

# Agreement

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between

**Swissquote Bank, Chemin de la Crétaux 33, Case postale 319, CH-1196 Gland**

*(hereinafter referred to as "the Bank" or "SQB")*

and

First name:

Last name:

SQB Account Nr:

*(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"):** authorization issued by the Bank allowing the Client to incur a debit balance on his/her accounts provided that the total debit balance is guaranteed by pledging of the Client's custody account

**Collateral loan limit ("the Limit"):** maximum amount of the Facility (expressed in Swiss francs).

**Use of the collateral loan facility ("Use of the Facility"):** total amount of the debit balance on the Client's current accounts.

**General Deed of Pledge and Assignment:** document forming part of the account opening documentation for the SQB account received by the Client, which must be signed by every Client wishing to avail himself/herself of a collateral loan facility.

**General Business Conditions and Safe Custody Regulations:** document forming part of the account opening documentation for the SQB account received by the Client, which must be signed by every Client.

## 2. Scope of the Agreement

The present Agreement sets out the conditions and procedures for the Facility requested by the Client and granted by the Bank. The General Deed of Pledge and Assignment as well as the General Business Conditions and Safe Custody Regulations of the Bank shall form an integral part of the present Agreement.

## 3. Subject matter of the Agreement

### a) Granting of a collateral loan facility

By appending its signature to the present Agreement, SQB grants the Client a Facility requested by him/her. The Facility is granted to the Client for an indefinite period starting from the moment when the present Agreement is signed. It may be terminated by either Party at any time with immediate effect by registered mail. In the event that the Agreement is terminated, the net debit balance falls due and must be repaid immediately by the Client.

The terms of Use of the Facility are set out below.

**b) Collateral loan limit**

The Client will be informed of the initial limit and any subsequent change thereto in Swiss francs (CHF) or its equivalent in US Dollars (USD) or Euros (EUR) at the daily rate via the communications channel that the Bank considers appropriate, for example via his or her online account.

The Bank may modify the limit at any time, either downwards or upwards, slightly or substantially and is under no obligation to give notice. To find out what his or her current limit is, the Client agrees to check regularly the information issued by the Bank via the communications channel it considers appropriate, particularly information distributed via his/her online account.

At the Bank's discretion, the Limit may be altered manually or automatically.

**c) Use of the collateral loan facility**

The Facility may only be used by the Client in the form of a debit balance on a current account denominated in Swiss francs (CHF), US dollars (USD) or euro (EUR). The sole purpose of the Limit is to permit the Client to acquire securities via the Bank and it may not be used by the Client for any other purpose.

## **4. Interest**

The Use of the Facility by the Client shall be subject to the debiting of annual interest based on the applicable rates published by the Bank (these fees are available on request or may be obtained at <http://www.swissquote.ch>). The interest shall be debited from the Client at the end of each calendar semester.

The Parties expressly agree that SQB is entitled to amend the interest rates applicable at any time, with immediate effect, by adjusting them to take account of the performance of the money and capital markets. Moreover, the Bank reserves the right to apply differential rates of interest depending on whether or not the Client's portfolio is diversified.

## **5. Guarantees**

By way of guarantee for the Facility which constitutes the subject matter of the present Agreement, the Client agrees to pledge all claims and securities which the Bank holds for the Client's account, and in particular his/her custody account with the Bank.

The precise procedures for this pledging are set out separately in the General Deed of Pledge and Assignment.

## **6. Characteristics of the collateral loan facility**

**a) Risks which may be attached to the use of a collateral loan facility**

By appending his/her signature to the present Agreement, the Client confirms that he/she is aware of the risks which may be attached to the use of a collateral loan facility. In particular, the Client confirms that he/she is aware that the Use of the Facility always involves an obligation to repay sums owed to the Bank. The Client is also aware that the maintenance of the Limit is subject to an obligation on the part of the Client to ensure that sufficient guarantees are provided to SQB at all times. Should the Client fail to comply with his/her obligations under the present Agreement, the Bank may, as it sees fit, request additional guarantees or repayment with a view to reducing the level of Use of the Facility or, at its entire discretion, realize all or part of the securities pledged in order to reduce the Client's debt.

In this connection, the Client undertakes to check his/her account with the Bank on a regular basis and as often as circumstances require in order to ascertain that his/her Use of the Facility is at all times appropriate to the guarantees given to the Bank and, in general, that all obligations arising out of the present Agreement are complied with at all times.

**b) Setting of the collateral loan limit**

The Limit shall be set by SQB on the basis of various criteria including, in particular, the collateral value of the securities (shares, bonds, investment fund units etc.) held in custody by the Client with SQB.

**c) Amendment of the Limit**

Should the collateral value of the Client's custody account cease to be adequate or if for any other reason the Bank considers that the conditions which justified the amount of the Limit have changed, the Bank shall have the right to alter the Limit with immediate effect and without notice.

**d) Insufficient guarantees**

The Bank may, at any time, require the Client to furnish additional guarantees, in particular if the collateral value of the Client's custody account is no longer adequate in the light of the Use of the Facility.

In this connection, the Client undertakes, when requested so to do by the Bank, to furnish additional guarantees or to make the required repayment in order to reduce the Use of the Facility if the value of the pledged items decreases or if in the opinion of the Bank the value of the securities deposited is no longer sufficient.

Moreover, the Client undertakes to maintain with the Bank at all times the guarantees necessary for the maintenance of his/her Limit.

**e) Realization of the guarantees by the Bank**

Should the Client fail to comply with a request for additional guarantees or full or partial repayment before the deadline stipulated by the Bank, SQB 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, but not the obligation, to realize the pledged items without delay in any way it deems fit, regardless of the formalities set forth in the Federal Statute on Collection Proceedings and Bankruptcy. The Bank may, in particular, at its full discretion, realize individual or all pledged items on the 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, debit balances on current accounts 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 and if the Client does not, or does not entirely, comply with a request from the Bank to furnish additional guarantees or repay his/her debt before the stipulated deadline.

**f) Communication**

**All communication between the Bank and the Client may take place by e-mail.** By appending his/her signature to 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 in his/her Client Profile is correct, and to 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.

## 7. Forex reconciliation

When a Lombard loan is granted and activated, deactivation of the Forex reconciliation is automatic and mandatory. Thus it is up to the customer to manage the balances, whether negative or positive, on his or her accounts in CHF, EUR, USD or any other foreign currency that can be negotiated online on SQB's site.

## 8. General Conditions

The General Business Conditions and Safe Custody Regulations of SQB, duly accepted and signed by the Client, shall form an integral part of the present Agreement. Art. 30 of the latter 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 within the meaning of Article 82 of the Federal Statute on Collection Proceedings and Bankruptcy in respect of the amount of the Facility used by the Client, plus interest and costs.

## 9. Applicable Law and Place of Jurisdiction

The present Agreement shall be governed solely by Swiss law. 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 Gland. However, SQB 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 Swiss law exclusively shall remain applicable

### For Swissquote Bank:

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Marc Bürki  
CEO  
Managing Director



Jürg Schwab  
Head Treasury & Trading  
Director

### The Client:

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Place and date

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Signature

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First Name / Last Name