

Trading Transactions Policy. Part 1

Effective as of 01 February 2017

Updated on 02 April 2020

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1. General Provisions

1.1. This Trading Transactions Policy (hereinafter referred to as the “Policy”) determines the procedure and conditions under which the Company conducts trading transactions with the Clients.

1.2. The Policy defines the procedure for processing and executing of orders to make and close trades.

1.3. The Company undertakes to conduct trading operations solely in accordance with the Policy.

1.4. The Client acknowledges that the only reliable source of information on the quote-feed is exclusively the Company’s server. Moreover, the Company has the right, at its discretion, to use any sources of information to form the quote-feed on the Company’s server, including, but not limited to, exchange-traded, over-the-counter, and other sources of information. Any information on the quote-feed different from that found on the Company server’s regarding the quote-feed does not provide a sufficient basis for cancellation, termination or revision of trading transactions. Quotes on the Trading Terminal cannot serve as a reliable source of information concerning the quote-feed because in the event there is an unstable connection between the Client’s Trading Terminal and the Company’s server, some quotes from the quote-feed might not be displayed on the Trading Terminal. Graphs displayed on the Trading Terminal are indicative. The Company does not guarantee that a trade will be made at the prices indicated in the graphs on the Trading Terminal at the time of the provision of the Client’s particular request or order. The price of an asset listed on the Trading Terminal is calculated as follows: $(ask+bid)/2$.

1.5. If a non-market quote is used to execute the Client’s order, where a “non-market quote” refers to a price in the Trading Terminal that does not match the market price when the Client’s order is executed, the Company reserves the right to cancel the financial result of such transaction.

1.6. The Client has the right to make trades only at the expense of the funds in the Client’s account.

1.6.1. If the amount of the available funds is sufficient to make a trade, the trade will be made.

1.6.2. If the amount of the available funds is insufficient to make a trade, the trade will not be made.

1.7. The Client’s order to make or prematurely close a trade is considered to be completed, and the trade is considered to be made or, accordingly, closed after the corresponding record appears in the Company’s server database. Each trade is assigned an identification code according to the

rules set by the Company. The aforesaid orders are executed at the latest quoted prices on the Company's server at the time when the Company has received the relevant orders.

1.8. When making trades, the Client is prohibited from:

1.8.1. using robotized and automated algorithms to execute transactions and/or using specialized software tools that ensure that transactions are executed without the Client's direct participation;

1.8.2. using the Company's services and/or software for any illegal or fraudulent activity, or for any illegal or fraudulent transaction (including money laundering) in accordance with the legislation of the country of the Client's location;

1.8.3. implementing actions reconciled with the other Company's Clients aimed at causing damage (damages) for the Company, and employing other unfair and dishonest methods and means for making trades (transactions) with the Company to achieve financial gain from such actions.

1.9. The Company reserves the right to set the following restrictions for the Client at any time regarding the following trading conditions:

1.9.1. limits on the minimum and maximum Trade amount for each asset;

1.9.2. limits on the total number/total Trade amount of trades made by the Client and/or the number/total Trade amount of trades made by the Client regarding the particular asset in a given time period set by the Company (time interval set by the Company);

1.9.3. limits on the total Trade amount of trades simultaneously opened by the Client, both collectively and for each separate asset;

1.9.4. other restrictions of any trading conditions at the Company's discretion.

2. Messaging

2.1. For requests, confirmations, reports, and more, the Client and the Company will interact by messaging. The interaction between the Company and the Client, including generation of the messages by the Client, sending and delivering messages to the Client, is to be carried out exclusively via the Trading Terminal.

2.2. All the messages sent to the Company via the Trading Terminal and authorized by the Client's username and password are considered to be sent by the Client.

2.3. The processing time for requests and orders depends on the quality of the connection between the Client's Trading Terminal and the Company's server, and on the current market conditions of the asset. Under normal market conditions, the time required to process the Client's request or order is usually 0-5 seconds. Under the market conditions other than normal, the processing time for the Client's requests and orders could be increased by the Company.

2.4. The Company's server may reject the Client's request and/or order in the following cases:

- if the Client sends a request before the first quote appears on the Trading Terminal in the moment the market or the trading session opens;

- if the Client does not have sufficient available funds to open a new position;

- under abnormal market conditions;

- in other cases the Company may decide on at its discretion.

3. Making trades

3.1. A trade is made when the Client and the Company agree on the essential conditions of the trade. The agreement is reached by means of message exchange, such as requests for making trades and confirmation of trades. The following provisions of the Policy describe the procedure for agreeing on the essential conditions of a trade.

3.2. Before making a trade, the Client selects the following essential conditions of the trading transaction (trade):

- the Underlying Asset,
- direction of the rate change,
- Trade amount,
- Fixed Time Trade Expiration Time, and
- the target value of the asset quote (target level, target rate).

3.3. After selecting the aforementioned conditions, the Client shall review the current rate of the selected asset and the payout ratio.

3.4. To make a trade, the Client sends the Company a request for making a trade containing all the above mentioned essential conditions of the trade both selected by the Client and proposed by the Company.

3.5. If there is a stable internet connection between the Client's Trading Terminal and the Company's server, the request for making a trade is sent to the Company's server, where it is checked for accuracy and compliance with the current market conditions. Then the request is either executed or rejected by the server. If the trade is made, the trade amount will be deducted from the Client's account balance. No commission is charged for making a trade.

3.6. The request for making a trade may be cancelled if:

- the Trade amount exceeds the Client's account balance;
- the time for accepting trades has expired;
- the time for trading in the selected asset is over;
- there was a significant change in the Asset Rate from the time when the Client sent his/her request until the time when the Company's server processed it;
- the other conditions, specified by the Company at its own discretion, have arisen;
- in the exceptional situations described below.

3.7. The Company's server sends a message with the result of the request for making a trade to the Client's Trading Terminal. If there is a stable internet connection between the Client's Trading Terminal and the Company's server, the message with the result of the request will be displayed in the Client's Trading Terminal. If the order has been executed, the Client will see a graphic confirmation in the Trading Terminal, and the information about the trade will appear in the corresponding section of the Trading Terminal. If the request for making a trade has been cancelled, the Client will see an error message.

3.8. If after sending the request for making a trade the Client has not received a graphic confirmation that the trade has been made, the information about the new trade in the corresponding section of the Trading Terminal, or an error message, the Client cannot be sure if the trade has been made or cancelled. The Client has the right to contact Customer Support to check out the status of the trade.

3.9. The Client cannot cancel the request for making a trade after it has been sent to the Company's server.

3.10. The information on the payout ratio published on the Company's website is approximate. The Company is not obligated to make trades at the payout ratio indicated on the website. The exact information on the payout ratio is displayed to the Client on the Trading Terminal after the essential conditions of the trade have been chosen and the Client's order has been processed.

4. Closing Trades, Calculating Trade Payouts

4.1. A trade automatically closes upon the Fixed Time Trade Expiration Time. When the trade is closed, the payout amount on the Fixed Time Trade is calculated. This payout amount is added to the Client's account balance and the trade disappears from the list of the open trades in the Trading Terminal.

4.2. The calculation of the Fixed Time Trade payout when the trade is closed at the Fixed Time Trade Expiration Time is as follows: if the Fixed Time Trade is in the Black (profitable) at the trade Expiration Time, the payout amount is $S \cdot (100 + K) / 100$, where S is the Trade amount and K is the payout ratio for the trade as a percentage. If the Fixed Time Trade is in the Red (unprofitable) at the trade Expiration Time, the payout amount is zero. The Fixed Time Trade is considered to be in the Black in the following cases:

a) the direction of the rate change is "Up" if the asset rate of a trade at a given moment is higher than its target level;

b) the direction of the rate change is "Down", if the asset rate of a trade at a given moment is lower than its target level. If the asset rate of a trade is equal to its target level at the Fixed Time Trade Expiration Time, and the Fixed Time Trade is neither in the Black nor in the Red, the Trade amount is returned to the Client's account. In all other cases the Fixed Time Trade is considered to be in the Red.

4.3. At the Client's request, a trade can be prematurely closed before the Fixed Time Trade Expiration Time provided that the Company has the technical capability to do so and there is a stable internet connection between the Client's Trading Terminal and the Company's server.

4.4. Premature trade closure requires the agreement on the essential conditions of the trade closure between the Client and the Company. The agreement is reached by means of message exchange such as requests for closing a trade and confirmation of the trade closure. The following sections of the Policy describe the procedure for agreeing on the essential conditions for closing a trade.

4.5. To close a trade, the Client shall select a trade he/she wants to close and send the corresponding request. Moreover, the Client shall review the essential condition for closing a trade for the selected open trade - the payout amount for the premature closure of this trade. The payout amount for the premature closing of a trade is determined exclusively at the Company's discretion on a unilateral basis and depends on the amount of the trade, its length, current and target asset quotes, market volatility, and other market conditions.

4.6. If there is a stable internet connection between the Client's Trading Terminal and the Company's server, the request for premature trade closure is sent to the Company's server, where it is checked for accuracy and compliance with current market conditions. Then the request is either executed or rejected by the server. If the trade is closed, the payout is added to the Client's account balance. No commission is charged for premature trade closure.

4.7. The request for premature trade closure may be cancelled in the following cases:

- the time for premature trade closure has expired;
- there was a significant change in the asset rate from the time when the Client sent his/her request until the time when the Company's server processed it;
- upon the occurrence of the other conditions determined by the Company at its own discretion;
- in the exceptional situations described below.

4.8. The Company's server sends a message with the result of the request for prematurely closing a trade to the Client's Trading Terminal. If there is a stable internet connection between the Client's Trading Terminal and the Company's server, the result of the request for premature trade closure will be displayed in the Client's Trading Terminal.

4.9. If after sending the request for prematurely closing a trade the result of the request was not displayed in the Trading Terminal within a reasonable time, the Client cannot be sure whether the trade has been closed or the trade closure has been cancelled. The Client has the right to contact Customer Support to clarify the results of the request.

4.10. The Client cannot cancel the request for premature trade closure after it has been sent to the Company's server.

4.11. The information on the payouts for the premature trade closure published on the Company's website is approximate. The exact information on the payout amount is displayed in the Trading Terminal after the request for prematurely closing a trade has been processed.

5. Trading Time

5.1. The Company sets the trading schedule, i.e. the hours when trades can be made and closed, separately for each asset.

5.2. The information on the trading time published on the Company's website, being freely available, is approximate. The Company reserves the right to change the trading time at its discretion.

6. Exceptional situations

6.1. In the exceptional situations characterized by circumstances other than normal, the Company's actions may differ from those described in the Policy during the execution of trading transactions.

6.2. The exceptional situations include:

- market conditions in which quotes reach the trading platform less often than under normal market conditions for a long period of time,
- market conditions characterized by rapid changes in the rate in a short period of time,

- publications of major macroeconomic indicators with a high degree of impact on financial markets,
- announcements of interest rate decisions by central banks;
- public appearances, presentations of central banks, heads of state, finance ministers, heads of companies and exchanges, etc.;
- foreign exchange market interventions (currency manipulations) by governmental bodies,
- terrorist acts and natural disasters on a country-wide scale,
- an outbreak of war, military actions, riots,
- political force majeure events, including resignations, appointments, elections of government representatives, and heads of companies,
- technical glitches and/or incorrect operation of the Company's and/or third parties' equipment and software resulting in the Company's inability to provide services to the Clients in an appropriate manner,
- situations listed in Cl. 7.1. of the Service Agreement, Part 1, and
- other extreme and unavoidable circumstances (force majeure).

6.3. In the exceptional situations the Company will make every effort to execute trading transactions as under ordinary conditions, but, nevertheless, the Company reserves the right to:

- a) decrease payout ratios,
- b) reject individual requests for making, prematurely closing or cancellation of trades, and for revision (including cancellation) financial results of previously made trades,
- c) restrict the number of requests from one Client in a certain period of time,
- d) limit the available Fixed Time Trade Expiration Time,
- e) temporarily suspend trading regarding certain types of assets, and/or
- f) fully suspend trading transactions.

6.4. In addition to the exceptional situations specified in Cl. 6.2. of the Policy, the Company has the right to apply specific or all of the actions specified in Cl. 6.3. of the Policy in accordance with other conditions of the Policy and/or the Agreement.