of navigation, war (declared or undeclared), sabotage, riots, insurrection, civil commotion, national emergency (whether in fact or law), martial law, fire, flood, cyclone, earthquake, landslide, explosion, power or water shortages, failure of transmission or communication networks, epidemics, quarantine, strikes or other labor disputes, expropriation, restriction, prohibition, laws, regulations, decrees, or any legally enforceable order of a governmental authority, breakage or accident, changes in international, state, or commonwealth laws or regulations, or any damage to **XYLO TRADE**'s hardware, systems, or infrastructure, except where such event arises as a direct result of an act, omission, default, or negligence of the Client or **XYLO TRADE**.

Free Balance means, at any time, the excess (if any) of the balance of the Client's Account over the required Deposit at that time.

Futures CFD means a Contract for Difference where the value of the contract is derived from an Underlying Asset or instrument whose price is quoted on a futures market.

Fully Hedged Position means an Open Position that is equal and opposite to another Open Position.

Guarantor means any person or persons identified as such in the Application Form.

Hedged Position has the meaning given to it in clause 3.7 of this Agreement.

Instruction means any instruction or request given by the Client to **XYLO TRADE** relating to the execution of a Financial Product, as provided for under clause 8.2 of this Agreement.

Insolvency Event means any steps taken for:

a) the winding-up, dissolution or administration of the Client;

b) the Client to enter any arrangement, compromise or composition with or assignment for the benefit of its creditors or any class of them except for the purposes of a solvent reconstruction or amalgamation; or
c) a receiver, receiver and manager, or other controllers, administrator or similar officer to be appointed with respect to, or takes control of, the Client or any of the Client's assets and undertakings.

Law means any applicable local or foreign law, regulation, statute, judgment, court order, or sanctions regime to which **XYLO TRADE** is subject.

Long Party means, in respect of any Order, the party identified in the Trade Confirmation Notice as having notionally purchased the relevant Underlying Asset or assets under an OTC derivatives contract.

Margin Call means an amount, in addition to the Deposit, as solely determined by **XYLO TRADE**, which the Client is required to provide to maintain open Positions.

Margin FX Contract means a Margin Foreign Exchange contract.

Mark to Market means the daily revaluation of an OTC derivatives contract entered into between **XYLO TRADE** and the Client to reflect its current market value rather than its original contract value. **XYLO TRADE** shall have the right, in its sole discretion, to determine the Mark to Market value on a daily basis.

Merger Event means, in respect of any Underlying Asset:

a) any reclassification or change of the Underlying Asset that results in a transfer of, or an irrevocable commitment to transfer, all outstanding securities of the same class as the Underlying Asset to another entity or person;
b) any consolidation, amalgamation, merger, or binding share exchange of the issuer of the relevant Underlying Asset with or into another person (other than a consolidation, amalgamation, merger, or binding share exchange in which such issuer is the continuing entity and which does not result in a reclassification or change of all outstanding securities of the same class as the Underlying Asset); or
c) any takeover offer, tender offer, exchange offer, solicitation, proposal, or other event by any entity or person to purchase or otherwise obtain fifty percent (50%) or more of the outstanding securities of the same class as the Underlying Asset, resulting in a transfer of, or an irrevocable commitment to transfer, all such securities (other than securities owned or controlled by such entity or person).

Notice means any notice required or permitted to be given under this Agreement or for the purposes of this Agreement.

Off Quotes means an error message displayed on the MT4 or MT5 trading platform indicating that no price is currently available or that the last quoted prices are no longer considered valid market prices. This may occur due to a disruption in connectivity with the trading platform or where the best available market price falls outside the specified maximum deviation range. Off Quotes commonly occur during periods of high market volatility.

Online Services means the services that enable Clients to transact with **XYLO TRADE** via an online trading platform, including any Third-Party Online Platform.

Open Position means a Position where the Client has entered into a transaction or contract with **XYLO TRADE** and an additional transaction is required in order to close such Position.

Order means a Financial Product entered into between **XYLO TRADE** and the Client under the applicable Trade Contract Terms.

Order Value means, for any Order, the Order price or rate multiplied by the Order quantity.

OTC means Over the Counter.

Partially Hedged Position means an Open Position that is opposite, but not equal, to another Open Position.

a) **Previous Order Value** means the amount calculated as follows:
where the Order Value is being determined for the first time for an Order Contract, the Order Value at the commencement of the Order; or
b) in all other cases, the Order Value at the most recent Valuation Time.

Quoting Error means a liquidity provider error, a software error, a typographical error, or an obvious mistake in a quote or indication, and includes quoting delays.

Reciprocal Obligation means **XYLO TRADE's** obligations to the Client in relation to an Order, a Margin Call, or a Deposit.

Reference Interest Rate means the interest rate provided by **XYLO TRADE's** liquidity provider plus **XYLO TRADE's** transaction fee of 3.5% per annum.

Retail Client means a person or entity opting to receive the services provided by **XYLO TRADE**.

Security Details means the information required by **XYLO TRADE** under clause 3.6.

Sell Swap Rate means the interest rate that applies to the Term Currency at the Close of Business on the relevant Trading Day.

Share CFD means a Financial Product where the Underlying Asset is a security listed on an exchange.

Short Party means, in respect of any Order, the party identified in the Trade Confirmation Notice as having notionally sold the Underlying Asset or assets under the OTC derivative contract.

Sophisticated Investor means a person other than a Retail Client.

Spot CFD means a CFD where the value of the contract derives from an Underlying Asset or instrument whose price is quoted on a spot market.

Suspicious Trading Activity means any belief or decision of STARTRADER, reasonably formed or made and whether or not communicated to the Client, that the Client has, either acting alone or with other persons, used the Online Service in a way which affects the integrity or effective functioning of the Online Services or STARTRADER's for CFDs and Margin FX, or the market for the Underlying Asset to which the CFD or Margin FX contract relates whether or not such conduct is also illegal or also constitutes market abuse. Such conduct includes but is not limited to:

a) entering into Orders or combinations of Orders, including but not limited to holding long and short positions in the same or similar Underlying Assets at or around the same time, regardless of how the Account(s) have been funded (including, without limitation, personal deposits);
b) entering into Orders or combinations of Orders in respect of Underlying Assets where the Client has entered into, or maintains, a transaction in the underlying or related market for such Underlying Asset;
c) entering into Orders or combinations of Orders with the intention of exploiting wider-than-normal spreads during periods of abnormal or thin liquidity, including through scalping strategies using market or limit orders;
d) entering into Orders or combinations of Orders with the intention of exploiting price gaps, particularly through the use of over-leveraged positions, prior to market closures or the release of significant public announcements;
e) engaging in any trading activities with the intention of abusing or taking unfair advantage of the Negative Balance Protection Facility; or
f) engaging in any trading behavior or practice which **XYLO TRADE** reasonably determines to be exploitative, dishonest, abusive, manipulative, or otherwise conducted in bad faith.

2. DEPOSITS

a) XYLO Trade will provide you with access to online services where you can track the following information in your Account:

i. the Orders that you have entered with us;
ii. the payments you have paid, or are required to pay, to us;
iii. the payments XYLO Trade has paid, or is required to pay, to you.

Payments to the Account may be made using any of the following payment methods:
i. by online bank transfer;
ii. by same-day bank transfer; or
iii. by international telegraphic transfer.

c) XYLO Trade reserves the right to remove or restrict the payment methods that you may use to deposit and withdraw funds from your Account.

d) The Client must have sufficient cleared funds deposited in the Account before XYLO Trade creates any Order. XYLO Trade will indicate to the Client, where applicable, the sum required as the Deposit for each Order.

e) XYLO Trade may impose other fees and charges for using the services by providing Notice to the Client. If the Client does not consent to such charges, the Client may terminate this Agreement immediately, and such charges will not apply to any Order entered into prior to the Notice being given by XYLO Trade.

f) XYLO Trade is not responsible for any fees or charges imposed by third-party banks or other counterparties which are incurred by the Client in connection with the use of the services.

g) All payments under this Agreement must be made in United States Dollars (USD) or any other currency that XYLO Trade may agree to.

h) If XYLO Trade becomes aware, or has reason to believe, that any funds deposited by you have been received from a third party (including a funding method not in your name), XYLO Trade reserves the right to decline the deposit, return the funds to the original source, void any transactions, and terminate this Agreement.

i) If XYLO Trade is not satisfied that a payment method is registered in your name, XYLO Trade reserves the right to request supporting documentation before deciding whether to credit your Account.

2.1. WITHDRAWALS

a) If your Account shows a Free Balance, you may request XYLO Trade to pay some or all of that Free Balance to you.

b) XYLO Trade may, at its sole discretion, choose to withhold some or all of any withdrawal requested by you if:
i. XYLO Trade requires you to maintain a certain amount of funds in your Account to meet margin obligations or requirements;
ii. XYLO Trade is entitled to withhold the amount under the applicable Corporations Act; or
iii. in line with section 2.6.

c) XYLO Trade will inform you as soon as reasonably possible if XYLO Trade decides to withhold any part of your Free Balance.

d) XYLO Trade has the right to refuse to act on Instructions to transfer funds to a bank account or any other account if it has reason to believe that the destination account is held in a name different from the trading account name.

e) XYLO Trade will use all reasonable endeavors to make payments to the Client in accordance with the timing specified in the Client's Instructions. However, XYLO Trade shall not be liable under any circumstances for any direct, indirect, or consequential loss (including loss of profits) incurred as a result of any delay in funds reaching the Client's nominated account.

f) XYLO Trade will not be liable if a payee or beneficiary bank fails to process a payment correctly.

g) XYLO Trade is only required to make an international payment to, or at the direction of, the Client on a particular Day if cleared funds have been received by XYLO Trade prior to the Cut-off Time for that Day. International payments relating to funds received by XYLO Trade after the Cut-off Time will be processed on the next Business Day.

3. DELAYS AND QUOTING ERRORS

a) While **XYLO Trade** will make every reasonable effort to process the Client's Order promptly, in the absence of gross negligence or wilful misconduct, **XYLO Trade** cannot be held liable for delays, damages, failures, or errors in the completion of the Order, including instances of off quotes situations.

b) In the event of a quoting or off quote error, **XYLO Trade**:
i. is not liable for any damages, claims, losses, liabilities, or costs arising from the quoting error;
ii. reserves the right, at its sole discretion, to restrict or suspend the trading activities of the involved Client until further notice; and
iii. reserves the right, at its sole discretion, to make the necessary adjustments to rectify the quoting error.

c) Any dispute arising out of or in connection with a quoting error shall be resolved based on the fair market value of the relevant currency at the time the error occurred, as determined by **XYLO Trade** acting reasonably and in good faith.

d) If **XYLO Trade** has reason to believe that you have entered into a trade at a price that does not reflect a fair market price or is acquired or sold at an abnormally low level of risk due to:
i. an undetected programming error, bug, or glitch in **XYLO Trade**'s trading platforms, website software, or market data feed; or
ii. issues such as pricing latency, data feed errors, stray quotes, incorrect pricing parameters, clear miscalculations, or other pricing errors,

e) **XYLO Trade** has the right to cancel or reverse transactions or amend the contractual terms of that trade.

f) You have a duty to report to **XYLO Trade** any problems, errors, or suspected system inadequacies that you may experience on the trading platforms or website. You must not abuse or arbitrage such system problems or errors for profit.

g) For certain trades, there may be no functioning or open market or exchange on which the reference product is traded at the time of your Order. In such cases, **XYLO Trade** endeavours to determine a fair underlying price based on a number of factors, including price movements on associated markets, other market influences, and information relating to your Order.

h) If **XYLO Trade** is unable to perform its obligations under this Agreement or any Order due to circumstances beyond its reasonable control, including a Force Majeure Event, **XYLO Trade** will notify the Client as soon as reasonably practicable. **XYLO Trade** shall use reasonable efforts to facilitate the return of any funds paid by the Client in relation to obligations that **XYLO Trade** has been unable to fulfil under this Agreement.

i) **XYLO Trade** may give Notice to the Client at any time if it forms the view that market conditions in the relevant financial market for the currency concerned are seriously disturbed. This includes circumstances where, in **XYLO Trade**'s opinion, deposits in the relevant currency are not available in the ordinary course of business to **XYLO Trade**, or where national or international financial, political, economic circumstances, or exchange controls make it impractical.

j) When a Notice under clause 15 is given, **XYLO Trade**'s obligations will be suspended while **XYLO Trade** and the Client negotiate alternative arrangements. If the parties reach an agreement before the Value Date, those alternative arrangements will apply. If no agreement is reached within that period, each party will be released from its obligations under the relevant transaction.

4. TRADING SUSPENSION AND DISRUPTION

a) If, at any time:
   i. trading in any Underlying Asset on any exchange is suspended or halted; or
   ii. trading is suspended or halted on any exchange which restricts trading with any relevant index so that **XYLO Trade** is unable to determine the price of the Underlying Asset, then **XYLO Trade** will take the price of the Underlying Asset as being the last traded price before the trading suspension or halt.

b) **XYLO Trade** may suspend trading or reverse any trade in any circumstances where **XYLO Trade**, at its sole discretion, decides that prices may not be accurate or cannot otherwise be determined. These situations include, but are not limited to, the following:
   i. when political, economic, military, or monetary events such as extreme market volatility or illiquidity or any other circumstances beyond **XYLO Trade**'s control make continued operation unreasonably harmful to its interests;
   ii. if **XYLO Trade** determines that a contract price cannot be calculated;
   iii. if there is a failure in communication systems used to determine the price or value of contracts;
   iv. if the price or value of any contract cannot be promptly or accurately established; or
   v. if there is a malfunction or error in trading software or any related IT systems.

c) If the suspension or halt continues for five (5) Business Days, **XYLO Trade**, at its discretion, may Close-Out part or all of your Positions. When this occurs, **XYLO Trade** will determine the Close-Out Date and the Close-Out Value of your Contract in good faith (the Close-Out Value being the Underlying Asset price multiplied by the number of Contracts).

d) **XYLO Trade** reserves the right, at all times during any market limitations, suspension, or disruption, to adjust the price of any affected Underlying Asset.

DATA CENTER, SERVER DISRUPTION AND SYSTEM AVAILABILITY

The Client acknowledges and agrees that **XYLO Trade** relies on third-party data centers, liquidity providers, technology providers, internet service providers, and other infrastructure to deliver its trading services, including but not limited to trading platforms, pricing feeds, order execution systems, and client portals.

b) **XYLO Trade** shall not be liable for any loss, damage, cost, expense, claim, or liability (including loss of profits, trading losses, or missed trading opportunities) suffered or incurred by the Client arising directly or indirectly from any of the following circumstances, whether temporary or permanent:
i. server downtime, latency, delay, interruption, congestion, or failure;
ii. slow execution, delayed price feeds, or inability to place, modify, or close Orders;

iii. temporary suspension, disabling, or shutdown of servers or systems;
iv. data center outages, maintenance, upgrades, or technical malfunctions;
v. failure or disruption of internet connections, communication networks, power supply, or hosting services; or
vi. any Force Majeure Event affecting **XYLO Trade**'s systems or infrastructure.

c) The Client understands and accepts that such disruptions may occur due to reasons beyond **XYLO Trade**'s reasonable control, including but not limited to technical faults, cyber incidents, third-party service failures, scheduled or unscheduled maintenance, regulatory requirements, or extraordinary market conditions.

d) In the event of any server disruption, slowdown, outage, or temporary disablement, **XYLO Trade** shall have the right, at its sole discretion and without prior notice, to:
i. suspend or restrict trading activities;
ii. reject, cancel, modify, or close Orders or Positions;
iii. adjust prices, spreads, margins, or execution conditions; or
iv. take any action deemed necessary to protect its systems, clients, liquidity providers, or business interests.

e) The Client agrees that **XYLO Trade** shall not be responsible for restoring any lost data, recreating trading positions, or compensating the Client for any losses arising from such disruptions.

f) By depositing funds and continuing to use **XYLO Trade**'s services, the Client expressly acknowledges that system availability is not guaranteed at all times and agrees to bear all risks associated with trading during periods of system instability or unavailability.