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LEVERAGE AND MARGIN POLICY

X Spot Markets (EU) Ltd.

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1. INTRODUCTION

X Spot Markets (EU) Ltd. (hereinafter referred to as the “XSpot” or “Company”) is a Cyprus Investment Firm licensed and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) under license number 235/14 obtained on 26/05/2014. The Company is located at 68 Spyrou Kyprianou, Kato Polemedia, Office 201, 3rd Floor, 4154 Limassol, Cyprus.

2. SCOPE

This Leverage and Margin Policy (the “Policy”) sets out how we set leverage and margin levels and procedures when you trade in Contracts of Difference (“CFDs”) with us.

The purpose of this Policy is to explain the key aspects of leverage trading with margin and what leverage levels we make available depending on your knowledge and experience and regulatory requirements. It also outlines the impact on your margin and account where negative market movements occur.

3. LEGAL AND REGULATORY FRAMEWORK

This Policy is issued pursuant to, and in compliance with the requirements of EU Directive 2014/65/EU on Markets in Financial Instruments (“MiFID II”) and the Investment Services and Activities and Regulated Markets Law of the Republic of Cyprus Law 87(I)/2017, which transposed MiFID II into Cyprus legislation

Furthermore, this Policy complies with Circular C271, which has been issued by CySEC on 4 June 2018, pursuant to the ESMA’s Decision (EU) 2018/796 to temporarily restrict contracts for differences in the Union.

In this Policy, we collectively refer to all the above legislations, regulations and guidelines as “Regulations”. This Policy has been approved by our Board of Directors. Also, it is the Company’s policy to review the present Policy once a year, and where relevant amendments need to be made, the Company’s Compliance function shall be responsible for the update of this Policy, prior to its submission at the Board of Directors for its further approval.

4. APPLICABILITY

This Policy applies to X Spot Markets (EU) Ltd execution of orders on behalf of Retail clients and Professional clients according to the Regulations and Laws, as defined below. If you are an Eligible Counterparty as defined under the Regulations this Policy does not apply to you.

5. X SPOT MARKETS (EU) LTD COMMITMENT

Treating Customers fairly is vital to our corporate culture and ethos and attitude. The Company has a duty to act honestly, fairly, professionally and in the best interests of our clients when dealing with them.

In relation to Leverage and Margin, the Company is required:

- a. To set leverage levels that reflect your knowledge and experience in trading in complex financial instruments like CFDs given that trading with leverage and margin is a key characteristic of trading in CFDs;
- b. To have regard to our duty to treat you fairly by avoiding aggressive leverage practices towards you;
- c. To have regard to the underlying performance fundamentals of the financial instrument on which the CFD is based, including historic volatility, depth of market liquidity and trading volumes, market capitalization of the issuer and country of issuer of the underlying financial instrument, and the general political and economic environment. We adjust and calibrate the above variables in determining the leverage levels we offer for asset classes or financial instruments;
- d. Given that we effectively provide the leverage for which you trade, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such leverage and margin trading by our clients;
- e. To apply regulatory requirements and caps as set by CySEC and/ or ESMA.

6. FACTORS CONSIDERED

The Company takes into consideration the following factors when determining the maximum allowed leverage:

- **Client's Knowledge & Trading experience:** With a series of questions in the account opening application we determine the client's financial strength, financial knowledge, trading experience, and trading style.
- The risk appetite and risk management of the Company.
- The capital base and financial strength of the Company, as calculated and monitored based on the Company's Capital Adequacy.
- **Asset Class:** The Company's leverage ratios for different asset classes and financial instruments are presented in Section 8 of this Policy.

7. CLIENTS' CATEGORISATION

In general, we internally classify Clients as follows:

Experienced Retail Clients: Clients that score high marks in our Appropriateness test, demonstrating satisfactory knowledge and experience in trading complex financial instruments like CFDs. For experienced retail clients the maximum margin cannot exceed the initial margin requirement as explained in Section 8.

Less Experienced Retail Clients: Clients that fail our Appropriateness test. If a Retail client fails the appropriateness test, this client will not be allowed to trade on a live account and shall be directed towards educational tools, webinars and demo accounts so that he/ she improves his/ her knowledge and experience to trade CFDs or other speculative products and familiarise himself/ herself with such trading.

Professional Clients: While every new client at XSpot is automatically classified as Retail, some clients might choose/request to upgrade to be recategorized as Elective Professionals. The Company will be allowed to approve such request if the procedure and conditions in the Company's Client Categorisation Policy (<https://privateclients.xspot.markets/client-categorization-policy.pdf>) are satisfied. Elective Professional clients can trade with leverage of up to 60:1, in accordance with Section 8 below.

8. LEVERAGE RATIOS FOR DIFFERENT ASSET CLASSES AND FINANCIAL INSTRUMENTS

We enable you to trade CFDs via our web and any mobile trading platforms. The amount of available leverage depends, inter alia, on the results of the assessment of appropriateness of the client.

X Spot Markets (EU) Ltd offers different categories of margin requirements depending on the particular asset in order for the client to manage the exposure of the account in a more efficient way during volatile markets. CFDs relate to underlying asset classes and financial instruments. We set out here below these classes together with the maximum leverage levels we make available through our trading platforms.

LEVERAGE/INITIAL MARGIN REQUIREMENTS TABLE FOR RETAIL AND PROFESSIONAL ACCOUNTS

Leverage value for transactions referred to financial instruments listed in Category 1	Leverage value for transactions referred to financial instruments listed in Category 2	Leverage value for transactions referred to financial instruments listed in Category 3	Leverage value for transactions referred to financial instruments listed in Category 4	Leverage value for transactions referred to financial instruments listed in Category 5
1:30	1:20	1:10	1:5	1:4
Leverage value for transactions referred to financial instruments listed in Category 6	Leverage value for transactions referred to financial instruments listed in Category 7	Leverage value for transactions referred to financial instruments listed in Category 8	Leverage value for transactions referred to financial instruments listed in Category 9	
1:2.5	1:2	1:1.25	1:1	

Margin collected at opening transaction referred to financial instruments listed in Category 1 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to the financial instruments listed in Category 2 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to the financial instruments listed in Category 3 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to the financial instruments listed in Category 4 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to financial instruments listed in Category 5 (values expressed as % of the nominal value of opened positions)
3.33%	5.00%	10.00%	20.00%	25.00%
Margin collected at opening transaction referred to financial instruments listed in Category 6 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to financial instruments listed in Category 7 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to financial instruments listed in Category 8 (values expressed as % of the nominal value of opened positions)	Margin collected at opening transaction referred to financial instruments listed in Category 9 (values expressed as % of the nominal value of opened positions)	
40.00%	50.00%	80.00%	100.00%	

Margin requirement can be changed/lowered only for professional clients for certain underlying asset categories, upon request to backoffice@xspot.markets. In this respect, the margin requirement can go down to 1.67% for underlying products listed under category 1 below, down to 2.50% for underlying products listed under category 2 below, and down to 5% for underlying products listed under category 3 below.

Retail clients can only request for a lower than assigned leverage, by communicating their request in writing to backoffice@xspot.markets.

Category 1

Margin collected at opening CFD transactions on the following underlying instruments: CADCHF, CADJPY, CHFJPY, EURCAD, EURCHF, EURGBP, EURJPY, EURUSD, GBPCAD, GBPCHF, GBPJPY, GBPUSD, USDCAD, USDCHF, USDJPY

Category 2

Financial instruments recognized as non-major FX instruments: AUDCAD, AUDCHF, AUDJPY, AUDNZD, AUDUSD, EURAUD, EURCZK, EURHUF, EURNOK, EURNZD, EURPLN, EURSEK, EURTRY, GBPAUD, GBPNZD, NZDCAD, NZDCHF, NZDJPY, NZDUSD, USDCZK, USDHUF, USDMXN, USDNOK, USDPLN, USDSEK, USDTRY, USDZAR. Margin collected at opening CFD transactions on the following currency pairs: XAUUSD, CFDs whose price is based on market value of troy ounce of gold: GOLD(XAUUSD), as well as CFDs whose price is based on the following indices: AUS200, EU50, EU50.cash, FRA40, FRA40.cash, DE30 (GER30), DE30.cash, JAP225, UK100, UK100.cash, US30, US30.cash, US100, US100.cash, US500, US500.cash.

Category 3

Financial instruments recognized as Commodities, except GOLD: ALUMINIUM, BRENT, COCOA, COFFEE, COPPER, CORN, COTTON, NGAS, SOYBEAN, SUGAR, WHEAT, WTI, SILVER (XAGUSD), ZINC. Financial instruments recognized as non-major Equity Indices: BRAComp (BRAIND), CHNCOMP (CHNIND), CZKCASH, HKComp (HKIND), IND50, ITA40, ITA40.cash, KOSP200, MEXComp (MEXIND), RUS50, SPA35, SPA35.cash, SUI20, US2000, W20.

Category 4

Margin collected at opening CFD transactions on the following underlying instruments: BUND10Y, EMISS, SCHATZ2Y, TNOTE, VOLX (VIX)

1COV.DE, A.US, AA.US, AAL.UK, AAL.US, AAN.US, AAP.US, AAPL.US, AAXJ.US, ABB.SE, ABBN.CH, ABBV.US, ABC.US, ABF.UK, ABI.BE, ABT.US, AC.FR, ACA.FR, ACC.US, ACM.US, ACN.US, ACP.PL, ACS.ES, ACX1.ES, AD.NL, ADBE.US, ADEN.CH, ADI.US, ADM.UK, ADM.US, ADP.US, ADS.DE, ADS.US, ADSK.US, AEE.US, AEM.US, AENA.ES, AEO.US, AEP.US, AF.FR, AFL.US, AGCO.US, AGK.UK, AGL.IT, AGN.NL, AGN.US, AGNC.US, AGS.BE, AHT.UK, AI.FR, AIG.US, AIR.DE, AIR.FR, AIV.US, AIZ.US, AJG.US, AKAM.US, AKERBP.NO, AKZA.NL, ALB.US, ALFA.SE, ALK.US, ALL.US, ALLE.US, ALO.FR, ALR.PL, ALV.DE, ALXN.US, AMAT.US, AMCX.US, AME.US, AMG.US, AMGN.US, AMP.IT, AMP.US, AMS.ES, AMX.US, AMZN.US, AN.US, ANA.ES, ANDV.US, ANF.US, ANTM.US, ANTO.UK, AON.US, AOS.US, APA.US, APC.US, APD.US, APH.US, APTV.US, ARNC.US, ARW.US, ASML.NL, ASSAB.SE, ATCOA.SE, ATCOB.SE, ATL.IT, ATO.FR, ATT.PL, ATVI.US, AU.US, AV.UK, AVB.US, AVGO.US, AVY.US, AWK.US, AXP.US, AYI.US, AZM.IT, AZN.SE, AZN.UK, AZO.US, BA.UK, BA.US, BAB.UK, BABA.US, BAC.US, BAER.CH, BAKKA.NO, BAP.US, BARC.UK, BAS.DE, BATS.UK, BAX.US, BAYN.DE, BBBY.US, BBT.US, BBVA.ES, BBY.US, BC.US, BCP.PT, BDEV.UK, BDX.US, BEI.DE, BEN.US, BHF.US, BHGE.US, BHP.US, BID.US, BIDU.US, BIG.US, BIIB.US, BK.US, BKG.UK, BKH.US, BKIA.ES, BKNG.US, BKT.ES, BLK.US, BLL.US, BLND.UK, BLT.UK, BME.ES, BMW.DE, BMY.US, BN.FR, BNP.FR, BNZL.UK, BOL.SE, BOSS.DE, BP.UK, BP.US, BPE.IT, BR.US, BRBY.UK, BRE.IT, BRFS.US, BRKB.US, BSX.US, BTA.UK, BWA.US, BXP.US, BZU.IT, BZW.PL, C.US, CA.FR, CA.US, CABK.ES, CAG.US, CAH.US, CAKE.US, CAP.FR, CARLB.DK, CASY.US, CAT.US, CB.US, CBD.US, CBK.DE, CBOE.US, CBRE.US, CBRL.US, CBS.US, CC.US, CCC.PL, CCH.UK, CCI.US, CCJ.US, CCK.US, CCL.UK, CCL.US, CDNS.US, CE.US, CELG.US, CERN.US, CEZ1.CZ, CF.US, CFG.US, CFR.CH, CGCBV.FI, CHD.US, CHKP.US, CHR.DK, CHRW.US, CHTR.US, CI.US, CIB.US, CIEN.US, CL.US, CLNX.ES, CLR.US, CLX.US, CMA.US, CMCSA.US, CME.US, CMG.US, CMI.US, CMS.US, CNA.UK, CNC.US, CNHI.IT, CNI.US, CNP.US, CO.FR, COF.US, COG.US, COHR.US, COLOB.DK, CON.DE, COO.US, COP.US, COST.US, COTY.US, CPA.US, CPB.US, CPG.UK, CPR.IT, CPRT.US, CRH.UK, CRI.US, CS.FR, CSCO.US, CSGN.CH, CSGP.US, CSL.US, CSX.US, CTAS.US, CTL.US, CTRP.US, CTSH.US, CTXS.US, CVS.US, CVX.US, CXO.US, CXW.US, CY.US, CZR.US, D.US, DAI.DE, DAL.US,

DANSKE.DK, DATA.US, DB1.DE, DBK.DE, DE.US, DECK.US, DEI.US, DF.US, DFS.US, DG.FR, DG.US, DGE.UK, DGX.US, DHI.US, DHR.US, DIA.ES, DIA.US, DIS.US, DISCA.US, DISCK.US, DK.US, DKS.US, DLG.UK, DLR.US, DLTR.US, DNB.NO, DNP.PL, DOV.US, DPW.DE, DPZ.US, DRE.US, DRI.US, DSM.NL, DSV.DK, DSY.FR, DTE.DE, DTE.US, DUK.US, DVA.US, DVMT.US, DVN.US, DWDP.US, DXC.US, EA.US, EAT.US, EBAY.US, EBRO.ES, ECL.US, ED.US, EDEN.FR, EDF.FR, EDP.PT, EDU.US, EFX.US, EGN.US, EI.FR, EIX.US, EL.US, ELE.ES, ELISA.FI, ELUXB.SE, EMN.US, EMR.US, EN.FR, ENA.PL, ENEL.IT, ENG.ES, ENGI.FR, ENI.IT, ENIA.US, EO.FR, EOAN.DE, EOG.US, EQIX.US, EQR.US, EQT.US, ERJ.US, ES.US, ESRX.US, ESSITYB.SE, ETFC.US, ETN.US, ETR.US, EUR.PL, EVK.DE, EW.US, EWW.US, EXAS.US, EXC.US, EXEL.US, EXO.IT, EXPD.US, EXPE.US, EXPN.UK, EXR.US, EZJ.UK, F.US, FAF.US, FANG.US, FAST.US, FB.US, FBHS.US, FCA.IT, FCC.ES, FCX.US, FDS.US, FDX.US, FE.US, FER.ES, FERG.UK, FEYE.US, FEZ.US, FFIV.US, FGR.FR, FII.US, FINGB.SE, FIS.US, FISV.US, FITB.US, FIVE.US, FL.US, FLEX.US, FLIR.US, FLO.US, FLR.US, FLS.DK, FLS.US, FLT.US, FMC.US, FME.DE, FMX.US, FNV.US, FORTUM.FI, FP.FR, FR.FR, FRC.US, FRE.DE, FRES.UK, FSLR.US, FTI.FR, FTI.US, FTV.US, G.IT, G1A.DE, GALP.PT, GAM.ES*, GAS.ES, GBF.DE, GD.US, GDDY.US, GE.US, GEBN.CH, GEN.DK, GETIB.SE, GFS.UK, GG.US, GGP.US, GIL.DE, GILD.US, GIS.US, GIVN.CH, GJF.NO, GLE.FR, GLEN.UK, GLPG.NL, GLW.US, GM.US, GME.US, GN.DK, GOGL.NO, GOOG.US, GPC.US, GPN.US, GPS.US, GRA.US, GRF.ES, GRMN.US, GS.US, GSK.UK, GSM.US, GT.US, GWPH.US, GWR.US, GWW.US, H.US, HAIN.US, HAL.US, HAS.US, HBI.US, HCA.US, HCP.US, HD.US, HDB.US, HEI.DE, HEIA.NL, HEN3.DE, HES.US, HFC.US, HIG.US, HL.UK, HLF.US, HLT.US, HMB.SE, HMSO.UK, HO.FR, HOG.US, HOLX.US, HON.US, HP.US, HPE.US, HPQ.US, HRB.US, HRL.US, HRS.US, HSBA.UK, HSIC.US, HST.US, HSY.US, HUM.US, HUN.US, IAC.US, IAG.ES, IAG.UK, IBE1.ES, IBM.US, ICE.US, IDR.ES, IDTI.US, IEF.US, IFF.US, IFX.DE, IHG.UK, III.UK, ILD.FR, ILG.US, ILMN.US, IMA.IT, IMB.UK, IMI.UK, INCY.US, ING.PL, INGA.NL, INTC.US, INVEB.SE, IP.US, IPG.US, IPGP.US, IR.US, ISP.IT, ISRG.US, ISS.DK, ITRK.UK, ITV.UK, ITW.US, ITX.ES, IVE.US, IVZ.US, JACK.US, JBHT.US, JBL.US, JBLU.US, JD.US, JEC.US, JEF.US, JKHY.US, JMAT.UK, JMT.PT, JNJ.US, JNPR.US, JPM.US, JSW.PL, JWN.US, JYSK.DK, K.US, KBC.BE, KCR.FI, KESKOB.FI, KEX.US, KEY.US, KGF.UK, KGH.PL, KHC.US, KIM.US, KINVB.SE, KLAC.US, KMB.US, KMI.US, KMX.US, KNEBV.FI, KNX.US, KO.US, KOMB.CZ, KORS.US, KPN.NL, KR.US, KSS.US, KSU.US, L.US, LAND.UK, LB.US, LDO.IT, LDOS.US, LEA.US, LECO.US, LEG.US, LEN.US, LGEN.UK, LH.US, LHA.DE, LHN.CH, LI.FR, LII.US, LIN.DE, LKQ.US, LLL.US, LLOY.UK, LLY.US, LMT.US, LNC.US, LNT.US, LOW.US, LPP.PL, LPX.US, LR.FR, LRCX.US, LSE.UK, LSTR.US, LULU.US, LUPE.SE, LUV.US, LUX.IT, LVS.US, LWB.PL, LXS.DE, LYB.US, LYV.US, M.US, MA.US, MAA.US, MAC.US, MAERSKA.DK, MAERSKB.DK, MAN.US, MAP.ES, MAR.US, MAS.US, MB.IT, MBK.PL, MC.FR, MCD.US, MCHP.US, MCK.US, MCO.US, MD.US, MDLZ.US, MDT.US, MDU.US, MDY.US, MELI.US, MET.US, METSO.FI, MGGT.UK, MGM.US, MHG.NO, MHK.US, MIL.PL, MKC.US, MKS.UK, ML.FR, MLCO.US, MLM.US, MMC.US, MMM.US, MMS.US, MNDI.UK, MO.US, MOMO.US, MONC.IT, MOS.US, MPC.US, MRK.DE, MRK.US, MRO.US, MRVL.US, MRW.UK, MS.IT, MS.US, MSCI.US, MSFT.US, MSI.US, MT.NL, MTB.US, MTD.US, MTN.US, MTS.ES, MU.US, MUR.US, MUV2.DE, MXIM.US, MYL.US, NAVI.US, NBIX.US, NBL.US, NBR.US, NCLH.US, NCR.US, NDA.DK, NDA.SE, NDA1V.FI, NDAQ.US, NDSN.US, NEE.US, NEM.US, NESN.CH, NESTE.FI, NG.UK, NHY.NO, NKE.US, NKTR.US, NLSN.US, NN.NL, NOC.US, NOS.PT, NOV.US, NOVN.CH, NOVOB.DK, NOW.US, NRE1V.FI, NRG.US, NSC.US, NTAP.US, NTES.US, NTR.US, NTRS.US, NUE.US, NVDA.US, NWL.US, NWSA.US, NXPI.US, NXT.UK, NYCB.US, NYT.US, NZYMB.DK, O.US, O2D.DE, OC.US, OGZD.UK, OHI.US, OI.US, OIH.US, OIS.US, OKE.US, OLED.US, OLN.US, OMC.US, ON.US, OPL.PL, OR.FR, ORA.FR, ORCL.US, ORI.US, ORK.NO, ORLY.US, ORNBV.FI, ORSTED.DK, OSK.US, OSR.DE, OUT1V.FI, OXY.US, OZRK.US, PAGE.UK, PANW.US, PAYC.US, PAYX.US, PBCT.US, PBI.US, PCAR.US, PCG.US, PE.US, PEG.US, PEO.PL, PEP.US, PFE.US, PFG.US, PFPT.US, PG.US, PGE.PL, PGHN.CH, PGN.PL, PGR.US, PH.US, PHIA.NL, PHM.US, PII.US, PKG.US, PKN.PL, PKO.PL, PLD.US, PM.US, PNC.US, PNDORA.DK, PNR.US, PNW.US, PPG.US, PPL.US, PRGO.US, PROX.BE, PRU.UK, PRU.US, PRY.IT, PSA.US, PSM.DE, PSN.UK, PSON.UK, PST.IT, PSX.US, PUB.FR, PVH.US, PWR.US, PX.US, PXD.US, PZU.PL, QEP.US, QQQ.US, QRVO.US, R.US, RACE.IT, RB.UK, RBAG.CZ, RBS.UK, RCL.US, RDC.US, RDSA.NL, RDSA.UK, RDSB.UK, RDUS.US, REE.ES, REG.US, REGN.US, REL.UK, REP1.ES, RGA.US, RGLD.US, RHI.US, RI.FR, RIO.UK, RJF.US, RL.US, RMD.US, RMG.UK, RMS.FR, RNO.FR, ROG.CH, ROK.US, ROP.US, ROST.US, RPM.US, RR.UK, RRC.US, RRS.UK, RS.US, RSA.UK, RSG.US, RSP.US, RTN.US, RWE.DE, RXL.FR, SAB.ES, SAF.FR, SAL.IT, SAM.US, SAMPO.FI, SAN.FR, SAN1.ES, SAND.SE, SAP.DE, SBAC.US, SBMO.NL, SBNY.US,

SBRY.UK, SBUX.US, SCAB.SE, SCHA.NO, SCHB.NO, SCI.US, SCMN.CH, SCYR.ES, SDF.DE, SDR.UK, SEBA.SE, SECUB.SE, SEE.US, SEIC.US, SF.US, SFER.IT, SFLY.US, SGE.UK, SGO.FR, SGRE.ES, SGSN.CH, SHBA.SE, SHOP.US, SHP.UK, SHW.US, SHY.US, SIE.DE, SIG.US, SIRI.US, SIVB.US, SIX.US, SJM.US, SJR.US, SKAB.SE, SKFB.SE, SKT.US, SKX.US, SKY.UK, SLA.UK, SLB.US, SMIN.UK, SN.UK, SNA.US, SNH.US, SNV.US, SO.US, SOLB.BE, SON.PT, SON.US, SPD.UK, SPGI.US, SPLK.US, SPR.US, SPY.US, SQ.US, SQM.US, SRCL.US, SRE.US, SREN.CH, SRG.IT, SRP.UK, SRPT.US, SSE.UK, SSNC.US, STAN.UK, STB.NO, STI.US, STJ.UK, STL.NO, STLD.US, STM.IT, STMP.US, STT.US, STX.US, STZ.US, SU.FR, SUBC.NO, SVT.UK, SW.FR, SWEDA.SE, SWK.US, SWKS.US, SWMA.SE, SWN.US, SYF.US, SYK.US, SYMC.US, SYNA.US, SYY.US, T.US, TAP.US, TATE.UK, TDG.US, TDS.US, TEAM.US, TEF1.ES, TEL.NO, TEL.US, TEL2B.SE, TELEC.CZ, TELIA.SE, TELIA1.FI, TEMN.CH, TEN.IT, TER.US, TEVA.US, TEX.US, TGNA.US, TGS.NO, TGT.US, THG.US, TIF.US, TIT.IT, TJX.US, TKA.DE, TL5.ES, TLGO.ES, TMK.US, TMO.US, TMUS.US, TOD.IT, TOL.US, TPE.PL, TPK.UK, TPR.US, TPX.US, TRE.ES, TREE.US, TRGP.US, TRMB.US, TRN.IT, TROW.US, TRV.US, TS.US, TSCO.UK, TSCO.US, TSM.US, TSN.US, TSS.US, TSU.US, TTWO.US, TUI.DE, TUI.UK, TUP.US, TV.US, TWTR.US, TXN.US, TXT.US, UA.US, UAA.US, UAL.US, UBI.IT, UBSG.CH, UCG.IT, UDR.US, UG.FR, UHR.CH, UHS.US, ULTA.US, ULVR.UK, UMPQ.US, UNA.NL, UNH.US, UNM.US, UNP.US, UPS.US, URBN.US, URI.US, URW.NL, US.IT, USB.US, USG.US, UTHR.US, UTX.US, UU.UK, V.US, VAC.US, VALMT.FI, VAR.US, VEEV.US, VFC.US, VIAB.US, VID.ES, VIE.FR, VIFN.CH, VIS.ES, VIV.FR, VIV.US, VLO.US, VMC.US, VMW.US, VNA.DE, VNO.US, VOD.UK, VOLVB.SE, VOW.DE, VRSK.US, VRSN.US, VRTX.US, VT.US, VTI.US, VTR.US, VWS.DK, VZ.US, W.US, WAB.US, WAT.US, WBA.US, WCG.US, WCN.US, WDAY.US, WDC.US, WDI.DE, WDR.US, WEC.US, WEIR.UK, WFC.US, WHR.US, WLK.US, WLTW.US, WM.US, WMB.US, WMT.US, WPM.US, WPP.UK, WPX.US, WRB.US, WRK.US, WRT1V.FI, WSM.US, WTB.UK, WTR.US, WU.US, WWD.US, WY.US, WYND.US, XEC.US, XEL.US, XHB.US, XL.US, XLI.US, XLNX.US, XLU.US, XLY.US, XME.US, XOM.US, XRAY.US, XRX.US, XYL.US, YAR.NO, YNDX.US, YUM.US, YUMC.US, YY.US, ZAL.DE, ZBH.US, ZBRA.US, ZION.US, ZTS.US, ZURN.CH

Category 5

A3M.ES, ABX.US, ADP.FR, AFG.US, AKE.FR, ALM.ES, ALT.FR, ALTR.PT, AMT.US, APAM.NL, ARCO.US, ARL.DE, ARRS.US, ASH.US, ATC.NL, ATO.US, ATR.US, AVT.US, BAMI.IT, BB.FR, BHW.PL, BIM.FR, BMS.US, BNR.DE, BOL.FR, BVI.FR, BWY.UK, CCU.US, CDR.PL, CGNX.US, CHS.US, CIE.PL, CINF.US, CLI.US, CNK.US, CNP.FR, COFA.FR, COL.ES, CPS.PL, CPT.US, CREE.US, CRL.US, CRM.US, CSIQ.US, CTLT.US, CTT.PT, CVLT.US, DAN.US, DCC.UK, DEC.FR, DEQ.DE, DIA.IT, DNKN.US, DNO.NO, DNOW.US, DO.US, DUE.DE, DWNI.DE, EDPR.PT, EGL.PT, ENTA.US, ENX.FR, EPC.US, ERA.FR, ERF.FR, ERICB.SE, ESS.US, ESV.US, ETL.FR, EV.US, EWBC.US, EWQ.US, EWZ.US, EXP.US, FDR.FR, FHN.US, FIE.DE, FIT.US, FPE3.DE, FRA.DE, FRO.NO, FRT.US, FTNT.US, GET.FR, GFC.FR, GNFT.FR, GNK.UK, GNTX.US, GTT.FR, GXI.DE, HII.US, HNR.DE, HOT.DE, HPT.US, ICAD.FR, IDCC.US, IDXX.US, IEX.US, INGR.US, INTU.US, IONS.US, IPN.FR, IPS.FR, IRM.US, IT.US, JE.UK, JLL.US, JUN3.DE, KAZ.UK, KBR.US, KCO.DE, KER.FR, KGX.DE, KMT.US, KRN.DE, KRU.PL, KU2.DE, LAMR.US, LEG.DE, LEO.DE, LHO.US, LM.US, LPNT.US, LPT.US, LTS.PL, LUN.DK, MAN.DE, MCRO.UK, MDRX.US, MEL.ES, MERY.FR, METSB.FI, MF.FR, MGNT.UK, MKTX.US, MMT.FR, MMYT.US, MNST.US, MOH.US, MONET.CZ, MTX.DE, NDA.DE, NEO.FR, NEX.FR, NFX.US, NI.US, NK.FR, NNN.US, NOEJ.DE, NOKIA.FI, NOKIASEK.SE, NTCT.US, NVR.US, NVTK.UK, NWS.US, NXI.FR, OCDO.UK, ODFL.US, OII.US, ORP.FR, OTE1V.FI, PAY.US, PDCO.US, PF.US, PHYS.US, PKI.US, PKP.PL, POM.FR, PSG.ES, PTEN.US, PYPL.US, RACE.US, RAND.NL, RCO.FR, RE.US, REN.NL, RF.FR, RHM.DE, RHT.US, RIG.US, RMV.UK, RNR.US, ROSN.UK, RPC.UK, RRTL.DE, RUI.FR, SAY.ES, SAZ.DE, SBER.UK, SCR.FR, SESG.FR, SEV.FR, SK.FR, SM.US, SMDS.UK, SMG.US, SNPS.US, SOP.FR, SPG.US, SPM.IT, SPN.US, SPR.DE, STERV.FI, STM.FR, STS.IT, SY1.DE, SZG.DE, SZU.DE, TABAK.CZ, TCH.FR, TCO.US, TECD.US, TECH.US, TEG.DE, TEP.FR, TFX.US, TIE1V.FI, TKR.US, TLX.DE, TRIP.US, TRN.US, TTC.US, TYL.US, UBI.FR, UCB.BE, UFS.US, UGI.US, ULTI.US, UMI.BE, UNFI.US, UNIPE.CZ, UPM.FI, VCT.FR, VIG.CZ, VPK.NL, WCH.DE, WDH.DK, WERN.US, WETF.US, WIN.DE, WIZZ.UK, WKL.NL, WMH.UK, WYNN.US, YIT.FI, ZIL2.DE, ZOT.ES

Category 6

ABE.ES, AET.US, AKRX.US, AMD.US, BFB.US, BMRN.US, BSS.IT, BZUN.US, CETV.CZ, CHK.US, CLF.US, COL.US, CPI.UK, DBX.US, DC.UK, DISH.US, DPS.US, DXCM.US, ENDP.US, EVHC.US, FOX.US, FOXA.US, FXE.US, GBT.US, GES.US, GLD.US, GPOR.US, GTO.NL, GWI1.DE, HTG.UK, IAU.US, ICPT.US, ING.FR, INTU.UK, KBH.US, KLXI.US, MDR.US, MNK.US, NAS.NO, NET.PL, NFLX.US, NHH.ES, OAS.US, OCLR.US, OHL.ES, PALL.US, PFC.UK, PFG.UK, PKX.US, PLY.PL, POST.US, PPLT.US, PTEC.UK, QCOM.US, RH.US, RRD.US, S.US, SCG.US, SFM.US, SLV.US, SMSN.UK, SNAP.US, TDC.US, THC.US, THS.US, TLW.UK, TSLA.US, UNG.US, USO.US, UUP.US, VK.FR, VRTU.US, WFT.US, WIX.US, WLL.US, WTW.US, YPF.US

Category 7

AA.UK, AALB.NL, ACKB.BE, ALGN.US, ANSS.US, APPS.ES, ARE.US, ATAD.UK, AVV.UK, BBA.UK, BBY.UK, BDX.PL, BEFB.BE, BEKB.BE, BEZ.UK, BMA.US, BOKA.NL, BOY.UK, BPOST.BE, BRS.PL, BRW.UK, BTG.UK, BVB.DE, BVIC.UK, BVS.UK, BXS.US, BYG.UK, CAF.ES, CAMP.US, CAPC.UK, CAR.PL, CARD.UK, CBG.UK, CDK.US, CEY.UK, CNO.US, COFB.BE, COLR.BE, CRESY.US, CRST.UK, DCG.UK, DEB.UK, DIE.BE, DLN.UK, DOM.UK, DRX.UK, EAT.PL, ECM.UK, EDIN.UK, ELI.BE, ELM.UK, ENC.ES, ESNT.UK, ETO.UK, FCPT.UK, FGP.UK, FIVE.UK, GBLB.BE, GCO.ES, GFRD.UK, GNC.UK, GOG.UK, GPOR.UK, GPW.PL, GRG.UK, GRI.UK, HAS.UK, HFD.UK, HLMA.UK, HSTN.UK, HSX.UK, HWDN.UK, ICP.UK, IGG.UK, INCH.UK, INDV.UK, INF.UK, INPP.UK, IRS.US, JD.UK, JUP.UK, JUVE.IT, KIE.UK, LIVN.US, LMP.UK, LRE.UK, MAIL.UK, MARS.UK, MDC.UK, MGAM.UK, MONY.UK, MTO.UK, NEX.UK, OCI.NL, PAG.UK, PAM.US, PETS.UK, PHNX.UK, PNN.UK, PZC.UK, QQ.UK, RCII.US, RDW.UK, REC.NO, ROR.UK, RTO.UK, SAGA.UK, SDRY.UK, SGC.UK, SGRO.UK, SHB.UK, SHI.UK, SMT.UK, SMWH.UK, SNR.UK, SPI.UK, SPX.UK, SSABA.SE, SSPG.UK, SVS.UK, SXS.UK, TAC.US, TALK.UK, TEM.UK, TGI.US, TGS.US, TNET.BE, UDG.UK, ULE.UK, UTG.UK, VCT.UK, VM.UK, WKP.UK

Category 8

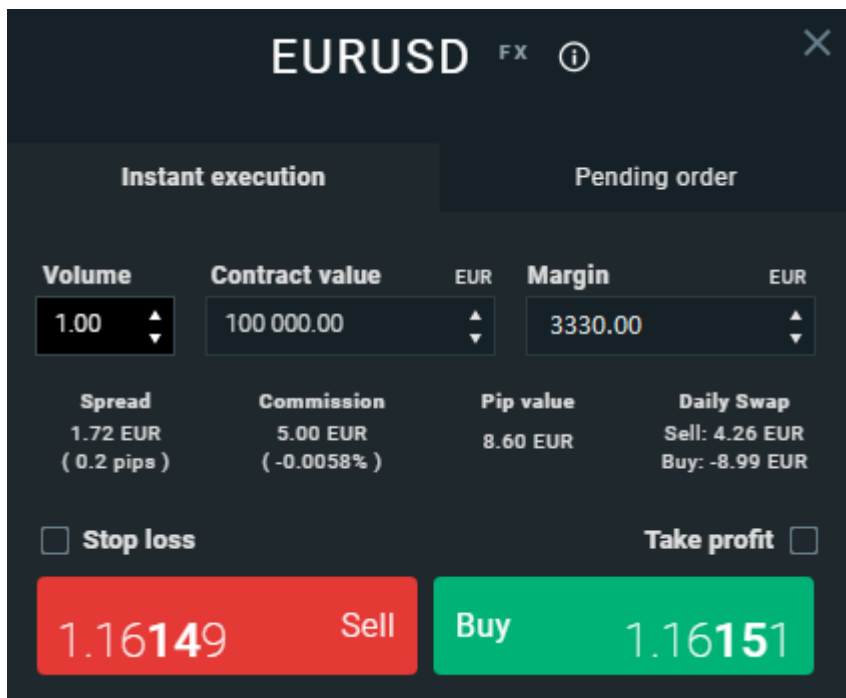
CYH.US, I.US, INSY.US, SNS.PL, SPOT.US

Category 9

AABA.US, ABG.ES, AGG.US, BIV.US, BND.US, BNDX.US, BNK.FR, CEC.DE, CGG.FR, CLLN.UK, ECH.US, EEM.US, EFA.US, EMB.US, EOCC.US, EWG.US, EWJ.US, EWT.US, EWU.US, EWY.US, FOSL.US, FXI.US, GDX.US, GDXJ.US, GNB.PL, HYG.US, IBB.US, IEV.US, ITB.US, ITOT.US, IVV.US, IWF.US, IWN.US, JNK.US, OEF.US, PHR.PT, PSLV.US, PSQ.US, QID.US, QLD.US, REMX.US, RSX.US, SCHD.US, SDRL.NO, SOXX.US, SPLV.US, SSO.US, SVXY.US, TBT.US, TNO.FR, TQQQ.US, TUR.US, URA.US, VEA.US, VGT.US, VIXY.US*, VNQ.US, VWO.US, VXX.US, WB.US, XLE.US, XLF.US, XLK.US, XLP.US, XLV.US, XOP.US, XRT.US

How to Find Margin Requirement in the Trade Ticket?

Client buys 1 lot (100,000) EUR/USD. The trade ticket on the platform will indicate the margin required by calculating $EUR\ 100,000 \times 3.33\% = EUR\ 3,330.00$



The screenshot shows a trade ticket for EURUSD with the following details:

Volume	Contract value	EUR	Margin	EUR
1.00	100 000.00		3330.00	
Spread 1.72 EUR (0.2 pips)	Commission 5.00 EUR (-0.0058%)	Pip value 8.60 EUR	Daily Swap Sell: 4.26 EUR Buy: -8.99 EUR	
<input type="checkbox"/> Stop loss			<input type="checkbox"/> Take profit	
1.16149 Sell		Buy 1.16151		

9. LEVERAGE

9.1. What is Leveraged Trading?

Trading on leveraged capital means that you can trade amounts significantly higher than the funds you invest, which only serve as the margin. High leverage can significantly increase the potential return, but it can also significantly increase potential losses. Please see below an explanation on our “Negative Balance Protection” where we guarantee that you cannot lose more funds than what you have invested.

The leverage is specified as a ratio, such as 1:5, 1:10, 1:20, 1:30. Sometimes, the Leverage is expressed in percentage terms – and referred to as Margin requirement. For example, a leverage of 1:20 is a margin requirement of 5%.

Example: If the leverage is 1:30 and if you as our client have \$1,000 in your account, it means that you can now open trades worth \$30,000.

9.2. What is a Spread?

The spread is the difference between the Bid price (selling price) and the Ask price (buying price) of the CFD.
Example: If the quote for the EUR/ USD pair is 1.1615 against 1.1618, then the spread is 3 pips.

9.3. What is Initial/ Required Margin?

Also known as the Initial Margin Requirement, the Initial Margin is the percentage of a financial instrument price that you, as the client, need to pay for with your own money. This requirement is basically the amount of collateral needed in order to open a margin account.

Required Margin or Margin Requirement refers to the amount you need in order to open and maintain a position, in addition to the initial loss that will occur due to the spread. The Required Margin is derived from the following formula: $(\text{Amount} * \text{Instrument Price}) / \text{Leverage}$.

Example: If you intend to buy a CFD on 10 barrels of oil at a price of 76.00 per barrel. The leverage on the Oil CFD is 1:10. Your Margin requirement is calculated as follows: $(10 * 76.00) / 10 = \$76.00$ ¹

9.4. What is Equity?

In short, Equity can be defined as the value of your portfolio with us. Effectively it is the value of your funds with X Spot Markets (EU) Ltd (which at any point in time include realized profits and losses) plus the unrealized profit and loss on your CFDs based on their latest quoted valuation.

9.5. Introduction to Margin Level

The Margin Level indicates how close your account is to a margin call. It is calculated as $\text{Equity} / \text{Initial Margin}$ and is typically shown in “%”. When the margin level decreases, your account bears an increased risk of liquidation. We call this the Close Out (stop out) Level and explain it further below. You are advised that you should monitor this margin level at all times. Whilst we may from time to time send you notifications of your Margin Level reaching certain thresholds, you are reminded that under the Terms and Conditions Agreement between you and us it is your responsibility to monitor at all times the margin level and take relevant actions.

Relevant actions that you can take to restore your Margin Level include:

- Closing or hedging some of your open positions.
- Depositing more funds that can help in averaging down your position.

Please note that we do not provide advice for the trading decisions and actions you take, including with respect to the actions you may take to address the Margin Level requirements such as the ones we refer to above.

9.5.1. What is Free Margin?

Free Margin is the sum of funds you have available to use as initial margin for new positions. This is calculated by subtracting the margin used for your current open positions from your Equity.

¹ Please note that the buy price includes the spread amount.

9.5.2. What is Maintenance Margin?

Maintenance Margin refers to the minimum equity you need to have in order to keep your positions open. This is also commonly referred to as “maintenance requirement” or “minimum maintenance” and is the same as the Close Out we refer to above. If your Maintenance Margin reaches 50%, your positions will start to liquidate starting from the position with the highest losses.

Example: You have an open position on EUR/USD with used margin of €1,665. Your Balance is €10,000 and your Equity €900. This means that your maintenance margin is at 54% (Equity of €900 divided by Margin used of €1,665). If your floating loss reaches €9,180 this means that your equity will become €820. Therefore, your maintenance margin will be $820/1665 = 49.25\%$ (<50%) and a Margin Close Out will take place.

9.5.3. What is Used Margin?

Used Margin indicates the sum of margin being used by your current open positions. It is calculated by adding the initial margins of all your open positions.

Example: You open a position of 10,000 EUR/USD at 1.1600.

Assume that the initial margin requirement is 3.33% (i.e. a leverage of 1:30). The margin used for your position is calculated as follows:

$$(10,000 * 1.1600) / 30 = 386.66^2$$

In addition, you open a position of 100 units of the Apple CFD at 220.00. Assume that the initial margin requirement is 20% (i.e. a leverage of 1:5) and exchange rate of EURUSD 1.1600. So, the initial margin used for this position is calculated as follows:

$$(100 * 220.00) / 5 = 4400 = 4,400.00 / 1.1600 = 3,793.10^3$$

Therefore, the total Used Margin that you see in your account with us is **386.66 + 3,793.10 = €4,179.76**.

9.5.4. What is Margin Level?

The margin level is a risk management indicator that helps you understand the influence of the currently opened positions on your account.

Margin level is a mathematical equation that effectively tells the trader how much of their funds are available for new trades.

The higher the margin level, the higher the amount of cash available to trade.

The lower the margin level, the lower the amount of cash available to trade and this is where an account could be subject to a margin call.

9.5.5. How is margin level calculated?

It is calculated by the following formula:

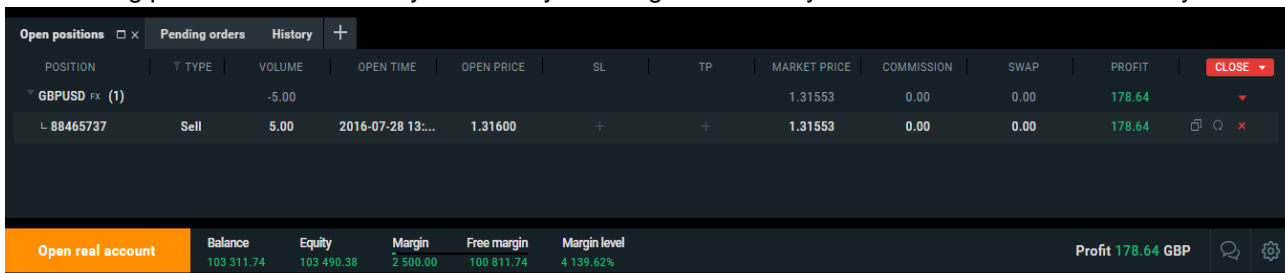
$$\text{Margin level} = \text{equity} / \text{margin} \times 100$$

If you don't have any trades open, your margin level will be zero. Once a position is opened, the margin level will depend on several factors such as:

- Volume
- Type of market
- Leverage

Margin level example

Our trading platforms automatically calculate your margin level and you can view it at the bottom of your screen.



POSITION	T TYPE	VOLUME	OPEN TIME	OPEN PRICE	SL	TP	MARKET PRICE	COMMISSION	SWAP	PROFIT	CLOSE
GBPUSD FX (1)		-5.00					1.31553	0.00	0.00	178.64	
L 88465737	Sell	5.00	2016-07-28 13:...	1.31600	+	+	1.31553	0.00	0.00	178.64	

Open real account	Balance	Equity	Margin	Free margin	Margin level	Profit
	103 311.74	103 490.38	2 500.00	100 811.74	4 139.62%	178.64 GBP

9.6. Our Margin Call Policy – Margin Close-Out Protection

When offering CFDs to retail investors, the Company provides retail investors with the margin close-out protection. Margin close-out protection means the closure of one or more of a client's open CFDs when the sum of funds in the CFD trading account and the unrealised net profits of all open CFDs connected to that account falls to less than 50% of the total initial margin protection for all those open CFDs.

The Margin Level indicates how close your account is to a margin call. A margin call, also known as a margin stop, is a protective measure that helps traders to manage their risk and prevent additional losses. Margin calls happen when there aren't sufficient funds to cover the margin requirement.

At XSpot, a margin call occurs when your margin level falls below 100%. Margin close out for all accounts occurs when the margin level falls below 50% of the total initial margin requirements for all open CFDs, on an account level basis.

The margin level is calculated by dividing your equity by the required margin and multiplying by 100.

In cases where clients have one open CFD position in their trading account and the margin level has fallen below the 50% of the initial margin requirement, then the position will automatically be closed to protect the trading account from suffering further losses.

In cases where clients have more than one open CFD position in their trading account and the margin level has fallen below the 50% of the total initial margin amount for all those open CFDs, then our system will automatically close the position with the higher loss in your trading account. Following the closing of the first position, it will recalculate the remaining open CFD positions to check if the value of the account is below the 50% of the total initial margin. If the value is below, our system will continue closing the position with the higher loss. This procedure will be repeated until our system is satisfied that the margin level is above the 50% of the total initial margin amount for all open CFDs. This is how XSpot helps you to manage your risk.

² Please note that the buy price includes the spread amount.

³ Please note that the buy price includes the spread amount.

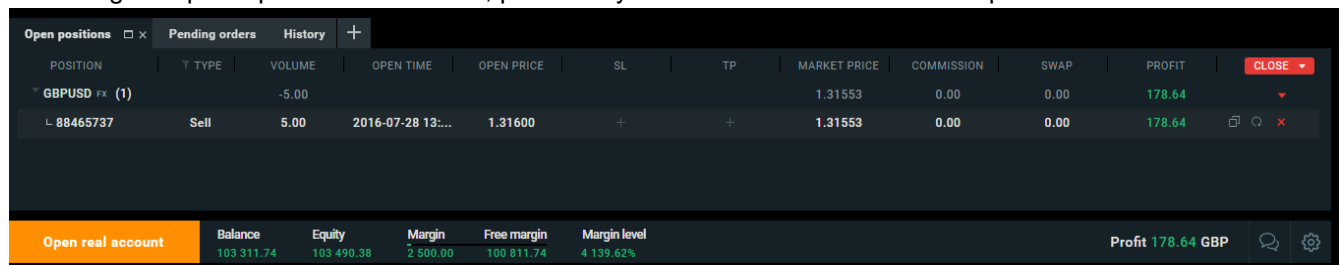
To avoid being closed out of your position by a margin close-out, you'll need to ensure your margin level remains above 50% of the initial margin requirements for all open CFDs by depositing more funds.

Limiting losses is one of the most important aspects of trading and many traders choose to use stop loss orders (hyperlink to stop loss) as a protective measure. On the other hand, some traders decide to manage their risk manually by monitoring their open transactions.

Your margin level is the deposit required to maintain each open trade on your account. To open and maintain your trade, you must have sufficient trading resource to cover the margin requirement at all time.

Free margin represents the amount of capital you have remaining to place new trades or cover any negative price moves in your open trades.

The margin stop is a protective measure, particularly for traders who do not use stop loss orders.



POSITION	TYPE	VOLUME	OPEN TIME	OPEN PRICE	SL	TP	MARKET PRICE	COMMISSION	SWAP	PROFIT	CLOSE
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88465737	Sell	5.00	2016-07-28 13:...	1.31600	+	+	1.31553	0.00	0.00	178.64	

Open real account	Balance	Equity	Margin	Free margin	Margin level	Profit 178.64 GBP
	103 311.74	103 490.38	2 500.00	100 811.74	4 139.62%	

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10. NEGATIVE BALANCE PROTECTION

We offer all our clients Negative Balance Protection. This means that our clients will never lose more than the funds in the client account with the Company.

Let's say you go long (buy) the DE30 (based on the DAX underlying) and adopt a risky strategy of utilising most of your account balance in this one trade as margin. This means that any large move in the market could have a big effect on your account funds.

On Friday the market is trading slightly above your entry point, meaning you're in profit as the market closes for the week. However, over the weekend there's some political turmoil in Germany causing investor uncertainty which means that when the DE30 re-opens on Monday, its opening price is significantly lower than Friday's close, resulting in a large loss that exceeds all the funds on your account, and putting you into a negative balance.

With negative balance protection however, you will not end up owing us this negative amount as we'll write it off for you. **So, when you trade with XSpot, your maximum loss on any trade is the funds in your account, regardless of what the market does.**

11. CONFLICTS OF INTEREST

The Company is required to establish, implement and maintain an effective conflict of interest policy which shall specify the procedures put in place by the Company for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interest arising in relation to its business. For more information, please refer to the Company's Conflicts of Interest policy.

12. OFFERING CFDs IN CERTAIN JURISDICTIONS

CFDs are not eligible for sale in certain jurisdictions or countries. This Policy is not directed to any jurisdiction or country which is included in the Company's Banned Jurisdictions as this is defined in the Terms and Conditions Agreement. The Policy does not constitute an offer, invitation or solicitation to buy or sell CFDs.

13. APPLICABLE LANGUAGE

Please note that where you have been provided with a copy of this Policy other than in the English language, such Policy is provided to you for information purposes only. The English version of this Policy is the version that is binding on X Spot Markets (EU) Ltd at all times.