



HEDGING POLICY

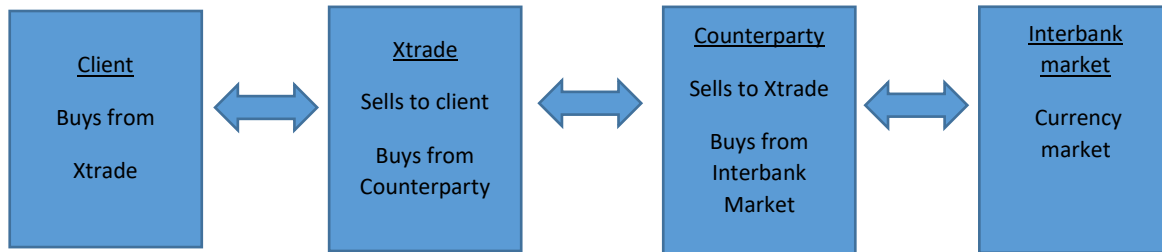
Company: Xtrade.AU Pty Ltd ("**Xtrade.Au**", "**our**", "**us**")

ACN: 140 899 476

AFSL: 343628

Date Updated: 12 December 2023

Counterparty Credit Management and Hedging Policy



1. Introduction

The policy described below has been developed with consideration of the ASIC Regulatory Guide 227 benchmarks.

This document outlines the:

- procedures Xtrade.Au uses to manage credit risk and market risk;
- due diligence process for selecting counterparties;
- names of those hedging counterparties (as they stand from time to time); and
- Xtrade.Au's exposure limits for hedging counterparties.

2. List of current hedging counterparties

Xtrade executes a back-to-back transaction for each client transaction with the following entity:

Name	Location	License Status
Xtrade International Ltd	Belize	Regulated by Financial Services Commission of Belize – License Number FSC000281/481

Since Xtrade only has one hedging counterparty, clients are exposed to the credit risk of Xtrade International Ltd.

3. Counterparty risks

'**Credit risk**' is the risk that a counterparty may fail to fulfil its obligations to Xtrade.Au which therefore results in financial loss to Xtrade.AU. Xtrade.Au's management of credit risk protects Xtrade.Au and its clients from any unexpected changes in the solvency of our counterparties. Xtrade.Au's hedging policy for risk allows us to facilitate instant execution on behalf of our clients, and as a result our risk limits, under normal market conditions, are considered conservative. The following considerations are made in terms of Xtrade.Au's hedging policy:

- Xtrade.Au's business is based on order flow, spread/commission and leverage financing margins;
- Xtrade.Au does not take the other side of a client's position with the intent to benefit from a client loss;
- Xtrade.Au does not take proprietary positions based on an expectation of market movements; and

- from time-to-time, we may make alterations to Xtrade.Au's hedging risk policy and any updates will be published on our website.

4. Due diligence procedure on selecting hedging counterparties

Xtrade.Au ensures that the listed hedging counterparties in section 2 of this hedging policy above have the appropriate licensing requirements and following the regulations of their relevant jurisdiction. In conducting the due diligence procedure, the minimum selection criteria we require for selecting a hedging counterparty includes that the hedging counterparties must have:

- a robust financial standing;
- adequate financial and compliance resources;
- a robust risk management framework; and
- are a reliable provider of over-the-counter CFD products within the financial services industry.

5. Issuer details

This hedging policy is issued by the Directors of Xtrade.Au in conjunction with Xtrade.Au's Compliance and Risk Management Committee.

6. Policy review

This hedging policy has been reviewed and updated as at the date of the policy (stated on the front cover). This hedging policy is owned by the Compliance Officer.

This policy will be reviewed annually by the Compliance Officer to identify if any changes or updates are required, and more regularly if there is regulatory change or if Xtrade.Au decides to select additional hedging counterparties to those stated within this policy.

If you require any additional information, please contact us via any of the following contact methods:

Address: Suite 1 lv. 1, 35 Grafton Street Bondi Junction 2022

Website: www.xtrade.com.au

Phone: 02 8123 6650

Email: support@xtrade.com