



1. Introductory

1.1. These Terms of Business govern all actions in respect of the execution of the Customer's Instructions.

1.2. These Terms of Business specify:

- (a) principles of opening/closing positions and placing/modifying/deleting/executing Orders under Normal and Abnormal Market Conditions;
- (b) the Company's actions in respect of the Customer's Open Positions in case the Margin Level on the Trading Account is insufficient to support Open Positions; and
- (c) procedures of Dispute resolution and the methods of communication between the Customer and the Company.

1.3. These Terms of Business, the Customer Agreement and the Risk Acknowledgement and Disclosure shall govern all the Customer's Transactions and should be read carefully by the Customer.

1.4. Unless otherwise defined, capitalised terms used in these Terms of Business shall have the meaning given to such terms in the Customer Agreement. In addition the definitions set out in clause 10 ("Interpretation of terms") shall apply.

2. General terms

Quotes

2.1. The Company will recalculate Quotes for all Instruments in real-time, based on market conditions and streaming prices / liquidity received from Liquidity Providers, and will periodically send to the Customer some of these Quotes as Market Snapshots.

2.2. All Quotes the Customer receives via the Client Terminal are indicative only and represent the best Bid and the best Ask available on the market from the Company's Liquidity Providers.

2.3. The Customer acknowledges that:

- a) the Company has the right not to send to the Customer those Quotes that have not changed since the previous Market Snapshot;
- b) the Customer may not receive via the Client Terminal all the Quotes that have been in the Quotes Flow between Market Snapshots; and
- c) Spread is not fixed and will vary depending on market conditions and streaming prices / liquidity received by the Company from Liquidity Providers.

Execution of the Customer's Instructions

2.4. The procedure for handling the Customer's Instructions given via the Client Terminal is:

- (a) the Customer prepares an Instruction and the Client Terminal checks if it is valid;
- (b) the Client Terminal sends the Instruction to the Server;
- (c) if the connection between the Client Terminal and the Server has not been disrupted, the Server receives the Instruction and starts the process of verification;
- (d) a valid Customer's Instruction is placed in the queue and sorted by arrival time (first in – first out) and the "Order is accepted" status appears in the "Order" window in the Client Terminal;
- (e) as soon as a Dealer is ready to handle a new Instruction the Dealer takes the first Instruction from the queue and processes it¹ and the "Order is in process" status appears in the "Order" window in the Client Terminal;
- (f) the Server receives from the Dealer the result of the Customer's Instruction execution process;
- (g) the Server sends to the Client Terminal the result of the Customer's Instruction execution process; and
- (h) the result of the Instruction execution is received by the Client Terminal if the connection between the Client Terminal and the Server has not been disrupted.

2.5. The Customer has the right to cancel a previously given Instruction only if the Instruction has the "Order is accepted" status. In order to cancel it, the Customer shall press the "Cancel order" button. The Customer cannot cancel an Instruction given by an Expert Advisor.

2.6. If the Instruction is being processed by a Dealer and its status is "Order is in process", the Customer has no right to cancel it.

2.7. The Company at its sole discretion will specify the current market price.

2.8. The standby time for each Instruction which has been placed in the queue in order to be executed has a limit of 3 (three) minutes at the time of the release of these Terms of Business. If during this period of time, the Instruction has not been received by a Dealer, it is deemed to be irrelevant and automatically deleted. Once an Instruction is received by a Dealer, the Dealer processes it as soon as practicably possible.

2.9. In the circumstances listed below, the Company may decline an Instruction, with the result that the "Off quotes" message appears in the Client Terminal:

- (a) if the Instruction precedes the first Quote in the Trading Platform on the Market Opening;
- (b) if the Company is not able to hedge the trade with a Liquidity Provider; or

¹ Depending on the amount of time a Dealer needs to process an Instruction there is a possibility that in the Server Log-File the recorded execution time of the first Instruction in the queue will be later than the execution time of the Instruction which followed after.

(c) if the Customer's Free Margin is less than the Initial Margin.

2.10. Where possible, the Customer shall give Instructions via the Client Terminal. The Customer shall use the Company's telephone service only in times when it is impossible to use the Client Terminal. The Customer shall follow the rules of "Telephone Trading Etiquette"².

Transactions

2.11. The Ask price is used to make a "buy" Transaction. The Bid price is used to make a "sell" Transaction:

(a) The Ask price is used to open a Long Position. The Bid price is used to open a Short Position.

(b) The Bid price is used to close a Long Position (i.e. sell). The Ask price is used to close a Short Position (i.e. buy).

Rollovers

2.12. All the positions which remain open from 23:59:45 to 23:59:59 (Server time) will be subject to rollover. All the positions which are opened or closed from 23:59:45 to 23:59:59 (Server time) may be subject to rollover. The positions will be rolled over by debiting or crediting the Customer's Trading Account with the amount calculated in accordance with the Rollover/Interest Policy Webpage.

Quotes Base synchronization

2.13. In case of unforeseen break in the Quotes Flow caused by software or hardware failure, the Company has the right to synchronize the Quotes Base on the live Server from other sources. Such sources include:

(a) Quotes Base on the demo Server;

(b) any other reliable sources³.

In the case of any Disputes arising in respect of the break in Quotes Flow, all decisions are made in accordance with the synchronized Quotes Base.

Leverage

2.14. The size of the Leverage depends on the Trading Account Balance and/or the Customer's Open Positions as described on the Our Services Webpage.

2.15. The Company has the right to change the Leverage for the Trading Account in accordance with margin requirements displayed on the Our Services Webpage with immediate effect without giving prior notice.

2.16. The Company is entitled to apply new margin requirements amended in accordance with clause 2.15 to the new positions and to the positions which are already open.

² At the date of this document, the information is displayed on <http://www.alpari.co.uk/en/docs/phone-etiquette.html>.

³ If necessary information is not available on the demo Server.

2.17. The Company has the right to change the Leverage for a particular Customer at any time and at its sole discretion by giving 5 (five) Business Days prior Written Notice.

3. Opening a position

3.1. In order to give an Instruction to open a position the Customer shall specify the following:

- (a) Instrument; and
- (b) Transaction Size.

3.2. In order to open a position via the Client Terminal without using an Expert Advisor, the Customer shall press the "Buy by Market" or "Sell by Market" button. The Customer's Instruction to open a position may be executed at a price that differs from the Quote the Customer has received via the Client Terminal during the last Market Snapshot in the following cases:

- a) If the current Quote changes since the last Market Snapshot;
- b) If the Quote from the last Market Snapshot is for a lower Transaction Size than the Client's Instruction Transaction Size.

In any case the Instruction will be executed at the best price available from the Company's Liquidity Providers.

3.3. When opening a position via the Client Terminal using an Expert Advisor, the Customer is not able to specify Stop Loss and/or Take Profit Orders levels. If the Customer wishes to place these Orders, the Customer can do it by modifying the existing position in accordance with clauses 5.16 to 5.22 and 9.13 to 9.16.

Processing and execution of Instructions to open a position

3.4. Once the Server has received the Customer's Instruction to open a position, it automatically checks if the Free Margin is sufficient to open the position:

- (a) cumulative Customer position and new Necessary Margin ("New Margin") are calculated: for the Matched Positions depending on the Hedged Margin, for other positions depending on the Initial Margin, which is calculated at the average weighted price (in terms of volume) of all positions except the matched ones;
- (b) all Floating Profits/Losses for all Open Positions and the new position are calculated at the current Quotes;
- (c) "Free Margin" is calculated as follows: $\text{Free Margin} = \text{Balance} - \text{New Margin} + \text{Floating Profit} - \text{Floating Loss}$;
- (d) if the above mentioned calculations for the new position have been done and:
 - "Free Margin" is more or equal to zero, subject to clause 2.9, the position is opened. The process of opening the position is followed by the relevant record in the Server Log-File; or

- “Free Margin” is less than zero, then the Company has the right, but not obligation, to decline the Instruction to open the position and the “No money” message will be recorded in the Server Log-File.

3.5. An Instruction to open a position shall be deemed executed and the position shall be deemed open once the relevant record appears in the Server Log-File.

3.6. In the Trading Platform, each Open Position has a Ticker.

3.7. An Instruction to open a position will be declined by the Company if it precedes the first Quote in the Trading Platform on the Market Opening. In this case, the “Off quotes” message appears in the Client Terminal window.

4. Closing a position

4.1. In order to give an Instruction to close a position, the Customer shall specify the following:

- (a) Ticker; and
- (b) Transaction Size.

4.2. In order to close a position via the Client Terminal without using an Expert Advisor, the Customer shall press the “Close by Market” button. The Customer’s Instruction to close a position may be executed at a price that differs from the Quote the Customer has received via the Client Terminal during the last Market Snapshot in the following cases:

- a) If the current Quote changes since the last Market Snapshot;
- b) If the Quote from the last Market Snapshot is for a lower Transaction Size than the Client’s Instruction Transaction Size.

In all instances, the Instruction will be executed at the best price available from the Company’s Liquidity Providers.

Processing and execution of Instructions to close a position

4.3. If amongst the Customer’s Open Positions the Customer has a position, which the Customer wishes to close against a matching Open Position of the same Instrument, the Customer can do so by utilising the “Close by” item in the “Type” drop down list. Upon matching/closing the Customer’s chosen positions, the Customer will have either a zero or net Long/Short Position based upon the net overall exposure. The Customer should note that the net overall position will be allocated a new Ticker.

4.4. If amongst the Customer’s Open Positions the Customer has multiple positions, which the Customer wishes to close against matching Open Positions of the same Instrument the Customer can do so by utilising the “Multiple Close by” item in the “Type” drop down list. Upon matching/closing the chosen positions the Customer will have either a zero or net Long/Short Position based upon the net overall exposure. The Customer should note that the net overall position will be allocated a new Ticker.

4.5. An Instruction to close a position is deemed executed and the position is deemed closed once the relevant record appears in the Server Log-File.

4.6. An Instruction to close a position will be declined by the Company if the Instruction precedes the first Quote on the Market Opening. In this case, the "Off quotes" message appears in the Client Terminal window.

4.7. An Instruction to close a position may be declined by the Company if it is made when the Stop Loss or the Take Profit for this position is in the queue in order to be executed. In this case the "Off quotes" message appears in the Client Terminal window.

5. Orders

Order types in the Trading Platform

5.1. In order to open a position the following Orders (Pending Orders) may be used:

- (a) "Buy Stop" - an Order to open a Long Position at the price higher than the price at the moment of placing the Order;
- (b) "Sell Stop" - an Order to open a Short Position at the price lower than the price at the moment of placing the Order;
- (c) "Buy Limit" - an Order to open a Long Position at the price lower than the price at the moment of placing the Order;
- (d) "Sell Limit" - an Order to open a Short Position at the price higher than the price at the moment of placing the Order.

5.2. In order to close a position the following Orders may be used:

- (a) "Stop Loss" - an Order to close a previously opened position at the price less profitable for the Customer than the price at the moment of placing the Order;
- (b) "Take Profit" - an Order to close a previously opened position at the price more profitable for the Customer than the price at the moment of placing the Order;
- (c) "If-Done Order" - Stop Loss and/or Take Profit which are activated once the Pending Order they are related to has been executed.

When and for how long Orders can be placed

5.3. The Customer may place, modify or delete Orders only within trading hours for the relevant Instrument. The trading hours for each Instrument are indicated in the Contract Specifications.

5.4. Pending Orders on the Instruments, which are traded 24 hours a day, have "GTC" ("Good Till Cancelled") status. The expiry date and time can be set by the Customer in the "Expiry" field.

5.5. Pending Orders on the Instruments, which are not traded 24 hours a day, have "Day Order" status and will be deleted at the end of a trading session.

5.6. Stop Loss and Take Profit for all Instruments have “GTC” status (“Good Till Cancelled”).

The procedure for placing an Order

5.7. In order to give an Instruction to place a Pending Order, the Customer shall specify the following required parameters:

- (a) Instrument;
- (b) Transaction Size;
- (c) Order type (Buy Stop, Buy Limit, Sell Stop, or Sell Limit); and
- (d) Order Level.

In addition, the Customer may indicate the following optional parameters:

- (a) level of Stop Loss. “0.0000” means that Stop Loss is not placed (or it is deleted if it has already been placed);
- (b) level of Take Profit. “0.0000” means that Take Profit is not placed (or it is deleted if it has already been placed); or
- (c) date and time when the Pending Order expires.

The Instruction will be declined if:

- (a) any of the required parameters is not specified or is incorrect; or
- (b) any of the optional parameters is incorrect.

In this case, the “Invalid S/L or T/P” error message appears if the Orders are placed via the Client Terminal without using an Expert Advisor.

5.8. If the Customer gives an Instruction to place Stop Loss or Take Profit, the following information must be specified:

- (a) Ticker of the Open Position;
- (b) level of the Stop Loss; “0.0000” means that Stop Loss is not placed (or it is deleted if it has already been placed); and
- (c) level of the Take Profit; “0.0000” means that Take Profit is not placed (or it is deleted if it has already been placed).

If any of the information is incorrect and the Orders are placed via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the “Modify...” button will remain inactive.

5.9. If the Customer gives an Instruction to place the If-Done Orders on a Pending Order, the Customer shall specify the following:

- (a) Ticker for the Pending which the Customer intends to place the Orders on;
- (b) level of the Stop Loss; "0.0000" means that Stop Loss is not placed (or it is deleted if it has already been placed); and
- (c) level of the Take Profit; "0.0000" means that Take Profit is not placed (or it is deleted if it has already been placed).

If any of the indicated information is incorrect and the Orders are placed via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the "Modify" button will remain inactive.

5.10. Unless otherwise indicated in the Contract Specifications, while giving an Instruction, the difference between the Stop Loss, Take Profit or the Pending Order level and the current market price must not be less than the number of Points indicated for each Instrument in the Contract Specifications, and the following conditions must be met:

- (a) for the Stop Loss on the Short Position the current market price is the Ask price and the Order must not be placed lower than the Ask price plus this number of Points;
- (b) for the Take Profit on the Short Position the current market price is the Ask price and the Order must not be placed higher than the Ask price less this number of Points;
- (c) for the Stop Loss on the Long Position the current market price is the Bid price and the Order must not be placed higher than the Bid price less this number of Points;
- (d) for the Take Profit on the Long Position the current market price is the Bid price and the Order must not be placed lower than the Bid price plus this number of Points;
- (e) for the Buy Limit the current market price is the Ask price and the Order must not be placed higher than the Ask price less this number of Points;
- (f) for the Buy Stop the current market price is the Ask price and the Order must not be placed lower than the Ask price plus this number of Points;
- (g) for the Sell Limit the current market price is the Bid price and the Order must not be placed lower than the Bid price plus this number of Points; and
- (h) for the Sell Stop the current market price is the Bid price and the Order must not be placed higher than the Bid price less this number of Points.

5.11. Unless otherwise indicated in the Contract Specifications, while giving an Instruction, the difference between the If-Done Order level and the level of the Pending Order must not be closer than the number of Points indicated for each Instrument in the Contract Specifications, and the following conditions must be met:

- (a) the Stop Loss on the Buy Limit or Buy Stop must not be placed higher than the level of the Pending Order less this number of Points;
- (b) the Stop Loss on the Sell Limit or Sell Stop must not be placed lower than the level of the Pending Order plus this number of Points;
- (c) the Take Profit on the Buy Limit or Buy Stop must not be placed lower than the level of the Pending Order plus this number of Points; and
- (d) the Take Profit on the Sell Limit or Sell Stop must not be placed higher than the level of the Pending Order less this number of Points.

5.12. An Instruction to place an Order is deemed executed and the Order is deemed placed once the relevant record appears in the Server Log-File.

5.13. Each Pending Order has a Ticker.

5.14. An Instruction to place an Order may be declined by the Company if it precedes the first Quote on the Market Opening. In this case, the "Off quotes" message appears in the Client Terminal window.

5.15. The Company has the right, but not obligation, to decline an Instruction to place an Order if, while a Dealer processes this Instruction, the current Quote reaches the level at which clause 5.10 or 5.11 have been breached.

The procedure of modifying and deleting an Order

5.16. If the Customer gives an Instruction to modify Pending Order parameters (the level of the Pending Order and/or If-Done Orders), the Customer shall specify the following:

- (a) Ticker;
- (b) Pending Order level;
- (c) level of Stop Loss; "0.0000" means that Stop Loss is not placed (or it is deleted if it has already been placed);
- (d) level of Take Profit; "0.0000" means that Take Profit is not placed (or it is deleted if it has already been placed).

If any of the indicated information is incorrect and the Orders are placed/modified/deleted via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the "Modify" button will remain inactive.

5.17. If the Customer gives an Instruction to modify Stop Loss and Take Profit on the Open Position, the Customer shall specify the following:

- (a) Ticker;

- (b) level of Stop Loss; “0.0000” means that Stop Loss is not placed (or it is deleted if it has already been placed); and
- (c) level of Take Profit. “0.0000” means that Take Profit is not placed (or it is deleted if it has already been placed).

If any of the indicated information is incorrect and the Orders are placed/modified/deleted via the Client Terminal without using an Expert Advisor, the Instruction will be declined and the “Modify ...” button will remain inactive.

5.18. When the Customer gives an Instruction to delete a Pending Order, the Customer shall specify its Ticker.

5.19. An Instruction to modify or delete an Order is deemed executed and the Order is deemed modified or deleted once the relevant record appears in the Server Log-File.

5.20. An Instruction to modify or delete an Order may be declined by the Company if it precedes the first Quote on the Market Opening. In this case the “Off quotes” message appears in the Client Terminal window.

5.21. The Company has the right, but not obligation, to decline an Instruction to modify or delete an Order if, while it is being processed, the Order has been placed in the queue in order to be executed in accordance with clause 5.23.

5.22. Where the Customer has given an Instruction to modify or delete an Order Level, the Company has the right, but not obligation, to cancel the Order Level modification or Order deletion, if the processing of that Instruction is finished after the Order is placed in the queue in order to be executed in accordance with clause 5.23.

The procedure of Order execution

5.23. The Order is placed in the queue in order to be executed in the following cases:

- (a) the Take Profit on open Long Position is placed in the queue in order to be executed if the Bid price in the Quotes Flow becomes equal or higher than the Order Level;
- (b) the Stop Loss on open Long Position is placed in the queue in order to be executed if the Bid price in the Quotes Flow becomes equal or lower than the Order Level;
- (c) the Take Profit on open Short Position is placed in the queue in order to be executed if the Ask price in the Quotes Flow becomes equal or lower than the Order Level;
- (d) the Stop Loss on open Short Position is placed in the queue in order to be executed if the Ask price in the Quotes Flow becomes equal or higher than the Order Level;
- (e) the Buy Limit is placed in the queue in order to be executed if the Ask price in the Quotes Flow becomes equal or lower than the Order Level;
- (f) the Sell Limit is placed in the queue in order to be executed if the Bid price in the Quotes Flow becomes equal or higher than the Order Level;

- (g) the Buy Stop is placed in the queue in order to be executed if the Ask price in the Quotes Flow becomes equal or higher than the Order Level;
- (h) the Sell Stop is placed in the queue in order to be executed if the Bid price in the Quotes Flow becomes equal or lower than the Order Level.

5.24. Once the Pending Order is placed in the queue in order to be executed, the Server automatically checks if the Free Margin is sufficient to open the position:

- (a) cumulative Customer position and new Necessary Margin (“New Margin”) are calculated: for Matched Positions depending on the Hedged Margin; for other positions depending on the Initial Margin, which is calculated at the average weighted price (in terms of volume) of all positions except the matched ones;
- (b) if the Pending Order Level is in the Price Gap, the Floating Profits/Losses for all Open Positions and the new position are calculated at the current Quotes at the moment the Order is placed in the queue in order to be executed; and
- (c) “Free Margin” is calculated as follows: $\text{Free Margin} = \text{Balance} - \text{New Margin} + \text{Floating Profit} - \text{Floating Loss}$;
- (d) if the above mentioned calculations for the new position have been done and “Free Margin” is less than zero, then the Company has the right, but not obligation, to decline the Instruction to open the position and delete the Pending Order and the “No money” message will be recorded in the Server Log-File.

5.25. An Order is deemed executed once the relevant record appears in the Server Log-File.

5.26. In case of Pending Order execution, the process of opening the position is followed by the relevant record in the Server Log-File and the position opened by this Order has the same Ticker as the Pending Order.

5.27. Buy Limit, Sell Limit and Take Profit Orders are executed at the Order Level. The Customer acknowledges that an Order can be executed partially if there is not enough liquidity to hedge the trade with Liquidity Providers at the Order Level.

5.28. Under Normal Market Conditions, if there is enough liquidity to hedge the trade with Liquidity Providers at the Order Level adjusted by the cost of hedging, the Company executes Buy Stop, Sell Stop and Stop Loss Orders at the Order Level.

5.29. Under Normal Market Conditions, if there is not enough liquidity to hedge the trade with Liquidity Providers at the Order Level adjusted by the costs of hedging, and under Abnormal Market Conditions, the Company executes Buy Stop, Sell Stop and Stop Loss Orders at the price at which the Company has hedged the trade. The Company has the right to adjust this price to reflect the cost of hedging. The Customer acknowledges that the execution price may differ from the Order Level.

5.30. The Orders are placed in the queue in order to be executed in ascending order of their Tickers.

If there is more than one Dealer, depending on the amount of time a Dealer needs to execute an Order, there is a possibility that in the Server Log-File the recorded execution time of the Order with a lower Ticker will be later than the execution time of the Order with a higher Ticker.

6. Stop Out

6.1. The Company is entitled to close the Customer's Open Positions without the consent of the Customer or any prior notice if the Equity is less than 20% of the Necessary Margin.

6.2. Margin Level is monitored by the Server and subject to clause 6.1 the Server generates the Stop Out Instruction to close a position without prior consent. Stop Out is executed at the price at which the Company has hedged the trade. The Company has the right to adjust this price to reflect the cost of hedging.

The Customer acknowledges that the execution price may differ from the Quote at which the Stop Out Instruction was generated.

Once the position has been closed the relevant record appears in the Server Log-File with the "Stop Out" remark.

6.3. If the Customer has several Open Positions, the first position which has to be placed in the queue in order to be closed is the one with the highest Floating Loss.

6.4. If a Stop Out execution has resulted in a negative Balance of the Customer's Trading Account, the Customer shall be liable for this loss and must make a payment of the full and total amount due immediately.

6.5. In respect of the CFDs on futures which are approaching the expiry date of the underlying asset, the Transactions are executed in the "close only" way. The Company advises the Customer of the date when the "close only" mode starts via Trading Platform internal mail notice and/or by displaying the information on the Website.

The Company compulsorily closes the positions, which remain open at the expiry date of the underlying future contract, at the official closing price for the underlying asset on the relevant exchange.

6.6. The Company has the right to close any Open Position of the Customer without a warning if it is required in accordance with clause 9.

7. Communications

7.1. In order to communicate with the Customer, the Company may use:

- (a) Trading Platform internal mail;
- (b) email;
- (c) facsimile transmission;
- (d) telephone;

(e) post;

(f) Company News Webpage.

Contact details provided by the Customer whilst opening the Trading Account or updated in accordance with clause 7.4 will be used by the Company to contact the Customer and the Customer will agree to accept any notices or messages from the Company at any time.

7.2. Any communications sent to the Customer (documents, notices, confirmations, statements etc.) are deemed received:

(a) if sent by email, within one hour after emailing it;

(b) if sent by Trading Platform internal mail, immediately after sending it;

(c) if sent by fax, at the completion of transmission during business hours at its destination, or, if not within business hours, at the opening of the next period of business hours, but subject to:

- proof by the sender that it holds a printed transmission report confirming dispatch of the transmitted notice; and
- the sender not receiving any telephone calls from the recipient within one hour from the above time, that the fax has not been received in a legible form.

(d) if by telephone, then once the telephone conversation has been finished;

(e) if sent by post, seven calendar days after posting it; and

(f) if posted on the Company News Webpage, within one hour after it has been posted.

7.3. For the purpose of clause 7, “business hours” mean between 9:00 a.m. and 5:30 p.m. on a Business Day.

7.4. The Customer shall notify the Company immediately of any change in the Customer’s contact details.

7.5. Transactions will be confirmed by email on the next Business Day after the execution. If the Customer has a reason to believe that the confirmation is inconsistent or if the Customer does not receive any confirmation (though the Transaction was made), the Customer shall contact the Compliance Department in accordance with clause 8.

7.6. On the first day of each month the Company will send by email a statement which includes all Transactions during the previous month.

7.7. The Company is authorised, without any additional agreements with the Customer, to act in accordance with facsimile instructions made by the Customer or on the Customer’s behalf by an authorised person.

7.8. The following instructions are not accepted by fax:

(a) to open/close a position;

(a) to place, delete or modify an Order.

7.9. The Customer acknowledges that any faxed documents received by the company will be electronically scanned and reproduction of the scanned version shall constitute conclusive evidence of such faxed instructions.

7.10. Any telephone conversation between the Customer and the Company may be recorded. All Instructions received by telephone will be binding as if received in writing. Any recordings shall be and will remain the sole property of the Company and will be accepted by the Customer as conclusive evidence of the Instructions or conversations so recorded. The Customer agrees that the Company may deliver copies of transcripts of such recordings to any court, regulatory or government authority.

8. The procedure of Dispute resolution

Complaints procedure

8.1. If any conflict situation arises when the Customer reasonably believes that the Company as a result of any action or failure to act breaches one or more terms of these Terms of Business, the Customer has the right to lodge a complaint with the Company as soon as reasonably practicable after the grievance has arisen.

8.2. Any queries should be raised with our Client Services department or with our dealers. Unresolved queries and complaints are handled by our compliance department according to our complaints procedures, a copy of which are available on our website(s) and are available on request. If you are dissatisfied with the result of our compliance department's investigation or with any action taken by us as a result thereof, you may be able to refer the complaint to the Financial Ombudsman Service for further investigation.

8.3. A complaint shall include:

- (a) name and surname of the Customer (or company name if the Customer is a legal entity);
- (b) Customer's login in the Trading Platform;
- (c) details of when the conflict first arose (date and time in the Trading Platform Time Zone);
- (d) Ticker of the position or Pending Order;
- (e) description of the conflict situation supported by the reference to these Terms of Business.

8.4. The complaint must not include:

- (a) affective appraisal of the conflict situation;
- (b) offensive language;
- (c) uncontrolled vocabulary.

8.5. The Company has the right to refuse a complaint if any of clauses 8.1, 8.3 or 8.4 have been breached.

Server Log-File

8.6. The Server Log-File is the most reliable source of information in a case of any Dispute. The Server Log-File has the absolute priority over other arguments including the Client Terminal Log-File as the Client Terminal Log-File does not register every stage of the execution of the Customer's Instructions.

8.7. If the Server Log-File has not recorded the relevant information to which the Customer refers, the argument based on this reference may not be considered.

Indemnification

8.8. The Company may resolve all Disputes:

- (a) by crediting/debiting the Customer's Trading Account: this correcting entry will have an explanatory narrative;
- (b) by reopening erroneously closed positions; or
- (c) by deleting erroneously opened positions or placed Orders.

The Company has the right to choose the method of Dispute resolution at its sole discretion as well as to choose one of the options described in clause 9.

Disputes not mentioned in these Terms of Business are resolved in accordance with the common market practice and at the sole discretion of the Company.

If the Quotes Flow has been interrupted due to a software and/or hardware failure, all decisions in respect of the Dispute will be made on a basis of the live Server's Quotes Base synchronized in accordance with clause 2.13.

8.9. The Company shall not be liable to the Customer if for any reason the Customer has received less profit than had hoped for or has incurred a loss as a result of uncompleted action which the Customer had intended to complete.

8.10. The Company shall not be liable to the Customer in respect of any indirect, consequential or non-financial damage (emotional distress etc.).

8.11. The Compliance Department shall consider any Customer's complaint or Dispute and endeavour to investigate any Dispute or complaint as soon as reasonably practicable. All complaints will be considered within two Business Days from the day the complaint is received.

8.12. The Company shall take all necessary actions in accordance with clauses 8.8 (a), (b) and/or (c) as soon as reasonably practicable but in any case within one Business Day after the decision in respect of the Dispute is made.

Refusal of complaint

8.13. If the Customer has been notified in advance by Trading Platform internal mail or some other way of routine construction on the Server, complaints made in respect of any unexecuted Instructions which are

given during such construction period, are not accepted. The fact that the Customer has not received a notice shall not constitute a reason to lodge a complaint.

8.14. Complaints in respect of a Transaction or Order execution based on the difference in the prices for the Contract for Difference in the Trading Platform and for the underlying asset of the Contract for Difference are not accepted.

8.15. Provided that clause 5.23 has not been breached, complaints in respect of time of Order execution notwithstanding the amount of time a Dealer needed to execute the Order as well as the time when the Server Log-File recorded Order execution, are not accepted.

8.16. No Customer complaints will be accepted in respect of the financial results of the deals made using temporary excess Free Margin on the Trading Account gained as a result of a profitable position (cancelled by the Company afterwards) opened at an Error Quote (Spike) or at a Quote received as a result of a Manifest Error.

8.17. In respect of all Disputes any references by the Customer to the Quotes of other companies or information systems will not be taken into account.

9. Typical Disputes and the procedures in which they are dealt with

9.1. Both the Company and the Customer have the right to initiate the process of Dispute resolution.

Placement and modification of If-Done and Pending Orders

9.2. If the Pending Order has been placed in the queue in order to be executed, but a Dealer erroneously confirmed its modification, then the Company has the right to trigger this Pending Order at the level at which the Order should have been executed if the latest Instruction to modify the Order would have been declined by the Company.

9.3. No complaints are accepted if the Customer is not able to place a Pending Order or modify the levels of Pending and/or If-Done Orders:

- (a) because the Internet connection is poor either on the side of the Customer or the Company or both; or
- (b) if the Customer's Instruction to place the Pending Order is sent when an Error Quote (Spike) appears in the Trading Platform and clause 5.10 would have been breached if the Server had checked the validity of the Instruction based on the Quote prior to the Spike not the Spike itself; or
- (c) if the Instruction precedes the first Quote in the Trading Platform on the Market Opening; or
- (d) as a result of a Manifest Error or if a Dealer has not processed the Customer's Instruction; or
- (e) as a result of the failure of the Trading Platform software/hardware either on the side of the Customer or the Company or both.

9.4. No complaints are accepted if the Customer is not able to modify If-Done Orders and/or Pending Order, if the Pending Order has been placed in the queue in order to be executed.

Pending Order deleting

9.5. If the Pending Order is placed in the queue in order to be executed, but a Dealer has executed the Instruction to cancel the Pending Order, then the Company has the right to delete the Order.

9.6. No complaints are accepted if a Pending Order has not been cancelled as requested by the Customer:

- (a) because a Dealer has not executed the Customer's Instruction to delete the Pending Order; or
- (b) as a result of a Manifest Error; or
- (c) because the Pending Order has been placed in the queue in order to be executed at an Error Quote (Spike) or when conditions set in clause 5.23 are met; or
- (d) because of the failure, malfunction or misuse of the Trading Platform software/hardware; or
- (e) if the Instruction to delete the Pending Order precedes the first Quote in the Trading Platform on the Market Opening; or
- (f) because of poor Internet connection either on the side of the Customer or the Company or both.

9.7. If the Pending Order has been deleted by mistake:

- (a) because of the failure, malfunction or misuse of the Trading Platform software/hardware; or
- (b) because of the insufficient Free Margin required to open a position as a result of an Error Quote (Spike) in the Quotes Flow at which Floating Profits/Losses for the Open Positions have been calculated; or
- (c) because of the insufficient Free Margin required to open a position as a result of a Dispute in respect of another Order or position,

the Pending Order will not be reinstated and no complaints in respect of this matter are accepted.

Pending Order execution

9.8. If:

- (a) a Dealer erroneously executes a Pending Order at a price which differs from the price at which the Company should have executed it in accordance with clauses 5.27-5.29; and
- (b) the Company initiates a Dispute resolution in accordance with clause 9.1 or the Customer lodges a complaint which is recognised by the Company as reasonable,

the Company debits/credits the Customer's Trading Account with the difference between the value of the opening position at the actual open price and the value of the opening position at the price at which the Order should have been executed in accordance with clauses 5.27-5.29.

9.9. If:

- (a) a Dealer has executed a Buy Stop or Sell Stop at a price which differs from the price at which the Order should have been executed in accordance with clauses 5.28-5.29; and
- (b) the Company initiates a Dispute resolution in accordance with clause 9.1,

the Company has the right to withdraw from the Customer's Trading Account the difference between the value of the actual opening position and the value of the opening position at the price at which the Order should have been executed in accordance with clauses 5.28-5.29.

9.10. If:

- (a) a Dealer has executed a Buy Limit or Sell Limit at a price which differs from the price at which the Order should have been executed in accordance with clauses 5.27; and
- (b) the Company initiates a Dispute resolution in accordance with clause 9.1 or the Customer lodges a complaint which is recognised by the Company as reasonable,

the Company will pay the Customer the difference between the value of the actual opening position and the value of the opening position at the price at which the Order should have been executed in accordance with clauses 5.27.

9.11. No complaints are accepted if the Pending Order has not been executed:

- (a) at Error Quote (Spike); or
- (b) because of the insufficient Free Margin required to open a position as a result of a Dispute in respect of another Order or position (in this case the Pending Order is automatically deleted and will not be reinstated and no complaints in respect of this matter will be accepted).

9.12. No complaints are accepted if one or more Orders are not executed and are deleted because the Free Margin is insufficient as:

- (a) at the same time more than one Order are in the queue in order to be executed; and
- (b) processes of handling these Instructions to execute Orders are finished in another order than the Customer expects.

The procedure of placing, modifying and deleting Stop Loss and Take Profit

9.13. If a Stop Loss or a Take Profit is placed in the queue in order to be executed, but a Dealer erroneously confirms its modification, the Company has the right to execute this Order at the level at which it should have been executed as if the Dealer did not confirm the modification.

9.14. No complaints are accepted if the Customer is not able to place, modify or delete a Stop Loss or a Take Profit:

- (a) because the Internet connection is poor either on the side of the Customer or the Company or both; or
- (b) if the Customer's Instruction to place or modify the Order is sent when an Error Quote (Spike) appears in the Trading Platform and clause 5.10 would have been breached if the

Server checked the validity of the Instruction based on the Quote prior to the Spike not the Spike itself; or

(c) if the Instruction precedes the first Quote in the Trading Platform on the Market Opening;
or

(d) if clause 5.10 is breached as a result of a Manifest Error or if a Dealer has not processed the Customer's Instruction; or

(e) as a result of the failure, malfunction or misuse of the Trading Platform software/hardware.

9.15. No complaints are accepted if the Customer is not able to modify or delete a Stop Loss or a Take Profit, if the Order has been placed in the queue in order to be executed.

9.16. Stop Loss and Take Profit are considered to be erroneously placed or modified in the following cases:

(a) if the Customer's Instruction to place or modify the Order is sent when an Error Quote (Spike) appears in the Trading Platform and clause 5.10 would have been breached if the Server checked the validity of the Instruction based on the Quote prior to the Spike not the Spike itself;
or

(b) if the Company makes a Manifest Error and clause 5.10 is breached; or

(c) if the Server confirms the Instruction by mistake despite the fact that clause 5.10 is breached.

If Stop Loss and Take Profit are considered to be erroneously placed or modified, the Company has the right to delete the Order or cancel its last modification respectively.

Execution of Stop Loss and Take Profit

9.17. No complaints are accepted if a Stop Loss or a Take Profit is not executed at an Error Quote (Spike).

9.18. If:

(a) a Dealer has executed a Stop Loss Order at a price which differs from the price at which the Order should have been executed in accordance with clauses 5.27-5.28; and

(b) the Company initiates a Dispute resolution in accordance with clause 9.1,

the Company has the right to withdraw from the Customer's Trading Account the difference between the value of the actual closing position and the value of the closing position at the price at which the Order should have been executed in accordance with clauses 5.27-5.28.

9.19. If:

(a) a Dealer erroneously executes a Stop Loss or a Take Profit at a price which differs from the price at which the Company should have executed it in accordance with clause 5.27-5.29; and

- (b) the Company initiates a Dispute resolution in accordance with clause 9.1 or the Customer lodges a complaint which is recognised by the Company as reasonable,

the Company debits/credits the Customer's Trading Account with the difference between the value of the actual closing position and the value of the closing position at the price at which the Order should have been executed in accordance with clauses 5.27-5.29.

Stop Out execution

9.20. If a Dealer erroneously executes a Stop Out:

- (a) at an Error Quote (Spike); or
- (b) because the Company makes a Manifest Error and clause 6.1 is breached; or
- (c) because of malfunction or misuse of the Trading Platform software and clause 6.1 is breached;
or
- (d) because clause 6.1 is breached as a result of an Error Quote (Spike) in the Quotes Flow at which Floating Profits/Losses for the Open Positions are calculated; or
- (e) because clause 6.1 is breached as a result of a Dispute in respect of another Order or position,

and the Company initiates a Dispute resolution in accordance with clause 9.1 or the Customer lodges a complaint which is recognised by the Company as reasonable, the Company has the option to reopen the erroneously closed position within a reasonably practicable time from the moment the Dispute arises where it is not to the disadvantage of the Customer. If within this time the erroneously closed position has not been reopened by the Company, the Company will pay the Customer the difference between the value of the closing position at the actual close price and the value of the closing position at the Quote which is registered in the Quotes Flow at the moment the Dispute arises.

The Customer acknowledges that the Customer will not be able to manage the position while the Dispute in respect of this position is being considered and no complaints in respect of that matter are accepted.

The Customer acknowledges that the Company will not notify the Customer that the Dispute has been resolved and the position has been reopened and the Customer shall be responsible for all the risks in this respect.

Once the Dispute has been resolved the Company has the right to trigger the Stop Loss or the Take Profit in the chronological order in which they would have been triggered if the Stop Out had not been executed.

9.21. In order to execute a Stop Out Instruction, a Dealer needs a reasonable period of time. No complaints in respect of the Instruction execution time, notwithstanding the amount of time a Dealer needs to execute it as well as the time of the relevant Server Log-File record, are accepted if clause 6.1 is not breached.

Opening/closing a position

9.22. No complaints are accepted if the Customer is not able to open/close a position:

- (a) because of the poor Internet connection either on the side of the Customer or the Company or both; or
- (b) at an Error Quote (Spike); or
- (c) if the Instruction precedes the first Quote in the Trading Platform on the Market Opening; or
- (d) if the Company makes a Manifest Error or if a Dealer has not processed the Instruction to open/close a position; or
- (e) as a result of the failure, malfunction or misuse of the Trading Platform software/hardware.

9.23. No complaints are accepted if the Customer is not able to open a position:

- (a) because of the insufficient Free Margin required to open the position as a result of an Error Quote (Spike) in the Quotes Flow at which Floating Profits/Losses for the Open Positions are calculated; or
- (b) because of the insufficient Free Margin required to open the position as a result of a Dispute in respect of another Order or position.

9.24. The Company has the right to delete a position if:

- (a) the Instruction to open the position precedes the first Quote in the Trading Platform on the Market Opening and a Dealer erroneously executes it at the close price of the previous trading session; or
- (b) a Dealer erroneously executes the Instruction to open the position at an Error Quote (Spike); or
- (c) the Company makes a Manifest Error while processing the Customer's Instruction to open the position.

9.25. The Company has the right to void any Transaction if the corresponding hedge trade has been cancelled by a Liquidity Provider.

10. Interpretation of terms

10.1. In these Terms of Business:

"Abnormal Market Conditions" shall mean Thin Market or Fast market.

"Bar/Candle" shall mean a Chart element, which shows opening and closing prices, as well as the lowest and the highest prices for the definite period of time (for example, minute, 5 minutes, a day, a week).

"Buy Limit" shall have the meaning given in clause 5.1.

"Buy Stop" shall have the meaning given in clause 5.1.

“Chart” shall mean the Market Snapshots information in the form of a chart. For the period relevant for a Bar/Candle:

- (a) Bar/Candle high is the highest Bid,
- (b) Bar/Candle low is the lowest Bid,
- (c) Bar/Candle close price is the last Bid,
- (d) Bar/Candle open price is the first Bid.

“Client Terminal Log-File” shall mean the file, which is created by the Client Terminal in order to record all the Customer’s Instructions with accuracy to a second.

“Company” shall mean Alpari (UK) Limited, which is authorised and regulated by the Financial Services Authority (FSA Register number 448002). The Company is registered in the UK, registered number 05284142. Its registered office is 201, Bishopsgate, London EC2M 3AB.

“Customer” shall mean a legal entity or an individual being a party to the Operative Agreements with the Company in respect of making Transactions, subject to Margin Trading.

“Customer Agreement” shall mean the agreement between the Company and the Customer, which together with the Terms of Business and the Risk Acknowledgement and Disclosure are defined as “Operative Agreements” and govern the terms on which the Company deals with the Customer.

“Day Order” shall mean an Order which is automatically deleted at the end of the trading session.

“Dealer” shall mean the Server or an employee of the Company who is authorised to process the Customer’s Instructions and execute Orders and Stop Outs.

“Expert Advisor” shall mean an algorithm in the form of a program based on MetaQuotes Language 4, which is used to control a Trading Account and give Instructions to the Server via the Client Terminal.

“Fast Market” shall mean rapid movements on the market for the short period of time often causing Price Gaps and/or wider than usual Spreads. Generally it may occur immediately before or after any important event such as:

- (a) releases of main macroeconomic indicators on global economies, which have great impact on the financial market;
- (b) central banks decisions on interest rates;
- (c) press conferences and speeches of the central banks heads, heads of state, financial ministers and other significant announcements;
- (d) interventions;
- (e) terror attacks;
- (f) natural disasters or other “Acts of God” which cause the announcement of the state of emergency (or other restrictive measures) on the affected territories;
- (g) war or any other military actions;
- (h) political force majeure: dismissal or appointment (including election results) of the government executives;
- (i) any other similar events which influence price movements.

“GTC” (“Good Till Cancelled”) shall mean the Order which is valid until the Customer sends the Instruction to delete the Order.

“If-Done Order” shall have the meaning given in clause 5.2.

“Liquidity Provider” shall mean a bank or an ECN which is streaming tradable prices to the Company and may be used by the Company to hedge the Customer’s trades.

“Manifest Error” shall mean an error of a Dealer who opens/closes a position or executes an Order at the price which significantly differs from the price for this Instrument in the Quotes Flow at the moment of taking this action, or any other Dealer’s action in respect of the prices which are significantly different from the market prices.

“Market Opening” shall mean the time at which the market opens after weekends, holidays or trading sessions time gaps.

“Market Snapshot” shall mean Quotes for Instruments at a particular moment in time.

“New Margin” shall have the meaning given in clause 3.6.

“Normal Market Conditions” shall mean the market where:

- (a) there are no considerable breaks in the Quotes Flow in the Trading Platform; and
- (b) there are no fast price movements; and
- (c) Spreads are not wider than usual; and
- (d) there are no large Price Gaps.

“Our Services Webpage” shall mean the webpage of the Website on which the Leverage size information is displayed. At the moment of this document the information is posted on <http://www.alpari.co.uk/en/company/services.html>.

“Pending Order” shall mean an instruction from the Customer to the Company to open a position once the price has reached the level of the Order.

“Point” / “Pip” shall mean the numerical value of the last, or right-most, digit of a Quote.

“Price Gap on the Market Opening” shall mean the following:

- (a) the first Bid of the current trading session is higher than the last Ask of the previous session; or
- (b) the first Ask of the current trading session is lower than the last Bid of the previous session.

“Sell Limit” shall have the meaning given in clause 5.1.

“Sell Stop” shall have the meaning given in clause 5.1.

“Server Log-File” shall mean the file created by the Server, which records accurately to a second all Instructions sent by the Customer to the Company as well as the results of their execution.

“Stop Loss” shall have the meaning given in clause 5.2.

“Stop Out” shall mean an instruction to close the Customer’s Open Position without the consent of the Customer or any prior notice in a case of insufficient funds required for maintaining Open Positions.

“Take Profit” shall have the meaning given in clause 5.2.

“Thin Market” shall mean the market in which the Quotes in the Trading Platform are rare as opposed to the Normal Market Conditions. Such conditions are usual for Christmas, national holidays in G7, from 20:00 till 00:00 GMT etc.

“Ticker” shall mean the unique identity number assigned for each Open Position or Pending Order or deposit/withdrawal transaction in the Trading Platform.

“Trading Platform Time Zone” shall mean the time zone in which the Server Log-File records any event. At the time of the release of this document the Trading Platform Time Zone is GMT/BST + 2.

10.2. All references to a statutory provision include references to:

- (a) any statutory modification, consolidation or re-enactment of it, whether before or after the date of these Terms of Business, for the time being in force;
- (b) all statutory instruments or orders made pursuant to it; and
- (c) any statutory provision of which that statutory provision is a re-enactment or modification.

10.3. Words denoting the singular include the plural and vice versa; words denoting any gender include all genders; and words denoting persons include corporations, partnerships, other unincorporated bodies and all other legal entities and vice versa.

10.4. Unless otherwise stated, a reference to a clause, party or a schedule is a reference to respectively a clause in or a party or schedule to these Terms of Business.

10.5. The clause headings are inserted for ease of reference only and do not affect the construction of these Terms of Business.

Alpari (UK) Limited
April 2012