

Regulation on Trading Transactions

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1. General Provisions

1.1. This Regulation on trading operations (hereinafter – Regulation) determines the procedure and the terms for the Company's performance of trading operations with the Client.

1.2. The Regulation sets forth the procedure for processing and fulfilment of orders for deal making and closure.

1.3. The Company undertakes to perform trading operations only in accordance with this Regulation.

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 is entitled to make deals only using the funds in the Client's Account.

1.6.1. If the amount of available funds is sufficient to make a deal, the deal 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. When performing trading operations, the Client is forbidden to:

1.8.1. use robotised and automated algorithms to perform transactions and/or use special software that ensures execution of transactions without actual participation by the Client;

1.8.2. use 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 legislation of the country of the Client's location;

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 impose the following transaction limitations on the Client:

1.9.1. Limits on the minimum and maximum transaction amounts for each of the Assets;

1.9.2. Limits on the total number/value of transactions entered into by the Client and/or the number/amount of transactions entered into by the Client for each individual Asset per period of time established by the Company (time interval set by the Company);

1.9.3. Limits on the total Amount of simultaneous transactions that may be opened by the Client as well as limits on the amounts of each of the individual Assets involved in transactions;

1.9.4. Any other limits on transaction conditions that the Company may determine at its discretion.

2. Message exchange

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 via a trading terminal authorized using the Client's login and password are deemed 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 Server and on the current market for the the asset. Under normal market conditions, a Client's request or order is typically processed within 0–4 seconds. Under abnormal market conditions, the Company may increase the time to process client requests and orders..

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

- if the Client sends a request before the first price quote is received by the trading terminal when the market or the trading session opens;
- if the Client has insufficient funds to open a new position;
- if market conditions are not normal;
- in other cases that the Company may decide at its sole discretion.

3. Trading execution procedure

3.1. A trade is executed when the Client and the Company have agreed on the essential conditions of the trade. Agreement is reached by exchanging messages such as a request to execute a trade and trade confirmation. The following clauses of the Regulation describe the procedure for agreement on of essential conditions for closing a trade.

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

- an asset;
- direction of the change in cost;

- trade amount;

- option expiration time;

- the target asset quote value (the target asset price).

3.3. After choosing these conditions, the Client must review the current price of the selected asset and the payout ratio.

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 Server, the request to execute a trade will arrive at the Company Server, where it will be checked for correctness and correspondence to the current market conditions. Next, the request is either fulfilled or cancelled by the server. If a trade is executed, the trade amount will be debited from the balance on the Client's Account. No commission is charged for executing a trade.

3.6. A request to make a trade or an early closing of a trade may be cancelled if:

- the trade amount exceeds the Client account balance;

- the time for accepting trades has ended;

- the time for trading in the selected asset is over;

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

- if other conditions defined by the Company at its discretion occur;
- 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. Trade closure, determination of the payout on a trade

4.1. A trade is closed automatically at the option expiration time. When a trade is closed, the option payment amount is calculated, the payment amount is added to the balance on the Client's account and the trade disappears from the window with open trades on the trading terminal.

4.2. The Company calculates the payout on the option when a trade is closed at the option expiry time as follows. If, at the option expiry time, the option is in profitable territory, the size of the payout is $S \cdot (100 + K) / 100$, where S is the trade amount and K is the payout ratio as a percentage of the transaction. If, at the option expiry time, the option is in losing territory, the size of the payout equals zero. An option is in profitable territory in the following cases:

a) an option with a cost change in the Up direction, if the cost of the asset in the trade at that time is greater than the trade target;

b) an option with a cost change in the Down direction if the cost of the asset in the trade at that time is less than the trade target. If, at the option expiry time, the cost of the asset in the trade is equal to the trade target and the option is not in losing or profitable territory, the trade amount is returned to the Client's account.

In all other instances the option is in losing territory.

4.3. An early closing of a trade can be made before the option expiry time at the

Client's request only if 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 service.

4.4. Early trade closure requires agreement on the essential conditions for trade closure by the Company and the Client. Agreement is reached by exchanging messages such as a request to execute a trade and trade confirmation. The following clauses of the Regulation describe the procedure for agreement on of essential conditions for closing a trade.

4.5. To close a trade, a Client must select the trade that he/she wants to close and send the appropriate request, the Client must also review the material terms for closing a trade for the selected trade: the payout amount for early closing of that 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:

- the time within which an early closing of the trade can be made has ended;
- there was a significant change in the exchange rate for the asset between the time when the the request is sent and the server is processed it;
- if other conditions defined by the Company at its discretion occur;
- 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 on the trading terminal after the request to close a trade is processed.

4.12. Information on payouts for early trade closure posted publicly on the Company Website is approximate. Precise information about the payout amount is displayed for the Client on the trading terminal if a trade is selected for early closure.

5. Trading hours

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

5.2. Information about trading hours posted on the Company's website and available to the general public is approximate. The Company reserves the right to change trading hours at its sole discretion.

6. Exceptional Conditions

6.1. In exceptional situations characterized by the circumstances other than normal, 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 options expiration time;

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

f) to fully suspend trading operations.

6.4. In addition to the exceptional circumstances listed in Clause 6.2 of this Regulation, the Company has the right to apply some or all actions listed in Clause 6.3 of the Regulation, in accordance with the other terms of the Regulation and/or Agreement.