

This Trading Policy is applicable with effect from 1<sup>st</sup> June, 2022.

The mobile/web application **Density.Exchange** and the associated website <https://density.exchange/> and any of our associated websites or mobile/web applications (collectively, the "**Density.Exchange**") are owned, operated and managed by **PAGARPAY INDIA PRIVATE LIMITED** (CIN U72900KA2900KA2021PTC153164), having its registered office at Level 5, Trifecta Adatto, 21, ITPL, Main Rd, Garudachar Palya, Mahadevapura, Bengaluru, Karnataka 560048 (hereinafter referred to as '**Density**' or '**Company**' or '**Us**' or '**We**' or '**Our**', which term shall mean and include our affiliates, group entities, related parties and service providers).

THIS TRADING POLICY IS AN INTEGRAL PART OF THE USER TERMS AND CONDITIONS ACCEPTED BY YOU BEFORE REGISTERING ON **DENSITY.EXCHANGE** AND AVAILING SERVICES. BY CLICKING "**I AGREE**" OR BY SIGNING UP OR ACCESSING OR USING OR CONTINUING TO BROWSE THROUGH **DENSITY.EXCHANGE** OR USING SERVICES, WHETHER AS A GUEST OR REGISTERED USER, YOU AGREE THAT YOU HAVE READ, UNDERSTOOD AND ACCEPTED EACH OF THE TERMS CONTAINED HEREIN AND AGREE TO BE BOUND BY THE SAME.

IF YOU HAVE OBJECTIONS TO THIS POLICY, OR ANY PART THEREOF, AND/OR IF YOU DO NOT AGREE TO BE BOUND BY THESE TERMS, OR ANY PART THEREOF, PLEASE DO NOT ACCESS **DENSITY.EXCHANGE** AND DO NOT USE SERVICES IN ANY MANNER.

## • INTRODUCTION

- This Trading Policy govern the access to and use of the electronic platform, viz., the mobile/web application **Density.Exchange** and the associated website <https://density.exchange/> and any other site or application as may be offered from time to time (collectively, the "**Density.Exchange**"). This Trading Policy must be read in conjunction with the User Terms and Conditions.
- We reserve the right to change, add, amend, remove, modify, suspend or discontinue this Trading Policy (in whole or in part); add or remove functionalities or features; or create usage limits. We may (but we don't assume any such obligation), provide you with a notification of such change. You shall regularly and periodically check these Terms including before you make any transaction on **Density.Exchange**. We shall have no liability or responsibility whatsoever due to any such changes, additions, removals or modifications.

## • DEFINITIONS

- Unless the context requires otherwise, following terms shall have meanings ascribed to them as below.
- "**Coin Wallet**" or "**Cryptocurrency Wallet**" or "**Digital Token Wallet**" or "**USDT Wallet**" means an online address accessible through **Density.Exchange** and operated by a user for storage of its cryptocurrencies, cryptocurrency tokens or similar digital assets;
- "**Cryptos**" or "**Cryptocurrencies**" or "**Digital Tokens**" or "**Digital Assets**" means – (i) blockchain based crypto-currencies or any other form of virtual currencies as well as proprietary coins and tokens cryptographically such as bitcoins etc.; (ii) a secured digital representation of value that functions as (a) a medium of exchange; (b) a unit of account; (c) a store of value, and/or (d) other similar digital representations of contractual rights or assets that uses distributed ledger technology and can be transferred, stored or traded electronically; each of which is neither issued nor guaranteed by any country or jurisdiction and does not have legal tender status in any country or jurisdiction, typically including blockchain-based assets or rights including sovereign cryptocurrency or virtual currency such as bitcoins, Litecoins, and ethers;
- "**Density Account**" mean the registered account of the user on **Density.Exchange**;
- "**Density.Exchange**" means our electronic trading platform system which includes the aggregate of its computer devices, software, database, communication system and all programs and technical facilities associated therewith to enable the user to access Services, obtain Wallet information, avail market information, make technical analysis on the

markets, execute instructions, place and delete orders, receive notices from us and keep record of transactions, settlement obligations;

- **“Funds”** or **“Holdings”** refers to both Digital Assets and/or INR, as the case maybe;
- **“INR”** means Indian Rupees;
- **“INR Wallet”** means a virtually denoted ledger accessible through **Density.Exchange** and operated by a user for the storage of his INR holdings;
- **“Linked Bank Account”** refers to any bank account of the User which is authenticated as per KYC requirements and from/to which the User can make deposits/withdrawals from INR Wallet;
- **“Services”** mean all content, functionality and services made available to user through **Density.Exchange** including but not limited to: (i) accessing your Wallet, (ii) enabling online storage of Digital Assets, (iii) placing buy/sell orders for exchange traded contracts pertaining to Digital Assets on third party exchange platform(s); and (iv) any other products, services or offerings as may be introduced from time to time;
- **“Wallet(s)”** refers to the “Coin Wallet” and/or “INR Wallet” provided to the user, as the case maybe;
- **“API Trading”** means application programming interface (API) is a set of programming codes that queries data, parse responses, and sends instructions between one software platform and another. API acts as a middleman between you and your broker so you can perform various transactions including buying and selling assets, viewing real-time market data, and executing more sophisticated trading strategies.

- **YOUR WALLETS**

- Upon creation/activation of your Density Account and till such time your Density Account is active, you will be provided access to an INR Wallet and a USDT Wallet to enable you to purchase or store Digital Assets supported on Density Platform. You are required to maintain a minimum balance of Funds in your Wallets before you initiate any sale/purchase order. We reserve the right to refuse to execute/effect any order and/or transaction initiated by you, if they are in contravention to the KYC-AML Policy or to comply with directions of appropriate enforcement authorities.
- Terms of INR Wallet
  - As part of your Account, an INR Wallet facility is provided to you for storage of your INR holdings. You can only transfer INR denominated funds (and not any other currency whatsoever) from your Linked Bank Account to you INR Wallet. You are the owner of INR balances in your INR Wallet. INR Wallet is a non-interest-bearing account and you will not receive any interest on funds held therein. Any INR funds paid by you are an advance and must be utilized within 360 days or we may notify you to withdraw such funds into your Linked Bank Account or such funds may be converted to USDT Wallet funds or otherwise returned to you. In case we are unable to return the funds with reasonable efforts, we have no option but to forfeit the amount with intimation to you.
  - When you make an INR transfer from your Linked Bank Account to INR Wallet, your funds shall reflect in your INR Wallet subject to any delays in the relevant banking channels, payment gateway transfers or similar issues. If your top-up/transfer is invalidated for any reason, **Density.Exchange** is not liable to you to any extent and you have no recourse against us. You agree that funds in your INR Wallet shall be utilized to purchase Digital Assets, viz., USDT or similar stable coins to be held in your USDT Wallet facility in order to facilitate purchase of exchange traded contracts for Digital Assets through **Density.Exchange**.
- We shall monitor transfers made into your INR Wallet for high-risk & fraudulent transactions. If your transfers are classified as high-risk transaction or is suspected of fraud, We will place a hold on the transfer and may ask You for more information on You as may be required. We will conduct a review and will accordingly either clear or cancel the transfer. If the transfer is cleared, We will notify you and update your INR Wallet. Otherwise, We will cancel the transfer and the funds shall be returned to your Linked Bank Account or forfeited. We will notify you by email and/or in the

account history tab of your Wallet if the deposit is canceled. We reserve the right to delay withdrawals while screening for risk, or request you provide additional information to verify Your identity and may limit the amount you can withdraw until the information is verified. Terms of USDT Wallet

- As part of your Account, a USDT Wallet facility is provided to you for storage of your Digital Assets. Funds held in this USDT Wallet shall be used to purchase of exchange traded contracts for Digital Assets through [Density.Exchange](#), and any sale proceeds obtained therefrom will be credited only into this USDT Wallet. USDT Wallet is a non-interest bearing account and you will not receive any interest on funds held therein.
- USDT Wallet facility does not permit any wallet-to-wallet deposits or transfers to or from any other USDT Wallet or external wallet. You may withdraw surplus funds from your USDT Wallet at any time by placing a Withdrawal Request, whereupon such funds shall be converted into INR and be transferred to INR Wallet; such conversions shall be at market rates subject to market conditions.
- **Transfer or Withdrawal Requests.** Wallet-to-wallet deposits or transfers to and from between users or different Accounts are not permitted. You may withdraw surplus funds from your Wallet at any time by placing a Withdrawal Request. Upon receipt of Withdrawal Request, surplus or tradeable balance lying in USDT Wallet shall be first converted into INR and then be transferred to your INR Wallet. [Density.Exchange](#) will endeavor to process each Withdrawal Request as reasonably as practicable and the same shall be subject to such restrictions and limits as may be notified on [Density.Exchange](#) from time to time.
- **Wallets are not Pre-Paid Instruments.** You agree and understand that your Wallets are not pre-paid instruments as defined by the Reserve Bank of India. You cannot use funds in your INR Wallet or USDT Wallet for settlement of payment obligations for purchase of goods and services. You can use such funds only to purchase Digital Assets, viz., USDT or similar stable coins and/or to purchase exchange traded contracts through [Density.Exchange](#). For this aforesaid purpose, you hereby appoint [Density.Exchange](#) as your duly authorized payment collection agent to whom payment is due. You agree and understand that [Density.Exchange](#) does not operate a payment system.
- **CUSTODY AND TITLE OF DIGITAL ASSETS**
- **Appointment:** You agree to hereby appoint us to act as the custodian of the Digital Assets purchased by you, to be held in trust by us for your benefit in accordance with these Terms, and we accept such appointment and the obligations, duties, and responsibilities set out in these Terms. You agree, understand and authorize [Density.Exchange](#) to enter into agreements or arrangements with third party service providers for custodial services and ledger services as may be required for maintenance and operation of INR Wallets and USDT Wallets from time to time.
- **Title.** The Digital Assets held in trust will be fully-paid assets beneficially owned by you. [Density.Exchange](#) will record your purchased Digital Assets in its books and records as separate and apart from anyone else's Digital Assets and from [Density.Exchange's](#) own property. Our records will at all times provide for the separate identification of the Digital Assets owned by you.
- **TERMS FOR PLACING ORDERS**
- **Orders.** You have the option to place buy/sell orders for exchange traded contracts through [Density.Exchange](#) using various order types, viz., limit orders, stop limit orders, stop market orders, market orders, OCO and OTOCO orders etc. . In a limit order, you can specify the exact price at which the order is to get executed (whether or not that is the market price at the time you place the order) ("**Limit Order**"). In a stop limit order, you can specify a trigger price at which a limit order shall get activated and relayed to the exchange ("**Stop Limit Order**"). In a stop market order, you can specify a trigger price at which a market order shall get activated and relayed to the exchange ("**Stop Market Order**"). In a market order, you choose to immediately buy or sell based on the price displayed on the Platform at the time you place the order ("**Market Order**"). In a one-cancels-the-other order, you can provide a pair of conditional orders stipulating that if one order executes, then the other order automatically cancelled ("**OCO Order**"). In a one-triggers-a-one-cancels-the-other order, you place a primary order which, if executed, triggers 2 secondary orders, and if either of these secondary orders executes, the other is automatically canceled ("**OTOCO Order**"). You authorize [Density.Exchange](#) to execute the Instant Orders and Limit Orders in the most efficient manner that it deems fit in accordance with the terms of third-party crypto exchanges on which [Density.Exchange](#) places on your behalf under your specific instructions. You

must maintain availability of sufficient balance in your USDT Wallet before placing any Orders failing which such Orders may be rejected.

- **API Trading.** For the purposes of the Pagarpay Services reference to “Platform” shall also include the digital platform made accessible via Pagarpay API Connection made available to Users or third-party applications relying on such Pagarpay API Connection.
  - 5.2.1 Pagarpay may modify the endpoints of any Pagarpay API Connection from time to time and/or may change the settings of any Pagarpay API Connection, including to impose any particular trading limits and/or minimum order amounts with respect to specific Users, in each case at any time for any reason in its sole discretion and shall not be obliged to provide any prior notice to User of any such change;
  - 5.2.2 Pagarpay may restrict or terminate a Pagarpay API Connection at any time for any reason in its sole discretion, for example, including (but not limited to) where Pagarpay suspects that the User is using the Pagarpay API Connection for the purposes of price arbitrage, market manipulation or is otherwise exploiting pricing provided by Pagarpay via the Binance API Connection for the purposes of gaining a market advantage, and Pagarpay is not obliged to provide any prior notice to User of any such restriction or termination or any reason therefor;
  - 5.2.3 Pagarpay API Connection is provided “as is” and is used by a User entirely at its own risk. Pagarpay shall not be liable for any error, malfunction, or unavailability of any Pagarpay API Connection or any losses incurred by a User or any third party in connection with the use of (or inability to use) any Pagarpay API Connection;
- **Authorization.** When you submit an Order through **Density.Exchange**, you authorize us to execute a transaction as per your instructions in accordance with such order and charge you a fee for our Services.
- **Errors.** **Density.Exchange** provides you with the tools to verify your Order before confirming it so that you have the opportunity to catch a mistyped Order. **Density.Exchange** will not be responsible for losses/damages/costs induced by mistyped or otherwise wrongly placed Orders. Notwithstanding the foregoing, in the event we determine, at our sole discretion, that as the result of a technical issue an executed Order did not reflect the fair market value for the applicable Digital Asset, we may cancel or correct such Order.
- **Cancellation Policy.** Orders initiated by you on **Density.Exchange** are final, irreversible, non-refundable and non-cancellable to the extent such orders are executed whether fully or partially. Limit Orders can be cancelled, amended until the point of execution. Once a transaction is initiated by you on **Density.Exchange**, the said transaction is absolute and unconditional. You cannot seek or claim or demand refund or reversal for any reason whatsoever nor can it be canceled, modified or reversed by us/ anyone else upon your/ third-party request. **Density.Exchange** reserves the right to cancel/negate any Orders if such Orders are placed during scheduled or unscheduled downtime or violates any terms. We reserve the right at our sole discretion whether or not to accept any Order or instruction and we are not responsible for any losses incurred as a result of our decision to cancel or refuse an Order placed by you.
- **No Refund.** You will not be entitled to refund or cancellation in following circumstances: (i) you fail to provide to us with any information or documents when requested in accordance with the terms of service of any exchange, (ii) we suspect that the user has, or is, engaged in, or has in any way been involved in any fraudulent or illegal activity, any money laundering, any terrorist financing, or breach of any relevant laws in any jurisdiction.
- **Execution, Volatility.** You agree and understand that **Density.Exchange** undertakes trade on third party crypto exchanges on your behalf under your specific instructions and **Density.Exchange** does not act as your representative agent but rather executes specific transactions under your specific instructions. You agree and understand that the algorithm of **Density.Exchange** provides the price for a specific quantity of Digital Assets based on various factors like high volatile nature and market fluctuations, exchange fees, changes in prices in the order book, fractions of Digital Assets available for transactions and you are aware that specific price shown on **Density.Exchange** which is based on algorithms may change on the execution of trade on third-party exchange. The details of the actual execution of the transaction will be provided in the Contract Note issued by **Density.Exchange**. You consent to **Density.Exchange** absorbing any negative deviation and/ or retaining or refunding (at its sole discretion) to you, any positive deviation of price variation in executing the Orders.

- **Contract Notes.** **Density.Exchange** will issue Contract Notes setting out in reasonable detail, the details of the transaction executed under your instructions.
- **Suspicious Activity.** We may decline to process any transaction from your Wallet or any Orders or any other service offered by us or any part thereof without any notice and may limit or suspend your use of one or more Services at any time, in our sole discretion. **Density.Exchange** may delay transactions if we believe the transaction is suspicious, may involve fraud or misconduct, violates applicable laws, or violates the terms of this Policy and/ or the Terms of Use or is otherwise required, in our sole and absolute discretion. You understand that **Density.Exchange** shall have no liability or responsibility for such termination / suspension or any losses arising therefrom. We reserve the right to block any user from making bank transfers if there are reasonable grounds to believe that the same is not in accordance with applicable law and/or it is suspicious that the user is misusing or fraudulently transacting. We may report such suspicious activities to the concerned statutory/law enforcement agencies. Any withdrawal found to be suspicious will be held back and reversed. Wallet facility will also be suspended for operations and no transactions will be possible pending an investigation.
- **FEES**
- Creation of an Account on **Density.Exchange** and usage of **Density.Exchange** is free.
- **Transaction Fee.** Trading on **Density.Exchange** is subject to payment of a fee on each transaction executed, which shall be chargeable on each trade basis as provide in the Fee Schedule. By placing and confirming an Order on **Density.Exchange**, you agree to pay the Transaction Fee.
- Deposit of Digital Assets in USDT Wallet is free of charge. Deposit of INR in the INR Wallet by NEFT/IMPS is also free of charge. Deposit of INR in the INR Wallet through credit card, debit card or net banking and other payment methods that uses the payment gateway may be subject to transaction fee as per applicable policies of payment gateway. Fee applicable on withdrawal of Digital Assets or INR shall be as provided in the Fee Schedule. Deposits and withdrawals Digital Assets or INR will be subject to withdrawal limits provided in the Fee Schedule.
- **Payment of Fees.** You authorize us, or our designated payment processor, to charge or deduct funds from your Wallet for any applicable Fees owed in connection with exchange transactions you undertake on **Density.Exchange**.
- **NO SUITABILITY REVIEW; NO INVESTMENT ADVICE**
- **No-Broker, Agent Relationship.** You agree that: (a) we are not acting as your broker, agent, or advisor, or in any fiduciary capacity, and (b) no communication or information provided to you by us shall be considered or construed as advice. Density shall carry out instructions placed by the users through Account on an execution-only basis. Density neither manages the Account nor advises the users. Density is entitled to execute a transaction placed as per user instructions even if the transaction is not beneficial for the user. Save and except and unless expressly undertaken under these Terms of Use and/or other agreement executed with the user, Density is under no obligation whatsoever to monitor or advise the user on the status of any transaction, to make margin calls, or to close out any of the users' open positions.
- You acknowledge and agree that, in the course of providing the Services to you, neither **Density.Exchange** nor its representatives provide any advice or recommendations regarding the purchase or sale of any Digital Asset, nor do they make any determination of your general investment needs or objectives or of the suitability of the proposed purchase or sale of any Digital Asset. You are responsible for your investment decisions and transactions, for any profits or losses, and any tax consequences that may result. You further acknowledge and agree that, in the course of providing the Services to you, neither **Density.Exchange** nor its representatives provide you with any legal, tax, or accounting advice regarding the profitability of any Digital Asset or investment or any decision in respect thereof, nor does **Density.Exchange** or its representatives consider your financial situation, investment knowledge, investment objectives, and risk tolerance when accepting Orders from you. You will not solicit or rely upon any such advice from **Density.Exchange** or any of its employees and agree that **Density.Exchange** will have no liability therefore whatsoever. Additionally, the material accessible through **Density.Exchange** does not constitute a representation that the purchase of Digital Assets is suitable or appropriate for you.
- **TAXES**

- You are solely responsible for ensuring that your use of Services and any gains or losses associated therewith are reported accurately/completely and as required by law to the appropriate authorities. You acknowledge that any income from transactions involving Digital Assets could be treated as business income or as a capital gain, depending on the circumstances, including your trading practices.
- We reserve the right to deduct withholding tax under the applicable provision of the Indian Income-tax Act, 1961 on any amounts that become due, payable or paid to you. In case we believe that any such withholding tax is applicable, you agree that we can deduct and deposit the tax and/ or any interest/ penalty with the authorities and debit the amount from your earnings. You also agree to remit to us, on demand, any additional funds if required, to discharge any such liability in relation to rewards in kind. Any direct or indirect tax including GST, TDS, TCS, as applicable under the laws of the applicable jurisdiction shall be collected by us.