Margin Trading Service Agreement

1. Introduction

a. This Margin Trading Service Agreement (“**Agreement**”) governs your use of the Margin Trading (as defined below) service and related services entered into by and between you (the “**User**” or “**you**”, or “**your**”) and Bybit Fintech Limited (“**Company**”, “**Bybit**”, “**we**”, “**us**” or “**our**”).

b. This Agreement forms a binding agreement between Bybit and you and serves to supplement our Terms of Service found at https://www.bybit.com/app/terms-service/information (the “**Service Agreement**”). If you do not agree to any terms or conditions of this Agreement, you must immediately cease using the Margin Trading service. By using the Margin Trading service, you agree to be legally bound by this Agreement, the Service Agreement and all other terms and conditions and rules relating to the Margin Trading service that we may publish from time to time, including those without prior notice to you.

c. In the event of conflict or inconsistency between a term or provision in this Agreement and the Service Agreement, such conflict or inconsistency shall be resolved by giving precedence to this Agreement. All other provisions of our Service Agreement not modified by this Agreement shall remain in full force and effect.

d. The User acknowledges and fully understands the risks involved in depositing cryptocurrencies and unconditionally accepts the potential risks and benefits of his or her investment decisions. You also further understand and confirm that you have the necessary experience and knowledge to invest in non-guaranteed Digital Assets or asset products.

e. Our Site and Platform are not intended to provide tax, legal, insurance or investment advice, and nothing on the Site or Platform should be construed as an offer to sell, a solicitation of an offer to buy, or a recommendation for any security or crypto asset by Bybit. You alone are solely responsible for determining whether any investment, security or strategy, or any other product or service, is appropriate or suitable for you based on your investment objectives and personal and financial situation. You should consult an attorney or tax professional regarding your specific legal or tax situation.

2. Risk Disclosures

a. Margin Trading (also known as leveraged trading) is highly risky, only suitable for professional investment institutions or experienced investors, or those who can adequately understand all risks related to Margin Trading and can assume some or all losses of account assets due to investment blunders. When engaged in leveraged borrowing and trading on our Site, you are advised to manage risks to your ability; evaluate both the investment value and risks of Digital Assets (defined below); and bear the potential financial risks in the event of a full investment loss. You should trade based on your financial conditions and risk tolerance, and be well aware of the investment risks that Digital Assets possess. When you make a leveraged investment in Digital Assets, there is a possibility of either profit or loss. For your better understanding of the risks involved, in accordance with relevant laws, regulations, administrative rules and national policies, we hereby state the risks in Margin Trading, so do read them carefully and thoroughly. You understand and accept the risks that may arise from using the Margin Trading or leveraged trading services and all losses, expenses, costs, damages, liabilities, penalties, and charges ("**Losses**") that you may suffer from using the Margin Trading or leveraged trading services, including but not limited to:

b. **Risks associated with Digital Assets**

   i. The price and value of any investment in Digital Asset products and the earnings (if any) derived therefrom may fluctuate and may be detrimental to your interests. An individual Digital Asset may decline in price and may even, under some circumstances, lose its value. An inherent risk of trading or investing in Digital Assets is that it may incur losses instead of making profits, as a result of buying and selling such products.

   ii. Digital Assets are not legal tender backed by governments or by commodities such as gold or silver. There is no central bank that can take corrective measures to protect the value of Bitcoins and/or Ethereum and/or any other digital assets (each a "**Digital Asset**") in a crisis, or issue more Digital Assets. Digital Assets are considered autonomous and are largely unregulated worldwide. Traders put their trust in a digital, decentralized and partially anonymous system that relies on peer-to-peer networking and cryptography to maintain its integrity.

iii. Digital Assets trading is susceptible to irrational (or rational) bubbles or loss of confidence, which could lead to a breakdown in either demand or supply. For example, confidence in Bitcoin may collapse due to unexpected changes imposed by software developers or others, government crackdowns, enhanced creations that replace cryptocurrencies, or a deflationary or inflationary spiral. Confidence may also collapse if the anonymity of the system is compromised; or if any fund has been stolen or lost; or if any hackers or government are able to prevent any trading from settling.

iv. Digital Assets deposited into your account do not constitute deposits under the maximum permitted extent under applicable laws, rules or regulations of your respective jurisdiction.

v. Digital Assets in your account are not covered by applicable deposit insurance.

c. **Risks associated with derivatives, margin and borrowing of Digital Assets**

i. Margin Trading is highly risky and may result in the loss of funds greater than those that you have deposited into your Account. In addition, it is important that you fully understand the risks involved in trading on Margin.

ii. Margin Trading carries a high degree of risk because they are generally “leveraged” or “geared” against a larger collateral for a smaller trade with higher returns. Therefore, a relatively small price change of underlying Digital Assets will have a larger impact on the value of products, which may work for you as well as against you. You may sustain substantial losses if market conditions move against your positions. Depending on the extent of losses, investors like yourself may need to increase margin or reduce their positions, otherwise, their positions (and their collaterals therein) may have to be liquidated, and you will bear all the losses caused therefrom.

iii. The risk of loss may be significant if you deposit collaterals as a form of trade financing. You may sustain losses in excess of your Digital Assets deposited as collateral with us. You may be called upon at short notice to make additional margin deposits or interest payments. If the required margin deposits or interest payments are not made within the prescribed time, your collateral or position may be liquidated without prior notice. Therefore, you should carefully consider whether such a financing arrangement is suitable in light of your financial condition, position and investment objectives.

iv. If you are borrowing Digital Assets from us, you are to deposit collaterals of the required level. You may be called upon at short notice to place additional deposits if the level of collateral is inadequate in relation to the market value of the borrowed assets. If the deposits of the required additional Digital Assets are not made within the prescribed time, we may buy back the borrowed Digital Assets without prior notice. If you lend a Digital Asset to us, you shall temporarily lose legal ownership and title over the lent Digital Asset.

v. You can lose more assets than you have deposited in your Account. A decline in the value of assets that are purchased on Margin may require you to provide additional collateral to avoid the forced sale (a "**Liquidation**") of those margin-purchased assets or other assets in your Account. It is important to understand that purchasing assets on Margin is highly risky and may result in the loss of funds greater than those that you have deposited into your Account.

vi. If the value of your collateral falls below the Margin Requirements, or if we revise these requirements to be higher at any time, we can sell the assets in your Account to recover the Margin deficiency. You authorize us to sell assets in your Account without further notice to you. In the event that the Liquidation is insufficient to cover such shortfall, you will be legally responsible for making up for such shortfalls.

vii. We have no obligation to contact a User before a Margin Call, or Liquidation is executed. Therefore, you should understand that you need to keep yourself informed about the current Margin Requirements and how they will affect you at any time a Margin Requirement changes against your favor. You should also ensure proper risk management of positions that are in line with your risk tolerance.

viii. You are not entitled to choose which assets are liquidated to meet a Margin Call. We have sole discretion and the right to decide which positions to liquidate in order to protect our interests.

ix. Margin Requirements can be amended and raised at any time in our sole discretion without written notice to you. These changes often take effect immediately and will affect your existing Margins. If your use of Margin is not within an amended or raised Margin Requirements, you can expect to be liquidated immediately without notice.

d. **Other Risks**

i. Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the utilization, transfer, exchange, and value of Digital Assets.

ii. Neither we nor the platform is registered as a broker or dealer, modification of national securities, service provider for capital markets, or alternative trading system in any jurisdiction. The transaction and settlement of trading related to Digital Assets are not supervised by any government body or self-regulator.

iii. The Platform or Site may become unavailable due to changes in applicable law, and you may suffer Losses or be liable due to the termination or suspension of the platform, or any or all accounts.

iv. Our trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or settling of trades. As with all facilities and computer systems, Users will be exposed to risks associated with the system, including the failure of technology, hardware and software. Any system failure may cause improper execution of your orders or fail execution entirely. You should also note that the internet may not be a completely reliable medium of transmission, which may delay our provision of services.

e. This risk disclosure covered in the Agreement may not be comprehensive for your purposes and may not disclose all the risks of Margin Trading or leveraged trading in Digital Assets. Every market has its own risks, please exercise caution when investing. Where you remain uncertain of the risks, you should seek an independent and professional opinion to satisfy yourself of the risks involved. Be sure to read the Agreement carefully and thoroughly before utilizing the leveraged trading services provided by the Company. You shall be deemed to have read and agreed to the provisions thereof upon utilizing the service. The Company reserves the right to amend the contents hereof and all amendments shall be informed to Users by e-mail, but we are not obliged to inform Users by any other means. We also reserve the right of final interpretation of the contents hereof.

3. Interpretations and Definitions

a. Capitalized terms used in this Agreement that are not defined herein, have the meanings given to them in the Service Agreement.

“Liquidation”	Means a forced sale of an asset arising from either collateral or Margin not meeting Margin Requirements.
“Lending Facility”	Means the assets lent to you by us to enable you to execute a transaction using the borrowed assets, through the Margin Trading features available on the Platform.
“Interest”	Means the prevailing rates of interest charged for a Lending Facility.
“Margin”	Means the amount of assets you borrow from us for the purposes of Margin Trading based on the SAV of your collateral and the prevailing Margin Requirements.
“Margin Call”	Means a notification by us to you to increase the collateral.
“Margin Account”	Means an account where Margin Lending Facility is made available to you, a User.
“Margin Trading”	Means your engagement in any transaction exceeding the underlying value of your collateral in which assets of the transactions are purchased entirely or partially through the use of Margin.
“Margin Trading Product”	Means any asset, position or product purchased with the use of Margin or through Margin Trading.
“Margin Requirements”	Means the prevailing requirements in respect of the Margin Trading service, including the requirements of minimum collaterals needed to be maintained for each respective supported Digital Asset, limits and Interests for the grant

	of our Margin, which we may amend from time to time at our sole discretion without prior notice to you.
“Specified Asset Valuation” or “SAV”	Means the valuation guidelines used by us in our sole discretion to determine the value of collaterals in United States Dollars for the purposes of determining the amount of extendable Margin.

4. Representations and Warranties

a. You represent and warrant that:
   i. the assets committed in your account as collateral are not borrowed and are totally unencumbered by any mortgage, charge, lien or other interest;
   ii. you have read, understood and accepted risk disclosure set out above and the Margin Requirements in relation to borrowing risks and accepted the obligations to the Company;

b. You agree and undertake to notify us when either of the representations and warranties cease to be true.

5. Margins and Automatic Liquidation

a. Margins are subject, at all times, to Margin Requirements established by us, and you agree and undertake to maintain your Margins within Margin Requirements. We reserve the right to modify Margin Requirements and/or SAV guidelines applicable to you or any User at any time, in our sole discretion without prior notice to you. The Margin Requirements on our Site are only indicative and do not reflect the actual Margin Requirements which can change rapidly in our sole discretion and without prior notice depending on market conditions.

b. For the purposes of determining your compliance with our Margin Requirements, we will, in our sole discretion, determine the SAV of assets in your Account. Our calculations may differ from the valuation and prices disseminated by other markets, and you agree to subject yourself unconditionally to our SAV.

c. You may draw upon the available Margin from your Account only for Margin Trading and to hold Margin Trading Products purchased through the Margin extended by this Agreement provided that you maintain sufficient collaterals in your Margin Account at all times as required under prevailing Margin Requirements.

d. When you use Margin on your Account, you agree and undertake to subject all supported Digital Assets under your Account in no order or preference, size, or volume to be committed as collateral for the extension of Margin.

e. Our Margin Requirements or risk control may include leverage ratio limits or position size limits. If these limits are reached or exceeded, you may not be able to place new orders and you authorize us to liquidate existing Margin Trading Products, close open orders and/or enter into risk-reducing transactions on your behalf without prior notice to you, in order to bring your Account back into compliance with the relevant Margin Requirements.

f. You undertake to monitor your Account, the applicable Margin Requirements and/or SAV guidelines at all times to ensure that you maintain sufficient collateral at all times to meet our Margin Requirements. You acknowledge and agree that it is your sole responsibility to monitor your Account, the applicable Margin Requirements and/or SAV guidelines from time to time, particularly in periods of high volatility, in order to avoid Liquidation.

g. You acknowledge and agree that we typically do not issue Margin Calls and we will not credit your Account or increase your Margin to meet any margin deficiencies as per this Agreement. Instead, we will liquidate positions in your Account in order to satisfy Margin Requirements without prior notice to you and without giving you the opportunity to choose the positions to be liquidated, the timing or the order of the Liquidation. You understand, acknowledge and agree that we have no obligation to contact you for a Margin Call, and we may liquidate assets in your Account without contacting you first. You therefore authorize us to sell your assets without contacting you.

h. You acknowledge and agree that:
    i. we shall be entitled, but have no obligation, to issue Margin Calls to you. We typically do not issue Margin Calls, and it is your sole responsibility to monitor your Account, the applicable Margin Requirements and/or SAV

guidelines, and to adjust your positions from time to time, particularly in periods of high volatility, in order to avoid Liquidation;

ii. you are solely responsible for monitoring your Account, the applicable Margin Requirements and/or SAV guidelines, and for maintaining sufficient collaterals at all times to satisfy the Margin Requirements, to ensure that the Margin Requirements are met, especially during volatile periods, regardless of whether or not a risk alert and/or Margin Call has been issued;

iii. any of your failure to satisfy a Margin Call or any failure to otherwise maintain sufficient collaterals in your Account may lead to your Account being subject to certain restrictions, or your positions being subject to Liquidation;

iv. any Losses from Liquidation are your responsibility and shall be borne by you. This includes situations where there is an automatic Liquidation of your position due to sharp price fluctuations in Assets within a short period of time; and

v. we shall have no liability to you or any third party in connection with any Liquidation arising from or in connection with:
    1. any failure to issue a risk alert and/or Margin Call;
    2. any delay or glitch in the issuance of risk alert and/or Margin Call; and
    3. any delay in your receipt of any risk alert and/or Margin Call.

i. You further acknowledge and agree that:
    i. you shall be liable for all Transaction Fees relating to the Liquidation;
    ii. you shall be liable for any Losses resulting from the Liquidation; and
    iii. we shall not be liable for any Losses resulting from the Liquidation, should we exercise any or all of our rights under this Agreement.

j. We may reject any order if your Account has insufficient collateral to meet Margin Requirement and can delay the processing of any order while determining the Margin status of your Account.

k. If you have multiple Accounts or subaccounts, we shall have the sole discretion of treating such accounts as either whole or separate for the purposes of applying Margin Requirements. You therefore acknowledge and accept that this may cause the total Margin Requirements to be higher than otherwise indicated and could cause your positions to be liquidated in one Account or subaccount notwithstanding excess assets in any of the respective Accounts.

l. You will not rely on us to close or liquidate positions in your Account in the event you do not comply with the Margin Requirements. In particular, you shall not rely on the auto-liquidation and systems to function as a stop-loss order. You shall not assume that we shall liquidate positions to prevent you from losing more than you have deposited. Likewise, we may, in our sole discretion and our interests, delay or decide not to liquidate positions in your Account with a Margin deficit and shall have no liability for any Loss you sustain in connection with such delay of or forbearance from Liquidation.

m. These terms and the Margin Requirements are designed to protect the integrity of the market and are not designed to protect you. You understand and agree nonetheless that by using our Margin, you are subjecting yourself to this Agreement, the SAV guidelines and the Margin Requirements. Our failure to apply or enforce any of the terms herein or in the Margin Requirements does not give you any right to bring an action against us and nothing in this Agreement constitutes a warranty or undertaking that we will apply or enforce the Margin Requirements.

n. You shall repay any Lending Facilities plus Interest on demand by us. To the maximum extent permitted under applicable laws, we may, in our sole discretion, apply the proceeds from the sale of any assets in your Account, first to the payment of any Interest then due, any outstanding fees, charges or other expenses then due to us, and then to the payment of any principal amount outstanding on the Lending Facilities.

o. You shall be solely responsible, and you assume and shall bear all risk of Loss, for all conduct relating to Margin Trading or the use of Margin, including but not limited to the risks mentioned in sections 2, 5 and 7. We expressly disclaim and do not take any responsibility for any Loss, liability or damage incurred as a result of your access to and use of the Margin Trading services.

6. Security Interests

a. All collaterals in your Account, to the extent sufficient, are deemed pledged as collaterals relative to the Margin requested and granted in accordance with the prevailing Margin Requirements and/or SAV guidelines.

b. All collaterals of any kind are hereby pledged to us by you and you grant to us a perfected first-priority lien and security interest in our favor to secure the performance and obligations and liabilities to us arising under this Agreement or any other agreement with us to the maximum extent permitted under applicable laws.

7. Liquidation and Set-Off

a. If, at any time, your Account does not meet the Margin Requirements, we may, without limiting our other rights, sell, close, or otherwise liquidate all or part of your positions, Margin Trading Products, assets or collaterals in any of your Accounts held with us or with an any agent or broker, with no order or preference, and without prior notice to you.

b. A Liquidation will usually occur automatically but notwithstanding the foregoing, we have no obligation to take any action if your Account, collaterals or assets do not meet the Margin Requirements.

c. You understand and agree that we have the right, in our sole discretion but not the obligation, to Liquidate and/or set-off all or any part of your positions, Margin Trading Products, assets or collaterals in any of your Accounts, individual or joint, at any time, in any manner, in any order or preference without prior notice to you where:
   i. your Account is in a deficit;
   ii. you have insufficient collateral to meet Margin Requirements;
   iii. we anticipate in our sole discretion that your holding of any position is likely or will result in a future violation of our Margin Requirements;
   iv. you execute an order for which you do not have sufficient assets;
   v. we determine in our sole discretion that Liquidation is necessary or advisable to protect you;

vi. in the event of default, a breach by one (1) or more terms on your part in this Agreement, the Service Agreement or the Margin Requirements;
vii. this Agreement is terminated;
viii. legal or investigation proceedings are commenced by either party.
(Each a "**Liquidation Trigger**")

d. You shall be liable and shall promptly pay us for any such deficiencies in your Account that arise from such Liquidation or that remain after such Liquidation. This obligation shall survive the termination of this Agreement.

e. You agree that we have no obligation to, and in some cases, no ability to Liquidate any Margins, in any order or preference, so as to reduce your exposures to Interest arising from Lending Facilities. You agree and undertake to pay all Interests incurred from Lending Facilities.

f. We have no liability for any Losses sustained by you in connection with such Liquidation (or omissions on our part to do so), even if you re-establish a liquidated position at a worse position. You shall indemnify and hold us harmless for all actions, omissions, costs, fees (including but not limited to attorney's fees), or liabilities associated with such Liquidation undertaken by us.

g. We may allow you to request the order of Liquidation of assets in your Account in the event of a Margin deficiency, but such requests are not binding on us and we retain the sole discretion to determine the assets to be liquidated including the order and manner of the Liquidation. We may liquidate your position through any method at our sole discretion and we or our affiliates may take the counterparty position for such Liquidations.

8. Suspension

a. In the event a Liquidation Trigger occurs, you agree that we shall hold the sole right and discretion to freeze all or any part of your Account or assets and/or to exercise positions on your Account without prior notice to you.

9. Disclaimers

a. With the acceptance of the terms of this Agreement, you acknowledge and agree that the Margin Trading services carry significant risks (“**Risks**”), including but not limited to the risks set out below and in sections 2, 5 and 7 above, and you accept those Risks.

b. We disclaim to the maximum extent permitted by laws, and you hereby waive and release us from any and all claims, liabilities, causes of action, responsibilities, and Losses arising from or in any way related to the following:

   i. You acknowledge, understand, and accept that Margin Trading is not suitable for everyone. Margin Trading is highly speculative, as it involves highly leveraged and rapidly fluctuating markets, which can result in Losses that exceed the amount of funds you deposited in your Account.

   ii. Despite the Risks associated with Margin Trading, you have determined that trading Digital Assets with the use of margin is appropriate for you, and agree that such use is consistent with your financial conditions, investment objectives and risk tolerance.

   iii. You acknowledge, understand and accept that access to and the use of the Margin Trading services involves high risks and carries additional risks compared to engaging in transactions that are not subject to any leverage or borrowing, and that you are willing and able to assume all such Risks associated with Margin Trading.

   iv. **YOU UNDERSTAND, AGREE, AND ACKNOWLEDGE THAT YOU ARE SOLELY RESPONSIBLE FOR YOUR DECISIONS TO ACCESS OR USE THE MARGIN TRADING SERVICES, AND ANY LOSSES RESULTING THEREFROM. YOUR ACCESS OR USE OF THE MARGIN TRADING SERVICES IS AT YOUR OWN RISK.**

   v. When you use or access the Margin Trading services, you are undertaking all relevant Risks, liabilities, damages, and all Losses you may suffer as a result of the Risks. You agree that you will not hold us responsible in any manner for any such Losses incurred by you under or in connection with the Margin Trading services or this Agreement.

   vi. **YOU UNDERSTAND, AGREE, AND ACKNOWLEDGE THAT YOU ARE SOLELY RESPONSIBLE FOR YOUR INVESTMENT DECISIONS, AND WE**

ARE NOT LIABLE FOR ANY TRADING LOSSES THAT MIGHT ARISE FROM YOUR USE OF THE MARGIN TRADING SERVICES.

10. General

a. You will be able to view your account history on the Platform. You must review your account history carefully and let us know if you see any entries or transactions that you do not recognize or you think are incorrect, as soon as possible, and within 14 days after the date that your account history is provided or made available to you.

b. We reserve the right to rectify any error in your account at any time and void or reverse any transaction in the following instances:
   i. involving or deriving from a manifest error (that is, any error, omission or misquote (whether an error is from us or any third party that we assign)) which is manifest or palpable, including a misquote by any of our representatives taking into account the current market and currently advertised quotes, or any error of any information, source, official, official result or pronunciation; or
   ii. to reflect what we reasonably consider to be the correct or fair details of the transaction.

c. You hereby undertake to, wherever you are, use the Margin Trading services in compliance with all applicable laws. You further undertake to indemnify us from any and all liabilities that we may incur arising from your improper or non-compliant use of the Margin Trading services.

d. We disclaim to the maximum extent permitted by laws, and you hereby waive and release us from any and all claims, liabilities, causes of action, responsibilities, and Losses arising from or in any way related to, including but not limited to:
   i. your use of and access to the Margin Trading services;
   ii. any trading Losses that might arise from your use of the Margin Trading services; and

iii. your use of and access to the Platform.

e. We may be required under applicable laws and regulations to share information about your accounts and use of the Platform with third parties. You acknowledge, agree and consent that we are entitled to disclose such information.

f. We reserve the right to, without prior notice:
    i. temporarily or permanently prohibit you from accessing or using the Margin Trading services;
    ii. impose limits on the Margin Trading services;
    iii. suspend or terminate the Margin Trading services;
    iv. delay certain transactions in the Margin Trading services.
    v. You understand and agree that we shall not, to the maximum extent permitted by law, be liable to you for any Losses caused by such prohibition, suspension or termination.

g. You shall comply with all applicable laws and regulations, and you shall cease using the Margin Trading services where such compliance becomes impossible.

h. You agree and accept that we have the right to amend the content of this Agreement at any time at our sole discretion. We shall not be liable for any Losses due to your misunderstanding of this Agreement or your failure to take note of any amendments made to this Agreement from time to time.