

# L-Token-Short Framework Agreement

## PART I: Introduction

- 1 Scope
  - 1.1 This framework agreement for contracts for difference ("CFD Framework Agreement Short") sets out in its Part II the contractual provisions applicable to any contract for difference creating a short position between Bitpanda GmbH, A-1020 Vienna, Stella-Klein-Löw Weg 17, registered with the Austrian Commercial Register under registration number FN 569240 v as issuer ("Bitpanda GmbH" or "Issuer"), and selected Bitpanda clients who activate "L-Token-Short" on Bitpanda Systems ("L-Token Clients").
  - 1.2 Bitpanda GmbH is the issuer and sole counterparty of all L-Tokens. L-Tokens Orders (as defined below) will be exclusively accepted and transmitted by Bitpanda Financial Services and Bitpanda Financial Services' involvement in L-Token-Short is limited to acceptance and transmission of orders as set out in the Financial Services TC available on the Bitpanda website under <https://www.bitpanda.com/en/legal/general-terms-conditions-bitpanda-financial-service>.
  - 1.3 Obtaining, holding and using of L-Token-Short is also subject to the Group TC in its current form as published on the Bitpanda website at <https://www.bitpanda.com/en/legal/bitpanda-group-general-terms-conditions> and Bitpanda GmbH & BAM TC in its current form as published on the Bitpanda website at <https://www.bitpanda.com/en/legal/bitpanda-general-terms-conditions>. In accepting this CFD Framework Agreement and placing an L-Token Order, you explicitly accept and agree to the terms set out in point 1.2 and 1.3. Where there is a conflict between the Group TC, the Bitpanda GmbH & BAM TC, the Financial Services TC and this CFD Framework Agreement Short, then the terms of this CFD Framework Agreement Short shall prevail.
  - 1.4 L-Token-Short can neither be used for nor sold or acquired through the following services:
    - (a) Bitpanda Swap (point 4.8 Bitpanda GmbH & BAM TC);
    - (b) Bitpanda Savings (point 5 Bitpanda GmbH & BAM TC);
    - (c) Bitpanda Index (point 8 Bitpanda GmbH & BAM TC)
    - (d) Bitpanda card (point 9 Bitpanda GmbH & BAM TC);

- (e) Bitpanda Loyalty Programme Benefits (Enclosure 1 Bitpanda GmbH & BAM TC);
- (f) **Bitpanda GmbH Staking** / **BAM Staking** (Annex II A & B Bitpanda GmbH & BAM TC); and
- (g) Tell-a-Friend Program (point 18 Group TC).

## 2 Definitions and applicability

2.1 In this CFD Framework Agreement Short, the terms defined in the Group TC apply and, in addition, the terms defined in this document. The L-Token-Short is together with the L-Token-Long offered on Bitpanda Systems and are referred to as "L-Token".

2.2 In reviewing this document, you will see that some text is coloured,

- (a) clauses in black apply to all Bitpanda Clients;
- (b) **clauses in blue only apply to BAM Clients as described in the Group TC;**
- (c) **clauses in green only apply to Bitpanda GmbH Clients as described in the Group TC.**

## PART II: Relationship with Bitpanda GmbH

### SECTION A: Product description and terms and conditions of L-Token-Short

#### 1 Product description

1.1 L-Token-Short enables selected Bitpanda Clients (as defined under point 3.1 below as "L-Token Client") to invest in expected falling market prices of crypto assets by entering into a contract for difference within the meanings of Sec 1 No 7 lit (i) of the Austrian Securities Supervision Act 2018 (*Wertpapieraufsichtsgesetz* 2018; "WAG 2018") with Bitpanda GmbH. L-Token-Short is displayed on the Bitpanda Client Account (as defined in the Group TC) as AAxShort, where AAA is the 3 letters used to define the specific crypto assets in Bitpanda's systems (for example: BTC1xShort means an L-Token-Short on Bitcoin and ETH1xShort means an L-Token-Short on Ethereum). If the change in the value of the relevant L-Token does not go in favour of the participating Bitpanda client, the participating Bitpanda client may incur losses as set out under point 5 in more detail. L-Tokens are exclusively settled in **F-Token** / **E-Money** only and do not entitle the L-Token Client to any physical delivery or other direct or indirect right in the underlying assets.

1.2 L-Token-Short constitutes a type of financial instrument as defined in Sec 1 No 7 lit (i) WAG 2018 but is neither securitised (*verbrieft*), listed (*börsegehandelt*) nor transferable (*übertragbar*). L-Token-Short is a bilateral agreement between the

L-Token Client and Bitpanda GmbH. The only other party involved in the transaction is Bitpanda Financial Services for the purposes of acceptance and transmission of orders with respect to L-Token-Short.

1.3 The term *Token* or *L-Token* is used on Bitpanda Systems solely for usability purposes. L-Tokens are not blockchain based instruments, but rather internal database entries at Bitpanda. The L-Token Client does not hold individualised assets, even if they are displayed as a certain amount of L-Token.

1.4 L-Token does not constitute a transferable security pursuant to Sec 1 No 5 WAG 2018.

## 2 Using L-Token-Short

2.1 L-Token-Short is offered by Bitpanda GmbH to selected eligible Bitpanda Clients who:

- (a) activate the L-Token option on Bitpanda Systems;
- (b) have demonstrated appropriate knowledge and experience (appropriateness test pursuant to Sec 57 WAG 2018) or wish to use such services despite being warned accordingly and as tested by Bitpanda Financial Services in accordance with the Financial Services TC and the WAG 2018. Please note that L-Token-Short is not available to all Bitpanda Clients in all jurisdictions.

2.2 In order to invest in falling market prices of certain crypto assets available for L-Token-Short, you make an order to enter into a contract for difference within the meanings of Sec 1 No 7 lit (i) WAG 2018 with the Issuer pursuant to the terms set out in Section B and the market prices shown at the time of the Final Offer Click L-Token (as defined below) in an amount of L-Token as specified by you ("**L-Token Order**"). All L-Token Orders will be exclusively accepted and transmitted to the Issuer by Bitpanda Financial Services in accordance with the Financial Services TC.

2.3 To make an L-Token Order you have to (i) fill in all necessary, valid and correct data on Bitpanda Systems and (ii) click the respective button on Bitpanda Systems ("**Final Offer Click L-Token**").

2.4 Upon making the Final Offer Click L-Token the offer will be accepted by Bitpanda Financial Services and transmitted to the Issuer. The execution policy as set out in the Financial Services TC applies.

2.5 The L-Token Client is bound by an L-Token Order for a period of 24 hours from the respective Final Offer Click L-Token ("**Offer Period**"). The receipt of an L-Token Order by the Issuer will be promptly confirmed to the L-Token Client.

2.6 An L-Token Order may either be accepted or rejected by the Issuer within the Offer Period. If the Issuer accepts an L-Token Order, it will be executed by the Issuer, the acquired L-Token amounts will be credited to the L-Token Client's Wallet and the

amount due in F-Token / E-Money will be deducted. The L-Token Client will be informed about the acceptance or rejection of the L-Token Order.

- 2.7 Upon fulfilment of an L-Token Order, a contract for difference (each such agreement a "CFD") based on the terms as outlined in Section B below is concluded between the Issuer and the L-Token Client.
- 2.8 Subject to the terms of the CFD, the L-Token Client may at any time increase, or (partially or fully) decrease its CFD position. The same principles set out in this point 2. apply to any increase or decrease of any existing CFD.
- 2.9 The L-Token Client may enter into several CFDs in parallel (up to one for each underlying for L-Token-Short and one for each underlying for L-Token-Long) in accordance with this CFD Framework Agreement Short and the CFD Framework Agreement Long and each such CFD shall constitute an independent agreement between the Issuer and the L-Token Client. For the avoidance of doubt, any increase of an existing L-Token-Short position will not result in a new CFD.

### 3 No Right of withdrawal

The L-Token Client has no right of withdrawal for CFDs concluded at distance (*Fernabsatz*) pursuant to the Austrian Distance Financial Services Act ("*FernFinG*"), as the value of the crypto assets, that is the underlying of the CFD, depends on fluctuations in the financial markets over which Bitpanda has no control and which may occur within the withdrawal period.

### 4 Risks

Buying and holding L-Tokens-Short bears material risks, which each in the worst case may lead to the total loss of your investment or assets (i.e. the entire invested capital). It is important that you fully understand the risks involved before making a decision to enter into this CFD Framework Agreement Short with us. If you are in any doubt about the risks involved in addition to the risks set out in point 24 of the Group TC, please refer to the risk disclosure in the Investor Information Document (available under [https://cdn.bitpanda.com/media/documents/leverage-assets/Investor\\_Information\\_Document\\_EN.pdf](https://cdn.bitpanda.com/media/documents/leverage-assets/Investor_Information_Document_EN.pdf)).

## SECTION B: L-Token-Short contract for difference

Each L-Token Order may only be made on the following terms which, upon execution of the L-Token Order, form part of the CFD:

Scope:	Subject to the following terms, the Issuer and L-Token Client enters into this contract for difference ("CFD").
Definitions:	<p>In this CFD, the terms defined in the general contract provisions of L-Token-Short ("CFD Framework Agreement Short"), in the Group TC and in addition, the terms defined herein apply.</p> <p>The term "L-Token-Short" is used to describe all contracts with the Issuer creating a short position. L-Token-Short of a specific crypto asset have trade names assigned by the Issuer such as BTC1xShort and ETH1xShort.</p>
Issuer:	Bitpanda GmbH, A-1020 Vienna, Stella-Klein-Löw Weg 17, registered with the Austrian Commercial Register under registration number FN 569240 v.
L-Token Client:	The Bitpanda Client making the L-Token Order.
Type of product:	Contract for difference, qualifying a financial instrument as defined in Sec 1 No 7 lit (i) WAG 2018, creating a short position in the underlying
Availability:	L-Token-Short is available on Bitpanda Systems only.
Underlying:	A crypto asset as selected by the L-Token Client from a list of available crypto assets prior to making the L-Token Order. The Issuer shall not be required to acquire and/or hold a specific amount of the underlying asset at any time.
Securitisation:	L-Token-Short are not securitised. Neither the Issuer nor the L-Token Client may request a securitization at a later time.
Tradability:	The L-Token-Short is not tradable with third parties.
Listing:	L-Token-Short are not publicly listed. Neither the Issuer nor the L-Token Client may request a

	listing or other form of tradability at a later time.
Tokenised / DLT based:	The L-Token-Short is not based on any distributed ledger technology. The term "token" is used solely for usability purposes.
Collateralised:	The L-Token-Short is not secured by any kind of asset, insurance or guarantee.
Denomination:	For illustration purposes only, the L-Token-Short is virtually denominated to represent a certain amount of the underlying as displayed to the L-Token Client when making the L-Token Order.
Settlement:	All payments under this CFD are exclusively settled in <b>F-Token</b> / <b>E-Money</b> . The L-Token Client is not entitled to any physical delivery or other direct or indirect right in the underlying assets.
Conclusion of the CFD:	<p>The CFD is concluded by the Issuer upon executing the relevant L-Token Order, upon which the Investment Amount becomes due and payable in <b>F-Token</b> / <b>E-Money</b> and will immediately be deducted by the Issuer.</p> <p>All L-Token are recorded in the L-Token Wallet on Bitpanda Systems.</p>
Investment Amount:	The amount initially invested by the L-Token Client is an amount in <b>F-Token</b> / <b>E-Money</b> determined by the L-Token Client when making the L-Token Order ("Investment Amount"). The Investment Amount can be increased/decreased from time to time as set out below as a result of an increase and/or decrease of the position.
Minimum investment per user:	EUR 1,00.00 per order
Maximum investment per user:	EUR 50,000.00 per order
Return price:	Upon termination of the CFD agreement, the L-Token is subject to a return price calculated as follows: L-Token spot price x amount of

	<p>L-Token. The return price includes the Overnight Fees.</p> <p>The L-Token Client receives the return price minus the return fee as set out in Section C of the CFD Framework Agreement Short.</p>
L-Token spot price:	<p>The L-Token spot price is calculated by the Issuer and continuously displayed on Bitpanda Systems on the basis of the following formula:</p> <p>Daily opening L-token price +(-1x percentage intraday movements of underlying market price x Opening L-token price).</p> <p>"Opening" refers to the time starting immediately after any re-leveraging has occurred.</p>
Price information service provider:	<p>The market price for all L-Tokens Short is the relevant spot price of the underlying as retrieved by the Issuer from the publicly available APIs from Kraken or Binance or any other reputable price provider as selected by the Issuer. The L-Token Client explicitly acknowledges and agrees that the price information service providers may not be benchmark administrators under the EU Regulation 2016/1011/EU (Benchmark Regulation) and thus not regulated in the EU. The prices derived from these price information service providers are outside the Issuer's influence and may show high volatility.</p> <p>In the event that no prices are available from the price information service providers, for whatever reason, the Issuer is entitled, at its discretion, to display the most recently received prices as the stable price or to suspend the possibility of acquisition or return.</p>
Term:	<p>Unlimited. While the terms of this CFD is unlimited, it is explicitly stated that the recommended holding period as set out in the KID is 1 day.</p>
Fees:	<p>The Issuer charges the L-Token Client the following:</p>

	<p>(a) a return fee as set out in Section C (L-Token-Short Fees) of the CFD Framework Agreement Short calculated from the return price; and</p> <p>(b) an overnight fee as set out in Section C (L-Token-Short Fees) of the CFD Framework Agreement Short per calendar day calculated daily at 11 pm Central European Time (CET) of each calendar day on the basis of the value of the underlying, displayed as total exposure on Bitpanda Systems.</p>
Leverage:	<p>Leverage refers to the ratio between the Investment Amount and the current market value of the underlying ("Current Leverage"), determined as described below. The target leverage for L-Token-Short is 1x ("Target Leverage") and the acceptable leverage range is 0.8x to 1.2x ("Target Leverage Range").</p>
Calculation of Current Leverage:	<p>The current leverage for each L-Token-Short is calculated by the Issuer and is continuously displayed on Bitpanda Systems</p> $\text{Current leverage} = \frac{((\text{Reference L-token price}) \times (\text{Target leverage}) \times (\text{Current underlying price}))}{((\text{Reference underlying price}) \times (\text{Current L-token price}))}$
Re-Leveraging:	<p>Bitpanda has implemented a system called Re-Leveraging which dynamically adjusts the Current Leverage of each L-Token-Short to the Target Leverage at 11 pm CET on each calendar day and whenever the Current Leverage falls outside the Target Leverage Range.</p>
Ordinary termination by the Issuer:	<p>Bitpanda may in parts or in full terminate any CFD by giving at least four weeks prior notice to the L-Token Client.</p>
Ordinary termination by the L-Token Client:	<p>The L-Token Client may at any time partially or fully terminate the CFD by clicking [close/decrease position] on Bitpanda Systems. If the CFD is partially terminated only,</p>



	the Investment Amount is deemed to be decreased pro rata.
Extraordinary termination	<p>Bitpanda may, with immediate effect, in parts or in full terminate the CFD, provided that any events and circumstances justifying a termination for cause have occurred, including but not limited to:</p> <p>(a) any reason mentioned in point 12 of the Group TC;</p> <p>(b) the L-Token Clients, directly or indirectly, engages or participates in any activities aiming to manipulate or destabilise any market for the underlying of the CFD;</p> <p>(c) the offering of L-Token becomes unlawful for Bitpanda or it becomes unlawful for Bitpanda to perform any of its material obligations as contemplated by the CFD Framework Agreement;</p> <p>(d) due to circumstances outside Bitpanda's control such as any significant liquidity disruptions or price volatility in the markets for the underlying of the CFD, it becomes inevitable for Bitpanda to terminate the CFD in order to prevent greater damage to customers and/or its own existence.</p>
Profit Knockout:	Whenever the L-Token Client's L-Token-Short position has increased by 100% or more, the CFD will be automatically and immediately closed.
Margin close out protection:	The Issuer has implemented a margin close out protection which automatically and fully terminates all CFD if the Return Price would be 50% or less of the Investment Amount. The L-Token Client irrevocably agrees that his/her CFD positions may be automatically terminated by the Issuer if such an event occurs.
Negative Balance Protection:	Regardless of the changes to the underlying, the L-Token Client will not be required to make

	any additional payments in addition to the Investment Amount.
Market disruption and forks:	The Issuer shall not be liable for any market disruptions or forks affecting the underlying. In the event of a fork, the Bitpanda fork policy will be applied in order to determine a potential change in the underlying.
Risk disclosure notices:	Before entering into this CFD, the L-Token Client should read and consider all additional documents and risk disclosure notices the Issuer and/or Bitpanda Financial Services have provided. The L-Token Client acknowledges and accepts the information set out in the additional documents provided by the Issuer, including the PRIIPs KID, the cost transparency document and the investor information document.
Place of performance:	The place of performance ( <i>Erfüllungsort</i> ) is the address of the Issuer as set out above.
Governing Law:	<p>Laws of the Republic of Austria excluding the provisions of the United Nations Convention on the International Sale of Goods and excluding the conflict of law rules of Austrian private international law.</p> <p>For Bitpanda Consumer Clients, this only applies insofar as the law of their country of residence does not grant them a more favourable legal position vis-à-vis the Issuer in the individual case.</p>
Place of jurisdiction:	Any and all contractual and non-contractual disputes, divergences or claims between the Issuer and the L-Token Client who is a Bitpanda Business Client shall be exclusively dealt with the court having pertinent competence for A-1010 Vienna.

#### SECTION C: L-Token-Short Fees

Purchase Fee	Return Fee	Overnight Fee Applies every day at 11 pm (CET)
0 %	1 %	0.1 %

The base values on which the above listed rates are applied to calculate the respective fee are set out in the CFD.

Please refer to the Cost Transparency Document for further details on all applicable costs and fees.