

REGULATIONS OF TRADING OPERATIONS

1. General

- 1.1. These trading operations Regulations (hereinafter — Regulations) of Alfa Capital Holdings (Cyprus) Limited (hereinafter the “Company”) define the procedure and terms for affording transactions on purchase/ sale of financial instruments on the FOREX market to any clients.
- 1.2. The purpose of these Regulations is to define the procedure for processing and execution of Clients’ instructions (transactions/orders) and to describe other aspects of the mutual relations between the Company and a Client in the process of making Conversion Arbitrage Transactions for buy/sell of financial instruments.
- 1.3. This document will be released on the Company’s website and be an integral part of the Margin Trading Agreement on Conversion Arbitrage Transactions.
- 1.4. At any time, the Company may make amendments in the provisions of these Regulations. The updated document shall be uploaded on the Company’s website or communicated to the Client via e-mail.

2. Quotes of financial instruments. Giving trading instructions (transactions/ orders). Executing Conversion Arbitrage Transactions.

- 2.1. The quotes that appear on the Client’s Trading Platforms are indicative and represent the current market price received from liquidity providers.
- 2.2. If there is a gap in the stream of quotes caused by a hardware or software failure, the Company may synchronize the base of quotes with any available source and will bear no responsibility for the quality of the stream of quotes; in this case the Company will make every effort for supporting the base of quotes in the correct state.
- 2.3. The Client will bear full responsibility for his/her understanding of all the trading aspects as well as laws and rules regulating the trading.
- 2.4. The Client acknowledges the existence of technical risks and assumes all risks connected with the occurrence of any hardware, software or connection problems, and undertakes to notify immediately the Company if such problems come to his/her attention.
- 2.5. The Client will execute Conversion Arbitrage Transaction at the prices (quotes) given by the Company. Trading instructions (transactions/orders) for purchase are given through the Trading Terminal at an Ask Price and for sale at a Bid Price. The result of the execution of a trading order will depend on the type of a trading order and market situation.
- 2.6. The graphs on the Trading Platform are built at the Bid Price.
- 2.7. The services rendered to the Client will be limited exclusively to the execution of trading instructions (transactions/orders). The Company will not give any personal recommendations or advice related to financial instruments. Explanation of the terms of a Trading Operation, general comments on the structure

of a financial instrument or its basic indicators and specifications are not considered personal recommendations or advice.

- 2.8. As soon as the Client is on-boarded, the Company will send to the Client's e-mail an individual login and password for access to the Trading Platform(s) made available by the Company.
- 2.9. A trading order for the execution a Conversion Arbitrage transaction is delivered by a Client to the Company via the Trading Platform or by phone. No other delivery of trading instructions (transactions/orders) for executing a Conversion Arbitrage Transaction will be accepted by the Company.
- 2.10. In order to execute a Conversion Arbitrage Transaction by phone, the Client is bound to provide his/her login (number of trading account), full name and voice password (code word), for identification purposes. The Dealer (person representing the Company for the purpose of accepting trading instructions from the Client) checks the correctness of all the identification details given by the Client. If all requested identification details have been communicated correctly by the Client, the Dealer notifies the Client of the readiness for executing the Client's trading instruction (transaction/order). Should any identification detail is communicated by the Client incorrectly, the Dealer has the right to terminate the conversation.

3. Trading Platforms

- 3.1. The Company will make available to the Client the following trading platforms for executing Conversion Arbitrage Transactions: MetaTrader 5 and BierbaumPro (hereinafter the "Trading Platforms"). The terms of trading on all Trading Platforms is posted on the Company's website. The list of the available Trading Platforms may be modified at the Company's discretion.
- 3.2.

4. Trading instruments

- 4.1. The Company offers Contracts for Difference (hereinafter "CFDs") on several underlying assets, the list of which can be found on the Company's website. Any changes in and additions to the trading terms are represented on the Company's Website as well as in the list of available instruments on the Trading Platforms.
- 4.2. Settlements under Conversion Arbitrage Transaction between the Company and Client are carried out without actual delivery of the underlying asset of a traded financial instrument.
- 4.3. Prices (quotes) offered to the Client for executing Conversion Arbitrage Transaction may differ from the prices streamed on the Trading Platform. The Company will not be held liable for Client's losses connected with such differences in price.

5. Spreads

The Company will offer to the Client market spreads, which may be affected by low or tight liquidity, high volatility or other financial and economic circumstances.



6. Opening and closing of an Instant execution trading position – execution type applicable to the trading platform MetaTrader 5

- 6.1. A trading position is opened and closed by placing an Instant Order. Instant Order is a trading order for the purchase or sale of a CFD at the price (quote) proposed by the Company. Purchase is executed at an Ask Price; sale – at a Bid Price.
- 6.2. Execution of an Instant Order for opening a trading position may result in opening a new trading position of the required volume at the price (quote) specified in the trading instruction (transaction/order). Should the price (quote) change during the processing of the trading instruction, the Company may offer a new price (requote); the Client will have some time to agree on such Requote. Agreement on a Requote will not guarantee execution thereof. A new trading instruction will be sent to the Company's server, however the price (quote) may change during the processing thereof. For reducing any Requote probability, the Client can use the parameter of the maximum deviation from the requested price (quote).
- 6.3. In case of non-availability of the required price, a transaction may be declined or the time of execution may be extended and as a result, best execution might not be achieved. Even though the Client has the option to cancel a trading order on the Trading Platform, the Company does not guarantee that such trading order will be cancelled.
- 6.4. The trading order can be cancelled only if the order has not been sent to the automated dealer.

7. Pending trading instructions (transactions/orders)

- 7.1. Pending order is an order for opening or closing a trading position, which is executed in the future, when the price reaches a specified level. In case of purchase, the price of execution (activation) of a pending order is Ask, in case of sale - Bid.
- 7.2. In the trading platform MetaTrader 5 there are eight types of Pending orders: Buy Limit, Sell Limit, Buy Stop, Sell Stop, Buy Stop Limit, Sell Stop Limit, Stop Loss, Take Profit.
- 7.3. Buy Limit is a type of pending order to purchase a financial instrument at a price lower than the current market price. Execution (activation) of a Buy Limit may result in opening a new trading position at the price specified in the pending order or better (positive slippage). In case of lack of liquidity at the market, such order may be executed partially or not executed at all (in this case the order will remain at the market). In case of partial execution, an order with the same parameters for the remaining part of the volume will be placed at the market.
- 7.4. Sell Limit is a type of pending order to sell a financial instrument at a price higher than the current market price. Execution (activation) of a Sell Limit may result in opening a new trading position at the sale price specified in the pending order or better (positive slippage). In case of lack of liquidity at the market, such order may be executed partially or not executed at all (in this case the order remains at the market). In case of partial execution, an order with the same parameters for the remaining part of the volume will be placed at the market.
- 7.5. Buy Stop is a type of pending order to purchase a financial instrument at a price higher than the current market price. When the price reaches the Buy Stop level, a market trading order is placed for the purchase of the relevant volume. Execution (activation) of a Buy Stop may result in opening a new trading position for purchase. The execution price may differ from the price specified in the pending order, both upwards



and downwards. The result of execution (activation) of this trading order will depend on the market situation and current liquidity.

- 7.6. Sell Stop is a type of pending order to sell a financial instrument at a price lower than the current market price. When the price reaches the Sell Stop level, a market trading instruction is placed for the sale of the relevant volume. Execution (activation) price may differ from the price specified in the pending order, both upwards and downwards. The result of execution (activation) will depend on the market situation and current liquidity.
- 7.7. Buy Stop Limit is a type of pending order, which combines the Buy Stop and Buy Limit orders and constitutes a stop order to place a buy limit order. As soon as the future Ask price reaches the stop-level specified in this order (the Price field) a Buy Limit order will be placed at the level specified in the Stop Limit Price field. The stop-level is set higher than the current Ask price, while the Stop Limit price is set lower than the stop-level.
- 7.8. Sell Stop Limit is a type of pending order, which is a stop- order for placing a sell limit order. As soon as the future Bid Price reaches the stop-level specified in the order (the Price field) a Sell Limit order will be placed at the level specified in the Stop Limit Price field. The stop-level is set lower than the current Bid price, while the Stop Limit Price is set higher than the stop-level.
- 7.9. The Company reserves the right to deny placing a pending trading order for the Client, if at the time of giving the order there is insufficient available margin on the Client's trading account.
- 7.10. A Stop Loss trading order is placed to limit losses in case the price of the financial instrument starts to move in an unfavourable for the Client direction. If the price of the instrument reaches a certain level, the position is fully closed automatically. For long positions, the order is set below the current Bid price, while for short positions the order is set above the current Ask price. The rules for execution (activation) of a Stop Loss order are similar to the rules for execution (activation) of Buy Stop and Sell Stop orders.
- 7.11. A Take Profit order is placed to close a trading position when the price of the financial instrument has reached a certain level. For long positions, the order is set above the current Bid price, while for short positions the order is set below the current Ask price. The rules for execution of a Take Profit order are similar to the rules for execution of Buy Limit and Sell Limit orders.
- 7.12. In case of non-availability of the required liquidity, the time of execution of a trading order may be extended.
- 7.13. The Company will make every effort to execute (activate) a pending order exactly at the posted price (quote) or at a more profitable price for the Client. If there is no possibility to execute (activate) a pending order at the price specified in the trading instruction (transaction/order), the Company will execute such order at the best possible price at the time of execution (activation) thereof.
- 7.14. Pending orders of any type may be modified or removed by the Client. The Company may decline a Client order for modifying or removing a Pending order, if the order has already been placed the waiting line for execution (activation).
- 7.15. For the automation of the process of placing a Stop Loss order, MetaTrader 5 offers the option to set a Trailing Stop. This tool is useful during periods of high volatility, when it is very difficult to monitor the market continuously. The Trailing Stop tool generates commands for modifying the Stop Loss level according to the current price of the financial instrument. The Client must remember that the Trailing Stop function does not guarantee the adequate moving of stop loss level in accordance with the tick history.

8. Rollover of open positions

- 8.1. Open trading positions are automatically rolled over from one Business day to another one with subsequent payment of a fee reflecting the cost of such rollover (swap), which can be both positive and negative subject to the conditions of the market, financial instrument, direction and volume of the relevant open trading position.
- 8.2. The process of rolling over open trading positions to the next business day takes place within a time interval from 23:55 to 00:00 (GMT+3 time). The current swap value can be found on the Trading Platform. At the Wednesday/Thursday rollover, the swap is collected/charged at a threefold rate. For ruble currency pairs and CFDs on shares of foreign companies (excluding Russian companies) the swaps are collected/charged at a threefold rate at the Thursday/Friday rollover.
- 8.3. The Company reserves the right to modify a swap value without notifying the Client in advance.

9. Time of Trading Platform

- 9.1. The time of MetaTrader 5 and BierbaumPro trading platforms is set to GMT+3.
- 9.2. The time of a trading platform may be revised by the Company.

10. Quote gap, price gap

- 10.1. A quote gap on the graph of a Trading Platform can arise, when very quick (drastic) change of the price of a financial instrument takes place.
- 10.2. In case of a quote gap, all trading orders are triggered at the first available market price.

11. Leverage

- 11.1. The Company grants to the Client leverage for trading. The size of the leverage is determined by the Terms of Trading, which can be found on the Company's Website or on the Trading Platform.
- 11.2. The Company may revise the leverage and stop-out level for different financial instruments. All changes will be posted on the Company's Website.

12. Margin

- 12.1. Margin is the amount of money needed in a Client's trading account to maintain an open position.
- 12.2. The margin level on the Trading Platform is calculated by the following formula: $\text{Equity}/\text{Margin} * 100\%$.
- 12.3. The Company may decline any Client order for opening a trading position, if there is insufficient available margin on the Client's trading account.
- 12.4. The Margin Requirements for transactions is determined by the Company at its sole and absolute discretion for each trading instrument. The Company has the right, unilaterally and at its absolute discretion, to change the parameters of Margin requirements for transactions with respect to any trading instrument. Such changes will be published at the Company's website.
- 12.5. The Company will close any or all open trading positions, if the margin level on the Client's trading account falls below the 'stop-out level'. The stop-out level depends on the underlying asset of the CFD contract and is subject to regulatory intervention. Generally, the first to be closed is the most losing open trading

position. The contract specifications and margin requirements, including leverage limits and stop-out levels, are posted on the Company's website.

- 12.6. Forced closing of a Client's trading position by the Company is called as stop out.

13. Nonmarket Quote

- 13.1. The Company may cancel or correct a Client's Conversion Arbitrage transaction, if there are grounds to believe that a Nonmarket Quote was used for the execution thereof. The Company may, at its sole discretion and reasonable opinion, determine whether a quote is a Nonmarket Quote or not.

14. Advisors and indicators

- 14.1. The Client assumes full responsibility and risks connected with using any applications and software of third party developers, directly or indirectly installed on the Client's Trading Platform. Such software can include different types of trading advisors installed for automatic or semi-automatic trading on the trading account and different types of indicators, which are allegedly designed to identify favourable periods for trading.
- 14.2. The Company will bear no responsibility for Conversion Arbitrage Transaction and signals generated by the used trading advisor or indicator and Client's profits and losses resulting therefrom. The Client will bear full responsibility for control of all Conversion Arbitrage Transaction carried out on the Client's trading account and profits or losses resulting from such operations.
- 14.3. In case of generation of any excessive load on the server, the Company reserves the right to prohibit the use of advisors or stop Conversion Arbitrage Transactions on the Client's trading account at any time.