

# Derivatives Conditions

DEGIRO

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# Derivatives Conditions

In addition to the Investment Services Agreement, DEGIRO uses the Appendix Derivatives for its services relating to Derivatives. The Appendix Derivatives consists of the Acceptance Form Derivatives and the Derivatives Conditions.

## Article 1. Definitions

The capitalised terms in the Derivatives Conditions have the meaning as specified in the Investment Services Agreement.

## Article 2. Contractual relationship

### 2.1 Acceptance

Before Client has the right to trade in Derivatives via DEGIRO, Client must first be accepted for this service, subject to DEGIRO's internal client acceptance procedures. Acceptance of Client may take place before or after the signature of the Acceptance Form Derivatives. DEGIRO may impose additional conditions on Client in this regard.

### 2.2 Investment Services

The Appendix Derivatives forms an inseparable part of the Client Agreement between Parties. The provisions of the Investment Services Agreement apply to the Appendix Derivatives, except to the extent that the Appendix Derivatives derogates from these. The Appendix Derivatives should be read in conjunction with the parts of the Investment Services Information relating to Derivatives services of DEGIRO.

### 2.3 Changes

As agreed in the Investment Services Agreement, DEGIRO may amend its agreements from time to time. DEGIRO will notify Client of material changes. Client can read and download the latest version of the Derivatives Conditions at the Website at any time.

## Article 3. Execution Only

### 3.1 Execution Only

Client confirms and accepts that DEGIRO provides its services on an Execution Only basis. DEGIRO does not, therefore, provide advice. Client's Orders are processed automatically by the systems of DEGIRO and are not assessed by DEGIRO in terms of Client's assets, investment portfolio or investment objectives. Client is responsible for the Order chosen by Client and for continually monitoring its outstanding positions in Derivatives.

### 3.2 Knowledge and insight

Client confirms to be fully aware of the risks associated with Derivatives, to accept these risks and to continually ensure to be in a position to bear the potential losses. Client confirms that Client has studied and understands the sections concerning Derivatives in the document **Characteristics and Risks of Financial Instruments** in the Investment Services Information.

### 3.3 Client's duty of care

Client confirms to DEGIRO that Client shall use the services of DEGIRO prudently and shall ensure not to conduct transactions or take positions that exceed the financial capacity of Client or that are not consistent with the investment objectives or investment portfolio of Client. Client confirms that Client shall not conduct any transactions in Financial Instruments regarding which Client does not possess sufficient knowledge and insight. Client will monitor the positions in the Balance closely and will intervene in good time by closing positions or increasing the Security Value if this is necessary in order to prevent Limits from being breached.

## Article 4. Orders

### 4.1 Orders

Client may issue DEGIRO with the types of Orders described in more detail in the document [Orders and Order Execution Policy](#) in the Investment Services Information.

### 4.2 Limits

Client shall not conduct any transactions if it can reasonably be foreseen that these could lead to a breach of the Limits.

## Article 5. Positions

### 5.1 Counter-positions

In the Balance, DEGIRO will administrate Client's positions in Derivatives on a net basis. This means that a position resulting from a 'sell' Order in relation to a Derivative will be offset by a 'buy' Order relating to the same Derivative.

### 5.2 Holding of positions by SPV

DEGIRO executes Orders relating to Derivatives on different places of execution. As such, equivalent Derivatives may be held by SPV at different locations. For the clients of DEGIRO equal conditions will nonetheless apply to the positions in Derivatives held with SPV. For this purpose DEGIRO will follow the conditions of the reference exchange that DEGIRO chooses for each Derivative. Positions in Derivatives held by SPV will not be assigned to specific clients, but will be held 'fungible' by SPV for all clients that have a position in that specific Derivative. In this way DEGIRO when seeking best execution, can close a position that has been opened for Client on the one place of execution on another place of execution.

### 5.3 Timely Instruction

It is Client's responsibility to instruct DEGIRO in good time, and in accordance with the requirements included by DEGIRO in the Investment Services Information, in the event of e.g. corporate actions of expiry in relation to positions in Derivatives. In the absence of a timely Instruction from Client, DEGIRO will make efforts to take the measures that it reasonably expects to be most beneficial for Client.

## 5.4 Money

If Client trades in Derivatives where an obligation to pay money may arise, such as the variation margin with positions in futures, Client must ensure at all times that Client holds a sufficient credit balance or sufficient credit scope under an Appendix Debit Money at DEGIRO to enable the Client to meet such obligation.

## 5.5 At random selection method

If one or more positions in Derivatives that DEGIRO (via SPV) holds for the account of its clients is exercised, DEGIRO shall select which positions of which clients are exercised via an at random method.

## Article 6. Risk and Security Value

### 6.1 Monitoring Limits

Positions in Derivatives can show strong fluctuations in value. Client confirms that Client is aware of this. Client confirms that it is Client's responsibility to ensure that the Limits applying to Client are not breached. Client will monitor the positions in Derivatives closely and will intervene in good time by closing positions or increasing Security Value in order to prevent Limits from being breached.

### 6.2 Additional money

Client confirms that, at DEGIRO's earliest request, Client will transfer additional money to the Personal Page if one or more Limits are breached and confirms to have sufficient resources for this purpose.

### 6.3 Intervention by DEGIRO

Client must provide DEGIRO with security for the risk associated with Derivatives, as stated in more detail in the Client Agreement. Client should be aware of the Limits and conditions agreed between Client and DEGIRO and must prevent breaches of those Limits and conditions. Client confirms that Client is aware that if a Limit is exceeded, DEGIRO will intervene as agreed in the Investment Services Agreement.

## Article 7. Security for third parties

DEGIRO holds the positions in Derivatives for its clients with third parties, via SPV Long Short. DEGIRO will have to provide those third parties with security. DEGIRO has the right to use money and Financial Instruments for this purpose, that it holds for Client. In doing so, DEGIRO will aim to observe a reasonable balance between the positions of money and Financial Instruments held for Client that DEGIRO provides to third parties as security, and the obligations that arise from the positions in Derivatives, Debit Money and Debit Securities held with those third parties for the account of Client.

## Article 8. Duration, termination

The Appendix Derivatives is entered into between Parties for an indefinite term. The Appendix Derivatives may be terminated by either Party at any time. For DEGIRO a notice period of one calendar month will apply. For Client, no notice period will apply and the termination by Client will

be effective as per the moment that Client does not have any open transactions and positions in Derivatives. The Appendix Derivatives ends automatically on termination of the Client Agreement.