

## RULES FOR PROCESSING CLIENT'S ORDERS IN TRADING OPERATIONS

### Content

|   |          |
|---|----------|
| <b>1. General Provisions.....</b>   | <b>3</b> |
| 1.1 Base for application of the present Rules   |          |
| 1.2 Interface part of Client's terminal   |          |
| 1.3 Basic notions and terms, used in these Rules  |          |
| <b>2. Processing and execution of Client's orders basic principles.....</b>                             | <b>5</b> |
| 2.1 Software for carrying out trading operations  |          |
| 2.2 Basic types of trading operations   |          |
| 2.3 Price, at which a market position is opened   |          |
| 2.4 Price, at which a market position is closed   |          |
| 2.5 Technologies, used for execution of orders  |          |
| 2.6 Technology of order execution for Forex trading instruments   |          |
| 2.7 Technology of order execution for CFD trading instruments   |          |
| 2.8 General procedure of order execution (instruction)  |          |
| 2.9 Order cancellation by Client  |          |
| <b>3. Processing and execution of market orders.....</b>  | <b>6</b> |
| 3.1 Total time of Client's market order processing  |          |
| 3.2 Opening new position in "Instant execution" mode  |          |
| 3.3 Opening new position in "price request" mode  |          |
| 3.4 Closing position in "Instant execution" mode  |          |
| 3.5 Closing position in "price request" mode  |          |
| 3.6 Closing of contrary (hedged) positions  |          |
| 3.7 Opening new positions in the absence of necessary funds   |          |
| 3.8 Repeated price offer for opening (closing) position   |          |
| 3.9 Condition of refusal in opening (closing) position operation  |          |
| 3.10 Unique number of the new position  |          |
| 3.11 Final confirmation of position opening   |          |
| <b>4. Placing, changing and cancellation of pending orders.....</b>                                     | <b>7</b> |
| 4.1 Notion of "pending order"   |          |
| 4.2 Types of pending orders, used for opening positions   |          |
| 4.3 Types of pending orders, used for closing positions   |          |
| 4.4 Placing of pending order, used for opening positions  |          |
| 4.5 Cancellation of pending order, used for opening positions   |          |
| 4.6 Placing of Take Profit and Stop Loss orders   |          |
| 4.7 Changing previously set levels of pending orders  |          |
| 4.8 Placing of Take Profit and Stop Loss orders at the moment of opening the position with market order |          |
| 4.9 Time period, when it is allowed to place, change and cancel pending orders                          |          |
| 4.10 Term of validity of pending orders, used for opening positions for Forex trading instruments       |          |

|                 |   |           |
|-----------------|---|-----------|
| 4.11            | Term of validity of pending orders, used for opening positions for CFD trading instruments  |           |
| 4.12            | Term of validity of Take Profit and Stop Loss orders  |           |
| 4.13            | Minimal permissible level for placing pending orders  |           |
| 4.14            | Final confirmation of placing pending order   |           |
| <b>5.</b>       | <b>Processing and execution of pending orders</b>   | <b>8</b>  |
| 5.1             | Terms of activation of previously placed pending orders, used for opening new positions     |           |
| 5.2             | Terms of activation of previously placed Take Profit and Stop Loss orders                   |           |
| 5.3             | Activation of pending orders on “first come, first served” basis                            |           |
| 5.4             | Price of execution of pending order   |           |
| 5.5             | Principle of execution of pending orders, used for opening new positions                    |           |
| 5.6             | Principle of execution of Take Profit and Stop Loss orders                                  |           |
| 5.7             | Conditions of refusal in activation of pending order  |           |
| 5.8             | Special conditions of activation of pending orders, used for opening new positions          |           |
| 5.9             | Final confirmation of activation of pending order   |           |
| <b>6.</b>       | <b>Additional conditions of closing and opening positions</b>                               | <b>10</b> |
| 6.1             | Description of situations when positions may be closed without corresponding Client's order |           |
| 6.2             | Trading account transition to Stop Out  |           |
| 6.3             | Peculiar properties of opening (closing) positions, if a wrong price is quoted              |           |
| 6.4             | Closing position if trade instrument is excluded from the list of available for operations  |           |
| <b>7.</b>       | <b>Usage of Expert Advisors for carrying-out operations</b>                                 | <b>11</b> |
| <b>8.</b>       | <b>Order of change of terms of carrying-out trading operations</b>                          | <b>11</b> |
| <b>9.</b>       | <b>Disputes and settlement</b>  | <b>12</b> |
| <b>Annex A.</b> | <b>Closing position over the telephone</b>  | <b>14</b> |

## 1. General Provisions

1.1 The present Rules govern the order of registration, processing and execution of clients' orders to carry out trading (speculative) operations with FOREX market financial instruments and contracts for difference (CFD).

1.2 The present Rules do not contain detailed instructions as for usage of interface part of **MetaTrader 4 FOREX Ltd** Trading terminal. The mentioned instructions can be found in corresponding sections of "Userguide" of **MetaTrader 4 FOREX Ltd** Trading terminal. To get an access to "Userguide" one has to choose "Help" in the main menu of **MetaTrader 4 FOREX Ltd** Trading terminal, and then choose sub-menu «Help topics».

1.3 Basic notions and terms, used in the present Rules.

**Account history** - list of trading and non-trading operations, carried out by the Client.

**Bad tick, Bad price** - the price, which differs considerably from common price flow at a certain period of time, in fact it did not exist on the basic market of the corresponding trading instrument.

**Balance** - the value, which shows the statement of Client's account, leaving aside the operations carried out at this moment.

**Base currency** - first currency in the indication of currency pair.

**Basic market** - market, where trading operations with certain financial assets are carried out.

**Buy rate, Ask rate, Ask price** - rate of the financial instrument, at which one can carry out the operation of buying the given financial instrument.

**Chart** - graphical representation of price (rate) changes of financial asset during a certain period of time.

**Closed position** - completed trading operation, for which profit/loss was calculated.

**Collateral** - see **Margin**.

**Contract for difference (CFD)** - financial instrument, based on the price change of basic asset. The contract for difference does not imply physical delivery of the basic asset.

**Contract for difference rate** - the current price of basic asset unit (see **Contract for difference**).

**Contract specification** - a list of basic trading terms for each financial instrument. The mentioned list is presented on Company's official web-site in "Contract specification" section.

**Counter currency** - second currency in the indication of currency pair.

**Currency pair** - financial instrument, the current rate of which is shown by ratio of price of one currency of the pair to the price of the other.

**Currency pair rate** - see **Currency pair**.

**Deposit** - funds, paid to the Client's account.

**Expert Advisor** - software, written in specialized MetaQuotes Language 4, which can be used by Client jointly with Client's Terminal for automatization of sending orders to the Trading server.

**Free Margin** - available funds on trading account, which may be used as collateral (margin) for opening new trading positions. The calculation of free margin is done in the following way: if the index of Funds on trading account is higher than Balance index, then "Free Margin = Balance - Margin"; if the index of Funds is lower than the index of Balance, then "Free Margin = Funds - Margin".

**Incorrect request to the server** - Client's terminal request to the Trading server, which contains deliberately false parameters, such as: bid price for opening/closing position, settable or changeable price of execution of pending order, date and time of expiry of pending order, comment longer than 255 symbols. Also treated as incorrect request is sending of Client's order on trading instrument, for which operations are not carried out at the moment of sending request due to day-off on basic market.

**Level of pending order** - price, mentioned by Client, at which activation of pending order takes place.

**Leverage** - ratio of the volume of trading operation to the size of obligatory collateral (margin).

**Log-file of Client's terminal** - separate file in Client's computer, which automatically records information about all operations carried out with usage of MetaTrader 4 FOREX Ltd Client's terminal.

**Log-file of the Trading server** - separate file on the Trading server, which automatically records information about all received Client's orders, as well as the fact of execution (or refusal to execute) of the mentioned orders.

**Lot** - unit of size of trading operation.

**Margin** - funds, which are used as collateral for carrying out leveraged trading operation.

**Margin level** - percent index of the current status of trading account, calculated according to the following formula: «Equity» / «Margin» \* 100%. The mentioned index is constantly shown in the Client's terminal.

**Market opening** - resumption of possibility of carrying out trading operations with separate group of financial instruments after days off on the basic market and also after a break between trading sessions on basic market.

**MetaTrader 4 FOREX Ltd Client's terminal (Client's terminal)** - software, free of charge granted to the Client for carrying out all trading operations via world-wide web Internet.

**Non-trading operation** - operation of withdrawal, deposit and transfer of funds from/to Client's trading account.

**Open position** - trading operation of purchase or sale of financial asset, for which reverse operation (closing) has not been carried out. The current financial result of the open position depends upon difference between the price of the opened position and the current price of the chosen financial asset; current financial result of an open position may be fixed finally only after the position is closed.

**Order** - Client's order to carry out an operation of opening or closing position. There are two types of orders: market order and pending order.

**Order** - instruction, given from Client's terminal to the Trading server, which contains respective Client's order to open/close market position or set / cancel / change the level of pending order.

**Pending Order** - Client's order to carry out operation of opening or closing position in future at prescribed price (see **Types of pending orders**)

**Point (Pips)** - minimally possible rate change of financial instrument.

**Price flow** - succession of prices on each financial instrument, according to which respective Clients' trading orders can be fulfilled.

**Quote** - information on the current rate of financial instrument, shown in «Bid price / Ask price» format.

**Request** - Client's demand for the current Ask and Bid prices for the chosen financial instrument, according to which the Client may, but is not obliged to, open or close position.

**Sell rate, Bid rate, Bid price** - rate of the financial instrument, at which one can carry out the operation of selling the given financial instrument.

**Spread** - difference between Ask and Bid prices of financial instrument.

**Statement** - document (hard or electronic version), which contains data on the carried out operations and account status for a certain period.

**Stop Out** - status of trading account, when percent index of accounts **Margin Level** decreases to 20.00% and lower.

**Succession of orders, succession of requests** - total of trading orders, which wait for execution by the Trading server in a certain moment of time.

**Trading operation, trading transaction** - operation of purchase or sale of financial instrument.

**Trading server MetaTrader Server 4 FOREX Ltd** - software, which is installed by Company on a separate computer (server) and is used for processing and registration of Clients' orders, and also for supplying clients with necessary information on the course of trading in world's financial markets.

**Trading terminal time** - time zone GMT+2, which is used for construction of charts and representation of current prices of financial instruments in MetaTrader 4 FOREX Ltd Trading terminal, and also for fixation of all Clients' orders.

### Types of pending orders

List of types of pending orders, used for **opening** new trading position:

**Buy Limit** - Client's order to carry out "Buy" transaction, on condition of equality (coincidence) of future "Ask" price of the chosen financial instrument and price for opening position, mentioned in the order. Placing of order is possible, when the current price level of the chosen financial instrument is higher than the value of the set price for carrying out "Buy" transaction;

**Buy Stop** - Client's order to carry out "Buy" transaction, on condition of equality (coincidence) of future "Ask" price of the chosen financial instrument and price for opening position, mentioned in the order. Placing of order is possible, when the current price level of the chosen financial instrument is lower than the value of the set price for carrying out "Buy" transaction;

**Sell Limit** - Client's order to carry out "Sell" transaction, on condition of equality (coincidence) of future "Bid" price of the chosen financial instrument and price for opening position, mentioned in the order. Placing of order is possible, when the current price level of the chosen financial instrument is lower than the value of the set price for carrying out "Sell" transaction;

**Sell Stop** - Client's order to carry out "Sell" transaction, on condition of equality (coincidence) of future "Bid" price of the chosen financial instrument and price for opening position, mentioned in the order. Placing of order is possible, when the current price level of the chosen financial instrument is higher than the value of the set price for carrying out "Sell" transaction.

There are following types of pending orders, used for **closing** trading position:

**Take Profit** - Client's order to close opened earlier position, on condition of equality (coincidence) of future price with the price, mentioned in the order. Placing of order for "Buy" position is possible, when the current price level is lower than the value of the price, set in the order. Placing of order for "Sell" position is possible, when the current price level is higher than the value of the price, set in the order. For "Buy" position "Take Profit" order is activated at "Bid" price, and for "Sell" position at "Ask" price.

**Stop Loss** - Client's order to close opened earlier position, on condition of equality (coincidence) of future price with the price, mentioned in the order. Placing of order for "Buy" position is possible, when the current price level is higher than the value of the price, set in the order. Placing of order for "sell" position is possible, when the current price level is lower than the value of the price, set in the order. For "Buy" position "Stop Loss" order is activated at "Bid" price, and for "Sell" position at "Ask" price.

## 2. Processing and execution of Client's orders basic principles

2.1 All trading operations are carried out by the Client independently with sole usage of Client's terminal **MetaTrader 4 FOREX Ltd**. If necessary, the Client may carry out the operation of closing position over the telephone according to Annex A of the present Rules. Other operations, namely, placing/cancellation/correction of pending orders, and also opening of positions cannot be carried out over the telephone.

2.2 Basic types of operations are opening and closing of trading positions. Trading positions may be of two types: "Buy" or "Sell". Trading positions may be opened on financial instruments, which are a part of Contract specification, in the volume, mentioned by Client.

2.3 Opening of trading “Buy” position with an order of any type is carried out at “Ask” price of the chosen financial instrument. Opening of trading “Sell” position with an order of any type is carried out at “Bid” price of the chosen financial instrument.

2.4 Closing of trading “Buy” operation with an order of any type is carried out at “Bid” price of the chosen financial instrument. Closing of trading “Sell” operation with an order of any type is carried out at “Ask” price of the chosen financial instrument.

2.5 Trading operations are carried out by Clients with market or pending orders.

2.6 For carrying out trading operations with market orders for Forex market instruments (spot), Instant Execution technology of order execution is used. With this technology, the Client has a possibility to send corresponding market orders at current (market) prices, without preliminary price request.

2.7 For carrying out trading operations with market orders for CFDs, a price request with further confirmation of operation execution or refusal has to be sent.

2.8 All Client's orders to carry out any of accessible operations are processed in the following way:

- Client gives an order to carry out operation using **MetaTrader 4 FOREX Ltd** terminal;
- Client's order is transferred to the Trading server of the Company and is placed into the succession of orders, waiting for execution;
- Client's order reaches the stage of execution and further registration by the Trading server;
- results of order processing are transmitted by the Trading server to the Client's terminal.

2.9 Client has a possibility to cancel the given order to carry out operation till the moment when the order passed to the stage of execution. The transition of order to the stage of execution is shown in Client's terminal with a line «Order is in process».

### 3. Processing and execution of market orders

3.1 Total time of Client's market order processing normally does not exceed 3-5 seconds, but during periods of increased market activity, this time period may be extended.

3.2 For opening new position in “Instant execution” mode, the Client has to choose necessary financial instrument in the Client's terminal “Order” window, specify the volume of operation and press “Buy” button for opening a position to buy or press “Sell” button for opening a position to sell. Thus, the trading operation will be carried out at the price, shown in order window, at the moment of pressing the corresponding button by the Client (except for the situations, described in clauses 3.8 и 3.9 of the present Rules).

3.3 For opening new position in market price request mode, the Client has to choose necessary financial instrument in the terminal “Order” window and press “Request” button. In short time the current rate of the chosen financial instrument will be shown in “Bid/Ask” format in the “Order” window. After reciprocal representation of the current rate of the chosen financial instrument in “Bid/Ask” format, the Client has a possibility during 5 seconds to give order to carry out one of operations “Buy” or “Sell” at the offered market prices (Ask or Bid, respectively). If during the mentioned period of time from receipt of the current price, the Client does not confirm its intention to open position, the operation is treated as unperformed because of the Client's refusal to open position at the offered price.

3.4 For closing position in “Instant execution” mode, the Client has to press “Close #N” button in the terminal “Order #N” (where N is the number of the open position). The position will be closed at the price, shown in the “Order #N” window at the moment when the Client pressed “Close #N” button (except for the situations, described in clauses 3.8 и 3.9 of the present Rules).

3.5 For closing position in market price request mode, the Client has to press “Request” button in the terminal “Order #N” window (where N is the number of the open position). In short time the current rate of

the chosen financial instrument will be shown in "Bid/Ask" format in the "Order" window. After reciprocal representation of the current rate of the chosen financial instrument in "Bid/Ask" format, the Client has a possibility during 5 seconds to give order to close the open position. For this the Client has to press "Close #N" button (where N is the number of the open position). The position will be closed at the price, shown in the "Order #N" window at the moment when the Client pressed "Close #N" button (except for the situations, described in clauses 3.8 и 3.9 of the present Rules). If during the mentioned period of time from receipt of the current price, the Client does not confirm its intention to close position, the operation is treated as unperformed because of Client's refusal to close position at the offered price.

3.6 If the Client has two or more opened contrary (hedged) positions, for closing any of such positions the Client has a possibility to use "Close by" and "Multiple Close By" functions. "Close by" function allows to close simultaneously two contrary positions chosen by the Client on one financial instrument. "Multiple Close By" function allows to close simultaneously all contrary positions chosen by the Client on one financial instrument.

3.7 If at the moment of processing order to open position by the Trading server, the Client's trading account does not have enough available funds (**free margin**) for performing the chosen operation, the operation is considered to be unperformed because of absence of funds on the trading account. In such case, message "Not enough money" will be shown in the terminal "Order" window.

3.8 If during the period between sending request for opening (closing) position from Client's terminal and processing of the mentioned request by the Company's Trading server, a change of rate of the chosen financial instrument takes place, the Client may be offered a new price for carrying out the transaction. In this case, "Requote" window will appear. The Client, which was offered new price for opening (closing) position, may express its consent for carrying out transaction during 5 (five) seconds from the moment of price receipt, by pressing "OK" button in "Requote" window. If during the mentioned period of time from receipt of the current price, the Client does not confirm its intention to open (close) position, the operation is treated as unperformed because of Client's refusal.

3.9 With essential abrupt rate changes of the traded financial instrument, and also at the moments of high activity of the market, the Client may be refused in carrying out the operation. In such case "Off quotes" message will be shown in terminal "Order" window. Execution of Client's market order at prices, essentially different from the current market prices, is not performed.

3.10 Each position, opened by the Client, is assigned a unique number (ticker).

3.11 Operation of opening (closing) a position is considered to be carried out successfully, if the corresponding confirmation is shown in Client's terminal "Order" window.

## 4. Placing, changing and cancellation of pending orders

4.1 Pending order it's a Client's order to carry out an operation of opening (closing) position in future at a set price. Pending orders are executed by Trading server, providing, if the current rate of the financial asset coincides with the level, set by the Client.

4.2 There are following types of pending orders, used for opening new trading position: Buy Limit, Buy Stop, Sell Limit, Sell Stop.

4.3 There are following types of pending orders, used for closing trading position: Take Profit, Stop Loss. Take Profit and Stop Loss orders should be connected with opened earlier position or set pending order, the list of which is mentioned in clause 4.2.

4.4 For placing of a new pending order, used for position opening, it is necessary to choose from terminal "Order" window the requested financial instrument, specify the volume of operation, choose "Pending order" as the type of operation, specify the type of pending order and press "Place order" button.

4.5 For cancellation of previously placed pending order, used for opening a position, it is necessary to

press “Cancel? \Delete” button in the “Order #123” window (where 123 is the number of the pending order).

4.6 For placing Take Profit and/or Stop Loss orders for previously opened position or placing pending order for opening, it is necessary to choose in the “Order #123” window “Change order”, specify the value for Take Profit and/or Stop Loss orders and press “Change #123” button (where 123 is the number of the pending order).

4.7 For changing previously set values for Take Profit and/or Stop Loss orders, and also modification of execution level of pending orders for opening it is necessary to choose in the “Order #123” window “Change order”, specify new values and press “Change #123” button (where 123 is the number of the pending order).

If for Take Profit and/or Stop Loss orders new value is 0, the respective orders will be deleted.

4.8 Take Profit and/or Stop Loss orders may be placed by Client instantly at the moment of opening new position or placing pending order for opening. To do so, it is necessary to specify the respective values of Take Profit and/or Stop Loss orders in the window of new order placing.

4.9 Pending orders of all types may be placed, changed or cancelled only during the period when carrying out of operations with the chosen financial instrument is allowed.

4.10. For instruments traded 24 hours a day (except for days off and holidays), pending orders for opening will be valid for carrying out during unlimited period, if not determined otherwise by the Client in the “Expiry” parameter of a pending order.

4.11 For instruments traded sessionally with daily breaks, pending orders for opening will be valid only in the time frame of the running trading session, after completion of which, they will be automatically cancelled.

4.12 Take Profit and/or Stop Loss orders for earlier opened positions for all financial instruments will be valid for execution for an unlimited period of time.

4.13 The minimal permissible level for placement of a pending order of any kind is 10 points from the current market price.

4.14 A unique number (ticker) is assigned for every pending order successfully placed by the Client.

4.14 Transactions for “placement”, “change” and “cancellation” of a pending order of any type are considered to be successfully completed if the relevant confirmation is displayed in the Client's terminal “Order” window. At the same time a record about the successful completion of the relevant transaction with a pending order will be added into the log-file on the Company's Trading server.

## 5. Processing and execution of pending orders

Placed pending orders for opening are activated and enter execution mode if the following conditions are met:

5.1 For **Buy Limit** orders the current Ask price of the selected financial instrument reaches a value specified by the Client or drops below the specified value;

for **Buy Stop** the current Ask price of the selected financial instrument reaches a value specified by the Client or rises above the specified value;

for **Sell Limit** orders the current Bid price of the selected financial instrument reaches a value specified by the Client, or rises above the specified value;

For **Sell Stop** orders-the current Bid price of the selected financial instrument reaches a value specified by the Client or drops below the specified value.

5.2 Placed Take Profit and Stop Loss orders for the “Buy” positions are activated (executed) at the Bid price, for the “Sell” positions at the Ask price. Take Profit and Stop Loss orders are executed only for an open position and cannot be executed for an inactivated pending order of any type.

5.3 A pending order in the execution mode is automatically activated by the Trading server in the queue order of Client orders awaiting execution.

5.4 Execution of a pending order takes place **precisely at the price, specified by the Client**, with the exception of cases, specified in clauses 5.8.1, 5.8.2 of the present Rules.

5.5 The opening of relevant “Buy” or “Sell” positions is presumed when pending Buy Limit, Buy Stop, Sell Limit and Sell Stop orders are executed. On pending order execution, the opening position preserves the unique number than had earlier been assigned to the pending order in question (see clause 4.14 of the current Rules).

5.6 Execution of Stop Loss and Take Profit orders means closing of positions, the respective orders were set for.

5.7 If at the stage of processing of a pending order by the server for opening a position the Client's trading account does not contain sufficient funds (**free margin**) for the conduction of the chosen transaction, the transaction is considered to be incomplete due to lack of funds on the trading account. At the same time the specified pending order is automatically cancelled, with the registration of the electronic record in the transaction history and entry into the transaction log-files of the Trading server and the Client's terminal taking place.

5.8 There also exist special conditions for activation of pending orders used for opening of new positions.

5.8.1 In case when the opening of a trading session based on the selected financial assets takes place concurrently with a price gap, and the level of a pending order of any type turns out to be within such a price gap, the Company does not guarantee execution of the relevant Client order precisely at the price, specified in the order. The pending order may be executed based on the price available during order processing. Pending Buy Limit, Sell Limit, Take Profit orders may be executed based on a price that is more lucrative to the Client. Pending Buy Stop, Sell Stop and Stop Loss orders may be executed by a price less lucrative for the Client.

5.8.2 In case when order processing takes place during publication of major macroeconomic indicators such as Central Bank's changes of interest rates, performances of highly ranked officials of leading world states, and also other events that lead to a sharp rate change (decrease) of the selected financial instrument, and the level of a pending order of any type turned out to be within such a price change, the Company does not guarantee execution of the relevant Client order precisely at the price specified in the order. The order may be executed at the price available during order processing. Pending orders Buy Limit, Sell Limit, Take Profit may be executed at a price more lucrative to the Client. Pending orders Buy Stop, Sell Stop and Stop Loss may be executed at a price less lucrative to the Client.

5.9 Transaction of pending order activation of any type is considered to be successfully completed if the fact of opening (closing) a position is displayed in the “Terminal” tab in the Client's terminal “Terminal” window. At the same time a relevant record regarding position opening (closing) using a pending order will be added into the log-file on the Company's Trading server.

## 6. Additional conditions of closing and opening positions

6.1 One or several open Client's positions may be closed without a relevant Client's order in the following cases:

- if the Client's trading account achieves Stop Out (see clause 6.2);
- if the position had been opened at a price that did not in reality exist on the Basic Market of the relevant trading instrument (see clause 6.3);
- if a trading instrument had been excluded from the list of available instruments for conduction of transactions with a preliminary notification of all Company Clients (see clause 6.4).

6.2 The trading account achieves Stop Out condition, when the Margin Level percentage indicator falls to 20.00% and lower. The specified indicator is permanently displayed in the "Terminal" window ("Trade" tab).

6.2.1 When the Client's account achieves Stop Out, an automatic order about the closing of the most unprofitable (in case of lack of unprofitable positions the least profitable) open Client position is added to the request queue awaiting execution. The closing order is executed based on the current financial instrument price, at the same time relevant records are added into the log-files of the Trading server and Client's terminal.

6.2.2 If after automatic position closing described in clause 6.2.1, the percentage indicator of the "Level" account ("Margin Level") reaches a value of 20.01% and higher, the trading account exits Stop Out condition. If the specified indicator continues to remain in the 0.00%-20.00% range, actions described in clause 6.2.1 will be additionally repeated for the next most unprofitable (or least profitable) Client's open position.

6.2.3 If as a result of taking actions described in clause 6.2.1 and 6.2.2, all previously opened positions are automatically closed, the Company guarantees, that the balance of the trading account will be in the 0.00% to 20.00% range of margin collateral necessary for support of the last automatically closed position. If all trading positions on the trading account had automatically been closed and the trading account balance is negative, the Company guarantees placement of a compensation the amount of the current negative account balance onto the Client's trading account (after placement of a compensation the trading account balance will be equal to 0.00).

6.3 Technical problems on the part of Internet providers, hosting providers and components of the trading platform MetaTrader 4 in exceptional cases may lead to "incorrect prices" ("bad ticks") on the price chart of the financial instrument. "Incorrect price" refers to a price that is considerably different from the overall price flow at a given moment of time and did not in reality exist on the Basic Market of the relevant trading instrument.

6.3.1 Execution of market and pending orders based on "incorrect prices" described in clause 6.3 does not take place.

6.3.2 If a market or pending Client order had been executed based on an "incorrect price", the Company has a right to compulsorily close the specified position (if it had not been closed by the Client independently), and to lead the balance of the trading account into a mode that was correct before opening of the position based on an "incorrect price" (by transferring to the account of debiting the relevant amount off the account). In such a case the Client is immediately notified about the situation through internal mail service of the MetaTrader 4 platform.

6.4 The automatic closing of all positions opened earlier for a specified financial instrument may take place when the specified trading instrument is excluded out of a list of instruments available for conduction of transactions. Such exclusion is performed by the Company with an obligatory compliance to clause 8.2 of the present Rules, and also with obligatory notification of all Clients about the impending exclusion.

6.4.1 All open positions on Client trading accounts with a financial instrument that is excluded from the list of instruments available for conduction of transactions, are closed at the current market prices at a preliminarily specified time (if it had not been otherwise specified in the news about exclusion of the

instrument from a list of available instruments for conduction of transactions). All pending orders on the specified instruments are automatically cancelled.

## **7. Usage of Expert Advisors for carrying-out operations**

7.1 The Client is permitted to use automatic Expert Advisors when working with the Client's terminal.

7.2 The automatic Expert Advisor's source code, written in the MetaQuotes Language 4 scripting language is only available for the Client and is not passed on to the Company's Trading server.

7.3 Orders given by the Expert Advisor are identified by the Company's Trading server as a standard Client order and are received for execution in the relevant procedure (for market orders given by the advisor-in accord with the relevant clauses of section 3 of the present Rules; for pending orders, that had been placed, changed and cancelled by the Expert Advisor - in accordance with the relevant clauses of section 4 of the present Rules).

7.4 The Client who uses an Expert Advisor on their trading account assumes full responsibility for actions carried out by the Expert Advisor in the automatic transaction conduction mode.

7.5 If the usage of an Expert Advisor leads to transmission of a significant amount of incorrect orders from the Client's terminal to the Trading server, the Client will be sent a warning about the inadmissibility of using an Expert Advisor that contains unintended and/or intended errors in the source code. In case of repeat transmission of a significant number of incorrect orders from the Client's terminal to the Trading server, the Client will be forbidden to use Expert Advisors when working with the Client's terminal.

## **8. Order of change of terms of carrying-out trading operations**

8.1 The Company obliges to notify all Clients about changes of current terms for carrying out trading operations.

8.2 If a change of trading conditions listed below is planned, the Clients must be notified about upcoming changes 30 (thirty) working days prior to the new trading terms take effect:

- exclusion of one or several types of trading accounts, accessible for conduction of transactions;
- exclusion of one or several trading instruments from the instrument list accessible for conduction of transactions (in case when transactions with the trading instrument cease to take place on the Basic Market, the specified time frame may be reduced).

8.3 In case when a change of trading conditions listed below is planned, the Clients must be notified about the upcoming changes 10 (ten) working days before the new trading terms take effect:

- alterations in the text of the present Rules;
- change of conventional representation of the trading instrument (symbol);
- change of standard lot for one or several trading instruments;
- increase in size of minimal contract for one or several trading instruments;
- change in size of minimal price change for one or several trading instruments;
- change of value for a point of one or several trading instruments;
- temporary or permanent change in leverage for one or several trading instruments;
- temporary or permanent change in time for opening and closing a trading session for one or several trading instruments;

- temporary or permanent spread increase for one or several trading instruments.

8.4 The changes in trading terms enumerated below take effect from the moment of Client notification about the given changes, if the Company had not specified other time frames for the changes to take effect:

- temporary or permanent spread decrease for one or several trading instruments;
- decrease in size of the minimal contract for one or several trading instruments;
- addition of one or several trading instruments into the list of instruments, available for conduct of transactions;
- changes in the Swap-Points Table.

8.5 The internal postal service of the MetaTrader 4 platform and electronic post are obligatory means for Client notification about upcoming changes in trading terms. Any letter, sent to a Client through internal postal service of the MetaTrader 4 platform, is considered to be delivered 2 hours after dispatch (in case when the Client's trading account was connected to the Company server at the time of dispatch, the message is considered to be delivered immediately after dispatch). A letter sent to the Client through electronic post is considered to be delivered 3 hours after dispatch.

8.6 Additional means for Client notification about upcoming changes in trading conditions are news publications on the Company web site, as well as forwarding of relevant news in the Client-service mailing system.

## 9. Disputes and settlement

9.1 A situation is considered to be a dispute, when the Client has expressed disagreement with an action (or lack of action) on the part of the Company, as a result of which one or several conditions of the present Rules had been breached. The Client has a right to express their disagreement, by presenting the Company with the relevant claim.

9.2 The Client's claim must be presented during two working days from the moment of origin of grounds for its submission.

9.3 The claim can only be formalized in the form of an electronic letter that will be directed by the Client to the Company's back-office ([backoffice@forex ltd.co.uk](mailto:backoffice@forex ltd.co.uk)). The claim must include the Client's trading account number; order numbers that are related to the disputable situation; date and time of the origin of this situation (according to the GMT+2 trading terminal time zone); the essence of the claim and demands subject to satisfaction in case the claim is found to be justified. The claim's textual message cannot include any offensive declarations about the Company and/or its employees.

9.4 If the conditions specified in clauses 9.2 and 9.3 of the present Rules had not been met at the time of the presentation of the claim by the Client, the Company's back-office has a right to dismiss the claim without reviewing.

9.5 The Company's back-office is obliged to review the claim presented by the Client during three working days. By the end of the specified time frame the Company is obliged to either satisfy the Client's demands, or dismiss the claim. In case of making any of the possible decisions, the Client must be notified about the decision made by electronic mail to their personal post box specified during registration for the trading account.

9.6 During dispute analysis and making a decision regarding the Client's claim, the main information sources are considered to be:

- the present Rules;
- charts representing rate movements for financial instruments in the MetaTrader 4-Forex Ltd terminal, whose archive is contained on the Company's Trading server;

- the server's transaction log-file contained on the Company's Trading server;
- the Client's terminal log file, contained on the Client's computer.

9.7 Data contained in the transaction log-file of the Company's Trading server has a priority in relation to other information sources that are used for analysis of a disputable situation.

9.8 If the Company back-office makes a decision to dismiss the Client's claim, the response text, as specified in clause 9.5, must contain reasons for refusal of satisfaction of demands, presented by the Client.

9.9 If the Company back-office makes a decision to acknowledge the Client's claim as justified, compensation placement onto the Client's trading account takes place. The amount of the compensation depends of the demands presented by the Client, and in case of necessity, may be additionally adjusted.

9.10 In case of Client's disagreement with the decision made by the Company back-office regarding the disputable situation, the Client has a right to launch an appeal to the administration of the FOREX Ltd Company (British Commonwealth).

9.11 The appeal may only be presented in the form of an electronic letter in English, which must be sent by the Client to the following address: [info@forexLtd.co.uk](mailto:info@forexLtd.co.uk). The appeal must include a description of the initial claim, the Company back office's decision, and the Client's additional arguments in order to consider this claim to be justified.

9.12 The Client's appeal will be reviewed by the FOREX Ltd Company (British Commonwealth) directorship in the course of five working days, after which a decision will be made about satisfaction of dismissal of the appeal. A decision about satisfaction of the appeal will be passed on by the directorship to the Company back-office that is obliged to carry out the actions described in clause 9.9 of the present Rules. In case a negative decision about satisfaction of Client's appeal demands is made, the Client will be sent a notification about dismissal of the appeal.

## Annex A. Closing position over the telephone

1. To close a previously opened position the Client may use their telephone connection. The Company has allocated a separate multichannel telephone number that may be used by the Client in order to close a position. When dialing the above number, only conduction of calls exclusively for resolving issues related to the closing of a position is permissible. The language of telephone negotiations: English, Russian and Ukrainian.

2. When a Client dials the above-mentioned number the Client must preliminarily specify to the Company's employee their Login and Password for their trading account.

3. If the Client had been successfully identified, they may inform about the necessity to close the position over the telephone with the use of a market order. If during 3 (three) attempts in a row the Client had incorrectly named the identification details (Login and/or Password of their trading account), the telephone conversation will be compulsorily ended by the Company's employee.

4. If the Client has more than one open position, they must identify a position, for which it is necessary to perform the closing transaction. There are 3 ways of position identification (the Client may use one of the approaches listed below):

- the Client must specify the open position's unique number;
- the Client must specify the name of the financial instrument and the price, based on which the position had been opened (Bid rate for positions of the "Sell" type, Ask rate for "Buy" type positions);
- Client must specify the precise time for position opening (date, hour and minute).

5. If for a maximally precise position identification a Company employee will need additional information, it may be requested from the Client and must be given to the Company's employee.

6. If the Client has only one open position, position identification is not required.

7. For pronouncing the names of financial instruments, the Client and the Company's employee must use relevant Latin abbreviations. The full names of abbreviations for pronouncing the names of financial instruments are listed on the Company's official site ("Contract specification") page.

8. After identifying a position the Client wishes to close, the Company's employee reports the current price of the necessary financial instrument in the Bid/Ask format.

9. Having received the current price, the Client must make a decision regarding the closing of the open trading position in the duration of 5 seconds. Company's employee will only perform the closing position transaction after the Client states the phrase: "Close the position". If the given phrase had been stated, Client can no longer refuse to close the position.

10. If during closing of a position a situation described in clauses 3.8 or 3.9 of the present Rules takes place, the Company's employee may inform the Client about the necessity to carry out a repeated request to close a position, after which it is necessary to repeat the actions, described in clauses 8 and 9 of the given Annex.

11. If the position had been successfully closed, the Company's employee pronounces the words "Position number (unique position number) has been closed at the price (position closing price)". At this stage Client may specify the final result of conducting the trading transaction from the employee (in points or US dollars).

12. After closing a position (or refusing to close a position) the Client may express a wish to close another position (if there exist one or several open positions on the trading account). At this stage it is necessary to repeat all actions described in the present Annex starting from clause 4.

13. After completion of the telephone conversation, the Client is strongly recommended to change their password for accessing their trading account during the first subsequent connection of their trading account to the Client's terminal.

14. During telephone correspondence the Client and the Company's employee are obliged to conform to the generally accepted norms of business ethics. Non-compliance from the described schemes for closing a position over the telephone is a reason for ceasing the conversation on the part of the Company's employee.

15. All telephone dialogues between Client and Company are recorded on a separate digital carrier and are stored by the Company for 48 (forty eight) hours from end of the conversation. Selected telephone conversation records may be used by the Company when reviewing Client claims. The Company takes on responsibility not to pass telephone conversation records to third parties.