Regulation on Trading Transactions

Effective Date
November 01, 2017

Updated
April 15, 2019

1. General provisions

1.1. This Trading Policy (hereinafter Policy) defines the procedure and conditions under which the Company carries out trading transactions with Clients.

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

1.3. The Company undertakes to perform trade transactions solely in accordance with this Policy.

1.4. The Client acknowledges that the only reliable source of information about the price quote feed is the Company Server exclusively. Herewith, the Company is empowered to use any sources of information to produce the price quote feed on the Company Server unilaterally and at its sole discretion, including, but not limited to stock, over-the-counter and other informational sources. Information about the price quote feed which differs from the price quote feed information on the Company Server is not considered as sufficient ground to revoke, cancel or reconsider trading transactions. Quotes in the trading terminal cannot be used as a reliable source of information about the price quote feed because if an unstable connection between the Client's trading terminal and the Company Server occurs, some quotes from the price quote feed may be missing in the trading terminal. Graphs represented in the trading terminal are of an indicative nature. The Company does not guarantee that the deal will be made at the prices specified in the graph in the trading terminal at the moment a certain request or order is submitted by the Client. The price for an asset in the trading terminal is calculated using the formula (ask+bid)/2.

1.5. If a non-market quote is used in executing a Client order, where "non-market quote" means a price on a trading terminal that does not match the market price when the Client's order is fulfilled, the Company reserves the right to cancel the result of that transaction.

1.6. The Client has the right to make trades only with funds on the Client's account.

1.6.1. If the amount of free funds is sufficient to make the trade, the trade is made.

1.6.2. If the amount of free funds is insufficient to make the trade - the trade is not made.

1.7. The Client's order to open or close a position is considered completed and the position opened or closed after the corresponding record appears in the Company's server database. Each trade transaction is assigned an identifier according to the rules set by the Company. Herewith, these orders are executed at the latest price quote at the time of receipt of the relevant order by the Company

1.8. During trading transactions, the Client is prohibited from:

1.8.1. using robotic and automated algorithms to carry out transactions and/or special software to ensure the execution of transactions without the direct involvement of the Client;

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

1.8.3. taking actions in concert with other Company Clients aimed at causing the Company damage (losses) and using other unfair and dishonest methods for making trades (transactions) with the Company for the purpose of extracting financial gain from those actions.

1.9. The Company may at any time set the following restrictions for the Client regarding the following terms of trades:

1.9.1. restrictions on the maximum and minimum trade amount for each of the underlying assets;

1.9.2. restrictions on the total number/amount of trades made by the Client and/or the number/amount of trades made by the Client on an individual underlying asset per unit of time established by the Company (interval set by the Company);

1.9.3. restrictions on the total amount of trades simultaneously opened by the Client, both in aggregate and on individual underlying assets;

1.9.4. other restrictions of any trading terms at its discretion.

2. Messaging

2.1. The Client and the Company interact by exchanging messages: requests, confirmations, reports, and others. All messages are generated by the Client, sent to the Client, and delivered to the Client only with the help of the trading terminal.

2.2. All messages sent to the Company through the trading terminal, authorized by the user's username and password are deemed sent by the Client.

2.3. The time to process a request and order depends on the quality of communication between the Client's trading terminal and the Company's server and on the market for the underlying asset. Under normal market conditions, the processing time for a Client's request or order is usually 0–4 seconds. In market conditions other than normal, the Company may increase the processing time for Client requests and orders.

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

− if the Client sends a request before the first quote arrives at the trading terminal at the opening of the market or before the opening of the trading session;

− if the Client does not have enough free funds to open a new position;

− under market conditions other than normal;

- under other conditions determined by the Company at its discretion.

3. Making trades

3.1. A trade is made when the Client and Company agree on the material terms of the trades. Agreement is reached by exchanging messages, such as a trade request (an order) and trade confirmation. The following sections of the Policy describe the procedure for agreeing on the material terms of a trade.

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

- underlying asset;

- direction of the change in exchange rate;

- trade amount;

- multiplier;

- other parameters and terms, if those parameters must be selected to make a trade.

3.3. After selecting these conditions, the Client must review the current exchange rate of the selected underlying asset.

3.4. To make a trade, the Client sends the Company a request to make a trade that contains all the material terms of a trade referenced above 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 to make a trade arrives at the Company's server, where it is verified for correctness 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 is debited from the Client's account balance, including a commission.

3.6. A request to make a trade may be cancelled by the Company in the following cases:

- the trade amount exceeds the Client account balance;

- the time for accepting trades has ended;

- the time for trading in the selected underlying asset has ended;

- there was a significant change in the exchange rate for the underlying asset between the time when the Client sent the request and the Company's server processed it;

- if the company is unable to make the appropriate trade with the liquidity providers;

- if the limits set by the Company exceed the number of the Client's open trades or their amount;

- under other conditions determined by the Company at its discretion;

- in the exceptional situations described below.

3.7. The Company server sends a message with the result of the trade request or of the trade closing 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 execution of the trade request will be displayed in the Client's trading terminal. If the order is executed, the Client will see a graphic confirmation on the trading terminal, and information about the trade will appear in the corresponding section on the trading terminal. If a request to make or close a trade is canceled, the Client sees an error message.

3.8. If, after sending the request to make or to close a trade, the Client has not received either graphic confirmation that the trade was made or information about the new trade in the appropriate section of the trading terminal or an error message, he cannot be sure that the trade was made or that it was canceled. To clarify the status of the trade, the Client has the right to contact customer support.

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

3.10. Information about the payout ratio posted publicly on the Company's website is approximate. The Company is not obliged to make trades at the payout ratio on the site. Exact information on a payout ratio is displayed to the Client on the trading

terminal after choosing the material terms of a trade and processing the Client's order.

4. Closing a trade, determining the amount of payout on a trade, procedure for setting and executing orders

4.1. A trade is closed according to the rules established by the Company for the relevant instrument. When a trade is closed, the financial result on the trade is calculated, which is added to the Client's account balance, and the trade disappears from the open trades window on the trading terminal.

4.2. The financial result for various Instruments at the trade closing is calculated as $(D \times (Y - X) / X - C) \times S \times M$, where D means a variable taking a value of ± 1 depending on how the underlying asset`s movement direction coincides with the current traffic direction, X means the quotation of the underlying asset at the moment of opening the position, Y means the quotation of the underlying asset at the moment of closing the position, S means the trade amount, M means the multiplier value, and C means the commission amount.

4.3. A trade is closed by the agreement between the Company and the Client on the material terms for closing the trade. Agreement is reached by the exchange of messages, such as a request to close a trade and confirmation of trade closure. A trade may be closed without following the procedure described above if the Company receives the Client's consent to close trades quickly. The following sections of the policy describe the procedure for agreeing on the material terms of for closing a trade.

4.4. To close a trade, a Client must select the trade that he/she wants to close in the corresponding section. The Client must also review the material terms for closing a trade for the selected open trade - the amount of the financial result for that trade.

4.5. If the Client agrees with the terms for closing the trade and wants to close the trade, he sends the Company confirmation to close the trade. The payout amount for early closing of the trade is determined unilaterally and at the Company's sole discretion. The payout amount depends on sum of the trade, its length, current and target asset quote value, 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 to close a trade arrives at the Company's server, where it is verified for correctness and compliance with the current market conditions. Then the request is either executed or rejected by the server. If the trade closes, the amount of the payout is added to the Client's account balance.

4.7. A request to close a trade may be cancelled in the following cases:
- if there is an information discrepancy about the material terms of a trade on the trading terminal and the Company server;
- under other conditions determined by the Company at its discretion;
- in the exceptional situations described below.

4.8. The Company server sends a message with the result of the trade request 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 execution of the request to make an early closing of the trade will be displayed on the Client's trading terminal.

4.9. If, after sending the request to make an early closing of a trade, the result of

execution of the request was not displayed on the trading terminal within a reasonable time, the Client cannot be sure whether the trade was closed or that the closing of the trade was canceled. To clarify the result of execution of the request , the Client has the right to contact customer support.

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

4.11. Information about payout amounts posted publicly on the Company's website is approximate. Exact information on a payout amount is displayed to the Client on the trading terminal after the request to close a trade is processed.

4.12. Client has the right to send a request to change terms of a trade through the trading terminal at any time during the trading period for an open trade.

The Company may unilaterally at its own discretion limit the direction and execution of requests specified in this clause outside the Trading time.

Any changes in the terms of the trade may require the fulfillment of the terms determined by the Company unilaterally and reflected in the Trading terminal, including but not limited to the level of remoteness of the price level from the current price of the underlying asset, the amount of the trade, and other conditions for certain types of requests.

An request sent by the Client is subject to unilateral cancellation (deletion) by the Company in the following cases:

- if the request has expired (if an expiration was indicated);
- if the Trade to which the request is sent closed;
- if the execution of the request is possible as a result of a Company error (technical fault, an unmarketable quote enters the stream, etc.);
- if the number of Client requests poses a threat of increased load on the Company server(s);
- if the Client rejects the Company's services

5. Trading time

5.1. The Company establishes a trading schedule, i.e., the time during which trades can be made and closed separately for each underlying asset.

5.2. Information about commissions posted publicly on the Company's website is approximate. The Company establishes a trading schedule on the trading terminal at its discretion.

6. Exceptional conditions

6.1. In exceptional situations, the Company's actions may differ from those described in this policy.

6.2. Exceptional situations include:

- a market in which, for an extended time, quotes reach the trading platform less often than under normal market conditions;
- a market condition characterized by rapid changes in the exchange rate in a short period of time;
- publication of major macroeconomic indicators with a high degree of impact on financial markets;
- the announcement of interest rate decisions by central banks;

- presentations by central banks, heads of State, finance ministers, heads of companies and exchanges, etc.;

- foreign exchange interventions by governmental organizations;

- terrorist acts and natural disasters on a country-wide scale;

- the outbreak of war, military action and riots;

- political force majeure events: resignations, appointments, election of representatives of governmental authorities and heads of companies.

-technical problems with and/or incorrect operation of the Company`s and/or third parties` equipment and software as a result of which the Company cannot adequately provide services to the Clients;

- the situations listed in Clause 7.1 of the Company Service Agreement;

-other extraordinary and unavoidable circumstances (force majeure).

6.3. Under the exceptional circumstances, the Company shall make every effort to carry out trading transactions as the Company does under normal conditions but nevertheless reserves the right to the following:

a) to decrease payout ratios;

b) to decline individual requests to make, close prematurely, or cancel trades that were made previously, and to revise (including cancelling) financial results of the trades that were previously made;

c) to restrict the number of requests from one Client in a certain period of time;

d) to limit available trades expiration time;

e)   to temporarily stop trades on certain types of assets;

f) to fully suspend trading operations.