

**This MARGIN TRADING AGREEMENT No. \_\_\_\_\_ ON CONVERSION ARBITRAGE TRANSACTIONS** (this “**Agreement**”) is entered into this \_\_\_ day of \_\_\_\_ 201\_ by and between:

**Alfa Capital Holdings (Cyprus) Limited**, a company incorporated under the laws of the Republic of Cyprus with registration number HE 78416, with its registered office at Themistokli Dervi, 5 Elenion Building, 2nd Floor, 1066 Nicosia, Cyprus, authorized as a Cyprus Investment Firm by the Cyprus Securities and Exchange Commission (with License number 025/04) (hereinafter the “**Company**”) represented by Director Mr. Konstantinos Hadjisavvas, acting on the basis of the Articles of Association, and

\_\_\_\_\_ incorporated under the laws of \_\_\_\_\_, with its registered office at \_\_\_\_\_ (the “**Counterparty**”) represented by \_\_\_\_\_, acting on the basis of [Articles of Association]/ [Power of attorney \_\_\_\_\_] (each hereinafter referred to as a «Party» and collectively – the «Parties»).

## **1. Terms and Definitions**

1.1. The following terms shall have the following meaning when used in this Agreement:

“**Business Day**” shall mean,

- in relation to clauses 3.4, 4.10, 8.1, 9.3, 9.7, 10.5 and 10.6, any day, except Saturday and Sunday and official public holidays in Cyprus and Moscow (Russia);

- in relation to the definition of “**Value Date**”, clauses 4.1, 4.12 and 4.15, any day, except Saturday and Sunday and official public holidays in the country whose national currency is involved in the Conversion Arbitrage Transaction;

- in relation to clause 3.5, any day, except Saturday and Sunday and official public holidays in Cyprus and in the country whose national currency is the currency of the Trading Account;

- in relation to clauses 3.11, 4.18, any day, except Saturday and Sunday and official public holidays in the country whose national currency is the currency of the Trading Account.

“**Company’s Website**” shall mean the Company’s website at [www.alfacapital.com.cy](http://www.alfacapital.com.cy).

“**Competent Authority**” shall mean the authority designated by each Member State in accordance with Article 67 of Directive 2014/65/EU, unless otherwise specified in Law 87(I)/2017.

“**Conversion Arbitrage Transaction**” shall mean a transaction for buying or selling of an Underlying Asset against a Counter Asset, provided that no actual delivery of the Underlying Asset and/or the Counter Asset shall take place and settlement shall be made in accordance with section 5 of this Agreement. The words “**buy**” and “**sell**” for the purposes of this Agreement shall be read and construed as technical terms only, since this Agreement does not envisage transfer of title to any Underlying Asset and/or Counter Asset.

“**Counter Asset**” shall mean the asset traded against an Underlying Asset and in which the outcome of the Conversion Arbitrage Transaction is expressed.

“**Current Market Rate**” shall mean at any time the current rate for entering into transactions with the Trading Instrument on the relevant financial market as indicated in the Trading Platform.

“**Force Majeure Event**” shall have the meaning as provided in clauses 7.4-7.6.

“**Free Funds**” shall mean the amount of funds on the Trading Account not used by the Company for performance of Counterparty’s obligations under Conversion Arbitrage Transactions and maintaining of Counterparty’s Open Positions.

“**Losses**” shall mean any losses, liabilities, damages, fines, penalties, deficiencies, costs or expenses, including fees and expenses of attorneys or other experts and professional advisers.

“**Margin Trading**” shall mean entering into Conversion Arbitrage Transactions by the Counterparty with money borrowed from the Company for that purpose. The collateral for the margin is the Variable Margin

and any other funds in the Trading Account. The level of increase of the Variable Margin is determined under the Company's sole and absolute discretion and is published on the Company's Website in the 'Contract Specifications and Margin Requirements' document and the potential arbitrage loss in the Counter Asset shall be covered by the current amount of the Counterparty's Variable Margin.

**"Minimum Margin for Transactions"** shall mean amount of funds security required by the Company from the Counterparty to conclude Conversion Arbitrage Transactions (to open Counterparty's positions thereunder) and ensure the proper execution of the Counterparty's obligations. The Minimum Margin for transactions for each trading instrument is determined by the Company at its sole and absolute discretion and is published on the Company's Website in the 'Contract Specifications and Margin Requirements' document. The company has the right to unilaterally and at its absolute discretion change the parameters of Margin requirements for transactions with respect to any trading instrument. Such changes will be published on the Company's Website.

**"Margin Trading Account"** shall mean a special account owned by the Company and used thereby to secure performance of the Counterparty's obligations under the present Agreement and maintain the Counterparty's positions for transactions stipulated hereby.

**"Non-Market Quote"** shall mean a quote that appeared as a result of:

1. a substantial price gap;
2. price movement to the initial level within a short period of time with a price gap formation;
3. lack of rapid movement of a price before such quote appeared (price emission);
4. lack at the point of its appearance of macroeconomic events and/or corporate events which could have had a significant impact on the instrument's rate; and/or
5. other actions or events that had a significant impact on the instrument's rate.

**"Open Position"** shall mean the amount of a Trading Instrument bought (or sold) and which is not covered by an opposite buy (or sell) of the Trading Instrument. For the purposes of this definition the words "buy" and "sell" are technical terms only, as neither actual purchase or sale of a Trading instrument shall take place nor shall transfer of title to the Trading instrument occur.

**"Order Handling and Best Execution Policy"** shall mean the Order Handling and Best Execution Policy of the Company as published on the Company's website.

**"Parties"** shall mean collectively the Company and the Counterparty.

**"Precious Metals"** shall mean gold, silver, platinum, palladium.

**"Contract Specifications and Margin Requirements"** shall mean trading terms (spread, contract size, average swap, leverage, stop-out level, etc.) for Trading Instruments. The 'Contract Specifications and Margin Requirements document' is placed on the Company's Website in the section "Terms of Trading", under "All Documents". The Company may unilaterally at its sole and absolute discretion amend from time to time the Contract Specifications and Margin Requirements. Such amendments will be published on the Company's Website.

**"Swap"** shall mean a transaction of simultaneous buy and sell of a currency with different value dates. The given transaction is carried out when rolling over the open trading position for the next day, with swap points, calculated for each trading instrument and indicated in the Trading terminal added/written off.

**"Trading Instruments"** shall mean CFDs and rolling spots.

**"Trading Platform"** shall mean any of the possible IT programs for concluding Conversion Arbitrage Transactions, namely the MetaTrader platform version 5 and the Bierbaum Pro platform. The Company may unilaterally at its sole and absolute discretion amend from time to time the List of Trading Platforms. Such amendments will be communicated to all affected Counterparties and published on the Company's Website.

**"Underlying Asset"** shall mean the asset upon which the Trading Instrument's price is based.

**"Value Date"** shall mean the day on which settlements are due to be made in relation to Conversion Arbitrage Transactions. Should the Value Date "today" ("tod") apply to a Conversion Arbitrage Transaction, settlement thereunder shall be made not later than at the end of the first Business Day the transaction was

entered into (or later, should any of the circumstances described in clauses 6.2 or 6.3 occur). Should the Value Date “tomorrow” («tom») apply to a Conversion Arbitrage Transaction, settlement thereunder shall be made not later than at the end of the next Business Day following the day when the transaction was entered into (or later, should any of the circumstances described in clauses 6.2 or 6.3 occur).

“**Variable Margin**” (**equity**) shall mean the total Counterparty’s balance on the Trading Account in the currency of the Trading Account for all Trading Instruments on condition of real-time re-evaluation of the Counterparty’s Open Positions at the Current Market Rate in the Trading Platform.

1.2 In this Agreement:

(a) any links are provided for convenience only and shall not in any way affect the meaning or interpretation of this Agreement in whole or any of its provisions;

(b) the section headings are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement in whole or any of its provisions;

(c) unless otherwise is expressly provided for in this Agreement and/or context otherwise requires, any references to clauses, sections and Annexes shall be references to clauses, sections and Annexes hereto;

(d) unless the contrary intention appears, words importing the plural shall include singular and vice versa; and

(e) unless the contrary intention appears and/or context otherwise requires, any reference to this Agreement shall be interpreted as a reference to:

(i) this Agreement as amended, varied, restated or supplemented from time to time;

(ii) any other agreement or document whereby the Agreement is so amended, varied, restated or supplemented; and

(iii) any other agreement or document entered into pursuant to, or in accordance with, the Agreement.

(f) a party to this Agreement include references to its successors, transferees and assignees;

(g) statutory provisions are construed as references to those provisions as respectively amended, consolidated, extended or re-enacted from time to time, and to any orders, regulations, instruments or other subordinate legislation made under the relevant statute;

(h) “a company” includes references to any company, corporation or other body corporate, wherever and however incorporated or established;

(i) “a regulation” includes references to any regulation, rule, official directive, request or guideline, whether or not having the force of law, of any governmental body, agency, department or regulatory, self-regulatory or other authority or organisation, and which is valid and enforceable in Cyprus; and

(j) the word “include”, “includes” or “including” shall be deemed to be followed by the words "without limitation".

(k) Any reference in this Agreement to the masculine gender shall be taken to include the feminine.

## **2. Subject of the Agreement**

Subject of this Agreement is making of Conversion Arbitrage Transactions on the Margin Trading basis between the Counterparty and the Company.

## **3. General Provisions**

3.1. The Company and the Counterparty may from time to time enter into Conversion Arbitrage Transactions in accordance with the terms and conditions of this Agreement.

3.2. The Counterparty has the right to use services of dealing over the telephone, to place orders, to obtain information about their balance, equity, margin and total floating profit and losses, to close existing positions, to modify orders and to delete pending orders. Dealing desk will be able to proceed with the Counterparty’s request only upon verification of certain information by the Counterparty’s representative, such as name and a unique identifier such as registration address, number of trading account and voice password. In case the Counterparty’s representative provides incorrect details or refuses to go through this process, telephone instructions are not accepted and the dealer has the right to terminate the telephone conversation.

3.3. The Counterparty agrees that any funds transferred to the Company under this Agreement shall be credited to the Margin Trading Account and used by the Company to perform the Counterparty’s obligations under this Agreement. The Counterparty has the right to open several Margin Trading Accounts with separate

records of margin parameters for each Open Positions with regard to the provisions of Articles 4.16 - 4.19 and clause 5 of this Agreement.

3.4. In the absence of Open Positions, Counterparty has the right to withdraw all available funds by delivering to the Company a respective order for funds transfer one (1) Business Day prior to the proposed transfer. In this case, the Counterparty shall lose the right to conversion arbitrage transactions with the Company until the reflected Counterparty's balance on the Trading Account is not less than the required amount of Minimum Margin for Transactions.

3.5. An order to transfer funds from the Margin Trading Account may be given to the Company's representative by e-mail containing the scanned copy of the signed order, or by fax, provided that the transfer of funds by the Company shall be made on Business Days only.

3.6. Execution of transactions hereunder shall commence not earlier than on the first Business day following the day on which the amount required to execute transactions and to provide cover of exchange losses for transactions between the Counterparty and the Company is credited to the Company's account.

3.7. After signing this Agreement, the Counterparty shall be provided with an individual password for the purpose of Counterparty's identification when entering into a transaction. The password may be changed on demand of either of the Parties. If the password is changed the appropriate notice in writing shall be sent to the Counterparty. It is suggested to Counterparty to set voice password for the purpose of Counterparty's identification at the transaction confirmation by telephone. The Counterparty shall ensure that third persons have no access to the voice password. Should the Counterparty fail to do so, it shall not be entitled to challenge the validity of a transaction executed pursuant to this Agreement when the correct voice password has been sounded.

3.8. Company has the right to limit time of quoting any Trading instruments due to low liquidity for the relevant Trading instruments.

3.9. The Counterparty may not transfer rights, vest responsibilities, or otherwise transfer or purport to assign rights or obligations under this Agreement without the prior written consent of the Company. Any purported assignment or transfer in violation of this condition shall be considered void.

3.10. Company has the right to assign its right and liabilities under this Agreement to third parties with Counterparty's consent.

3.11 If the Counterparty is classified as a Retail Client, we shall inform you where the initial value of your positions in leveraged financial instruments depreciated by 10% and thereafter at multiples of 10%. Reporting will take place no later than the close of the next Business Day after the day in which the threshold is exceeded.

#### 4. Conversion Arbitrage Transactions Procedure

4.1. A Conversion Arbitrage Transaction may be entered into on any Business Day or on other day agreed by the Parties. Any Conversion Arbitrage Transaction shall be entered into on a Margin Trading basis irrespective of whether or not it is specifically indicated in this Agreement.

4.2. The Counterparty shall ensure that third persons have no access to the communication facilities used for exchanging communications between the Parties and, except as provided for in this Agreement, the Counterparty shall personally enter into each transaction hereunder. Should the Counterparty fail to comply with the above, it shall not be entitled to challenge the validity of transactions executed pursuant to this Agreement.

The Counterparty shall have the right to appoint one or more representatives to conclude Conversion Arbitrage Transactions on its behalf. In doing so, the Counterparty shall issue power(s) of attorney which is available upon request to the Company, or in any other form the Company is satisfied with, in case it is proved it is not possible for some reason to issue power of attorney in the form.

4.3. The Company shall ensure that only its authorised representatives have access to the communication facilities used for exchanging messages between the Parties. Should the Company fail to do so, it shall not be entitled to challenge the validity of transactions executed pursuant to this Agreement.

4.4. The Company shall inform the Counterparty of the Trading instruments quotations according to generally accepted practice. The Company shall provide the quotation for the Trading instruments denominated only in the Underlying Asset of the given quotation. The amount of open positions of Counterparty may not exceed the equivalent of 2 000 000 000 USD, provided that the Company reserves the right to unilaterally change the requirements to ratio of the Counterparty's Open position and Variable Margin. Minimum margin for transactions in financial markets shall be stipulated for each Trading instrument separately on the Company's Website. In case of dispute Parties shall be bound by the level of the minimum margin indicated on the Company's Website on the moment of entering into the relevant Conversion Arbitrage Transaction that shall be proved by logs from the Company's Website of the Company and/or Trading Platforms at Company's discretion. The Company has the right to unilaterally change the amount of Minimum Margin for all Trading instruments within the term of the present Agreement.

4.5. Authorized representatives of the Company and the Counterparty (or its authorized representatives) shall agree the conditions stipulated in clause 4.6 hereof and shall execute transactions hereunder by telephone, by e-mail or through the Trading Platforms which are intended for execution of Conversion Arbitrage Transactions and listed in Annex 4 hereto. The list of such Trading Platforms may be amended from time to time by the Company and relevant amendments will be placed on the Company's Website or sent to the Counterparty by e-mail. The Counterparty undertakes to examine rules and conditions of usage of such Trading Platforms which it intends to use for execution of transactions hereunder before it begins to use such Trading Platforms. The rules and conditions of usage of such Trading Platforms may be found on the Company's Website. Signing of this Agreement by the Counterparty shall mean the Counterparty's express undertaking to examine the rules and conditions of usage of such Trading Platforms by means of which it intends to execute transactions before the beginning of use of such Trading Platforms. The Counterparty undertakes to disclose to its employers and officers the rules and conditions of using of the relevant Trading Platforms. Should the Counterparty appoint a representative for execution of transactions on its behalf, the Counterparty undertakes to disclose to such representative the rules and conditions of use of the relevant Trading Platforms. In case of usage by the Counterparty, its officers, employers or representatives of a Trading Platform, the Counterparty, its officers, employers or representatives may not allege they did not learn or understand the rules and conditions of usage of such a Trading Platform. In case the Counterparty does not understand the rules and conditions of usage of a Trading Platform, it is recommended to the Counterparty to seek for help of a specialist capable to explain the relevant rules and conditions.

4.6. The Counterparty has the right to request from the Company Trading Instruments rates (quotes) in accordance with the Contract Specifications and Margin Requirements. The Company shall provide to the Counterparty Trading Instruments' rates (quotes) in accordance with market practice. In doing so, the Company shall provide the rates only for the amount indicated in the Underlying Asset of the rate.

4.7. Any Conversion Arbitrage Transaction shall not be deemed to be entered (or not executed if any of the

Parties has performed their respective obligations by this Transaction) and be subject to cancellation by the Company if such transaction was entered into or executed based on a Non-Market Quote. As a result of such cancellation the financial result of the transaction shall be also cancelled and the Parties shall be reinstated to the position they were in prior to the entry into or execution of the transaction (as the case may be). The Company shall be entitled to reasonably determine at its sole and absolute discretion whether or not a quote is a Non-Market Quote.

4.8. Except for as provided clauses 4.14 and 4.15 (closing and roll-over of the Counterparty's Open Positions), when entering into a Conversion Arbitrage Transaction, the Company and the Counterparty shall agree upon the following terms and conditions:

- the trading date (if applicable);
- the accurate trading time (if applicable);
- the type of the order;
- the instrument identification;
- the buy/sell indicator;
- the nature of the order if other than buy/sell;
- the quantity;
- the unit price.

Unless otherwise is expressly provided for in this Agreement, the Value Date "today" ("tod") shall apply to all Conversion Arbitrage Transactions.

For the avoidance of doubt, any Conversion Arbitrage Transaction shall contain terms and conditions stipulated by this clause. Clauses 4.14 and 4.15 shall only provide for automatic entry into Conversion Arbitrage Transactions on certain terms and conditions (as set out in those clauses) which the Counterparty expressly approves and consents to by accepting terms and conditions of this Agreement and/or entering into a Conversion Arbitrage Transaction.

4.9. The Parties may also, when entering into a Conversion Arbitrage Transaction, agree upon that Value Date "tod" shall not necessarily apply to such transaction. This shall mean that settlement under such transaction shall be made at any time after the transaction is entered into (including without limitation, for the avoidance of doubt, at the same date the transaction is entered into) on the basis of a Counterparty's order subject always to, and in accordance with provisions of Annex 1, which provisions shall apply to such Conversion Arbitrage Transaction.

4.10. The Parties acknowledge that they are legally bound by the terms of each transaction from the moment they agree to those terms and conditions as set out in clause 4.8 of this Agreement (whether orally or in writing). The terms and conditions of each transaction shall be evidenced by a confirmation in writing in the form of Annex 1 to this Agreement, which shall contain the terms and conditions of the transactions as set out in clause 4.8 of this Agreement, and, only when containing such terms and conditions, shall constitute a «confirmation» for the purposes of this Agreement. A transaction or confirmation shall be deemed in writing if entered through any Trading Platform which is capable of reproducing such communication in hard copy form or by e-mail.

4.11. The Company shall deliver to the Counterparty a confirmation in the form of Annex 1 to this Agreement by e-mail or by Trading Platform and each such confirmation shall be confirmed by the Counterparty by e-mail or by Trading Platform in accordance with its rules and conditions as soon as reasonably practical but without undue delay and in any way not later than by the term as stipulated by clause 4.9 hereof. Regardless of whether or not a confirmation was sent or confirmed by one Party to another Party by e-mail or by Trading system the transaction will constitute valid and binding obligations of the Parties.

Upon request of a Party, a confirmation shall be reproduced in hard copy form and be duly executed by the Parties, in which case the Company shall reproduce such confirmation in hard copy form, duly execute and deliver it to the Counterparty by courier or by facsimile as soon as reasonably practical and the Counterparty shall duly execute such confirmation and return it to the Company by the same way it was received without undue delay.

4.12. A transaction shall also be deemed confirmed by the Counterparty and executed on the terms and conditions stipulated in the Company's confirmation unless the Counterparty provides its objections within

one (1) Business day from the moment the Company's confirmation is receipt by the Counterparty by e-mail or by Trading system.

4.13. The Parties hereby consent to recording of their telephone conversations related to Conversion Arbitrage Transactions. Should any dispute arise in connection with the performance of this Agreement and/or Conversion Arbitrage Transactions, the Parties shall consider such records on magnetic or electronic carriers as sufficient evidence, including without limitation in any court or arbitration proceeding.

Further to the above the Counterparty confirms its understanding that the Company is obliged to record any form of communication (including email, instant messages, facsimile, telephone and other electronic communications) with the Counterparty that could result or result to a transaction. These records shall be retained for a period of 5 years, after the creation of the record, and when requested by the Competent Authority for a period of up to 7 years. Recordings may be made with or without the use of a spoken warning, tone, or similar notification to the Counterparty. Copy of these records could be available to the Counterparty upon request. These records shall be prima facie evidence of any orders or communications monitored or recorded. The Counterparty agrees that such records shall be admissible as such in any legal proceedings.

4.14. Should the Company receive from the Counterparty a Closing Order in relation to a Closing Position under a Conversion Arbitrage Transaction (the "**Initial Conversion Arbitrage Transaction**") prior to the Closing Time, provided that such order is delivered to the Company in compliance with clause 4.12 and the Closing Rate as indicated therein is expressly stipulated as "the Current Market Rate" or expressly refers thereto or to such other rate which will become the Current Market Rate prior to the Closing Time, such Closing Position shall be closed by the Company either promptly at the Current Market Rate in case the Closing Order expressly provides for or expressly refers to the Closing Position to be closed at the Current Market Rate, or later within the same day the Initial Conversion Arbitrage Transaction was entered into (the "**Initial Trade Date**") and promptly upon the Closing Rate as indicated in the Closing Order becomes the Current Market Rate, provided it shall become such prior to the Closing Time. Such closing shall be made by the Company by way of automatic entering into and execution on the Initial Trade Date of a new Conversion Arbitrage Transaction with the Counterparty on terms and conditions identical to the terms and conditions of the Initial Conversion Arbitrage Transaction, except for the transaction's tenor which changes to the opposite and the transaction's rate which changes to the rate as specified in the respective Closing Order.

4.15. Should the Company fail to receive from the Counterparty a Closing Order in relation to a Closing Position under an Initial Conversion Arbitrage Transaction prior to the Closing Time or receive a Closing Order to close same at such Closing Rate which is not and will not become the Current Market Rate prior to the Closing Time, such Closing Position shall be subject to an automatic roll-over by the Company to the next Business Day. Such roll-over action shall be made by the Company by way of:

- automatic entering into and execution on the Initial Trade Date of a new Conversion Arbitration Transaction with the Counterparty on terms and conditions identical to the terms and conditions of the Initial Conversion Arbitrage Transaction, except for the transaction's tenor which changes to the opposite, and
- automatic entering into on the Initial Trade Date of a new Conversion Arbitration Transaction with the Counterparty on terms and conditions identical to the terms and conditions of the Initial Conversion Arbitrage Transaction, except for the Value Date which changes to the Value Date "tomorrow" ("tom") (the "**Successive Conversion Arbitrage Transaction**").

The result of roll-over action shall be calculated by the Company by multiplication of the (relevant to the Trading Instrument) price of position roll-over (such price is defined by the Company and placed in the relevant sections of the Trading system) for the amount of the Underlying Asset and reflected in the Trading Account in the currency of the Trading Account at the Current Market Rate at the moment of making of the roll-over action.

Subject to provisions of clauses 4.12 – 4.14 and of this clause, the roll-over action shall be made by the Company in respect of each and every Initial Conversion Arbitrage Transaction and Successive Conversion Arbitrage Transaction every Business Day, until the Counterparty's open positions thereunder will be closed in accordance with terms and conditions hereof.

4.16. The number and total amount of the positions reopened shall be unlimited, provided that the amount of

Free Assets is not less than the Minimum Margin for Transactions. In case this requirement is not fulfilled by the Counterparty, the Counterparty shall not be entitled to increase its Open Positions.

4.17. If the current value of the Variable Margin of the trading account falls lower than limiting level according to the margin requirements indicated on the Company's Website in the 'Contract Specifications and Margin Requirements' document, for the purpose of prevention of possible rate losses, the Company may unilaterally automatically close (liquidate) Counterparty's Open Positions at the Current Market Rate.

4.18. If the Counterparty maintains Open Positions in several different Trading instruments, and keeps them open on week-ends or holidays, then the current balance of the Counterparty's Margin Trading Account shall be fixed at the Current Market Rates one hour prior to the end of the Company's Business Day, and shall be divided in proportion to amounts of the Counterparty's Open Positions in each Trading instrument, and the stop-out level shall be calculated for each Open Position separately. At the beginning of a Business day, the stop-out level shall be recalculated for the aggregate position.

4.19. The Counterparty may reduce the current Variable Margin. The remaining Variable Margin amount must be sufficient to maintain the Counterparty's Open Position, taking into account the ratio of the minimum margin amount to Open Position amount (Variable Margin amount shall not be less than the minimum margin amount).

The Counterparty may completely withdraw funds from the Company's account only if the Counterparty has no Open Positions and sums due to the Company. In this case, the Counterparty shall not be entitled to enter into Conversion Arbitrage Transactions under this Agreement.

4.20. The Counterparty completely acknowledges that in case he gives an order to transfer his funds from the Trading account, the Company shall at its sole and absolute discretion either close such positions at the Current Market Rate or cancel the order for such transfer, should the Counterparty expressed his consent to such cancellation.

4.21. The Company shall comply with all applicable obligations to act in the best interests of the Counterparty and strive to provide the best performance on the conditions within the requirements of the law in carrying out transactions on behalf of the Counterparty.

4.22. In accordance with their obligations under 4.21, the Company has established an Order Handling and Best Execution Policy. Unless the Counterparty notifies the Company to the contrary, the Counterparty agrees and consents to the Company's Order Handling and Best Execution Policy.

4.23. Specific instructions from the Counterparty in relation to the manner, in which transactions on behalf of the Counterparty should be executed, may prevent the Company from taking the steps that it has designed and implemented as part of the Order Handling and Execution Policy to obtain best execution in respect of the relevant transactions.

## **5. Payment Procedure**

5.1. The Counterparty undertakes to pay any amounts which are due to the Company in accordance with terms and conditions of this Agreement. The Counterparty warrants and acknowledges that he has read and understood and accepted the information relating to the fees, charges and expenses due to the Company, as this information is made available in the Company's Key Information Documents and at the Company's Website.

5.2. If total amount owed by the Counterparty to the Company under this Agreement be equal to the accrued amount owed by the Company to the Counterparty under same, then obligation to pay any amount will be automatically executed and settled.

5.3. If total amount owed under this Agreement by one Party be in excess of the total amount owed by the other Party under same, then the Party owing the larger total amount shall pay the excess to the other Party and all obligations to pay will be automatically satisfied and discharged.

5.4. The Company will provide the Counterparty with information on all costs and associated charges in relation to for the investment service(s) provided to the Counterparty in an aggregated form, unless the



Counterparty requests an itemised breakdown of such costs and charges. Such breakdown shall include the following:

- (a) One-off charges related to the provision of an investment service
- (b) On-going charges related to the provision of an investment service charges
- (c) All costs related to transactions initiated in the course of the provision of an investment service
- (d) Any charges that are related to ancillary services
- (e) Incidental costs

5.5 If the Counterparty is classified as professional or Eligible Counterparty (as defined in Law 87(I)/2017) the Counterparty undertakes to indemnify the Company against any and all losses, damages and expenses it may incur in connection with this Agreement, including but not limited to cases, when the Variable Margin is not sufficient to cover all such losses and damages..

5.6. The Counterparty agrees that its funds, if any, accounted by the Company on its Margin Trading Account pursuant shall be also used by the Company as security for performance of the Counterparty's obligations under this Agreement and Conversion Arbitrage Transactions. The Counterparty hereby entitles the Company to debit the Counterparty's funds held on the Margin Trading Account to discharge Counterparty's obligations under this Agreement and Conversion Arbitrage Transactions without any additional authorization from the Counterparty.

## **6. Risk Notification**

6.1. The Counterparty shall assume the risks of market fluctuations of the prices for the Trading Instruments and the risks of losses connected with them, including loss of money transferred to the Company to make Conversion Arbitrage Transactions. The attention of the Counterparty is specifically drawn to the Risk Warning on the Company's Website. The Counterparty by entering into this Agreement confirms that he has read and accepted the risks involved.

6.2. Any Trading Platform shall be provided "as is". The Company does not make any representation or warranty, whether expressed or implied, on proper, uninterrupted or error-free operation of any Trading Platform. The Counterparty shall assume the risks of financial losses which may arise as a result of Trading Platforms' faults or improper operation as well as of telecommunication, electronic or other similar problems.

6.3. When making Conversion Arbitrage Transactions using a Trading Platform, the Counterparty shall also assume the risks of financial losses that may arise as a result of:

- failures in hardware, software and low communication quality on the Counterparty's side;
- incorrect run of the Counterparty's equipment;
- incorrect settings of Trading Platforms on the Counterparty's side;
- delayed updating of Trading Platforms versions;
- misuse of Trading Platforms by the Counterparty.

6.4. The Counterparty understands that any information received from the Company or its employees or authorized representatives of the Company, is not and cannot be considered as an advice or as a recommendation for executing transactions.

6.5. The Company shall not bear any responsibility for actions or omissions of the Counterparty on realization of transactions and other operations in the currency market and the market of metals.

6.6. The Company shall not bear any responsibility for the damage caused to the Counterparty due to a disclosure of the Counterparty's password through no fault of the Company, and/or due to an access by unauthorized persons to the Counterparty's communication facilities used to enter into transactions hereunder.

## 7. Liabilities of the Parties

7.1. The Company, its shareholders, management, employees, agents and representatives (the “**Related Persons**”) as well as Company’s affiliates and their Related Persons shall not be liable for any Losses which may be incurred by the Counterparty pursuant to, or in connection with, this Agreement (including without limitation Conversion Arbitrage Transactions) irrespective of whether or not the Company was aware of them, except for the Losses resulting from the Company’s gross negligence or willful misconduct. In any event, the liability of the Company under this Agreement shall be limited to direct reasonable Losses and in no event whatsoever shall include any indirect, potential or unforeseeable Losses (including without limitation loss of profit).

7.2. The Company shall also not bear any responsibility for any Losses which may be incurred by the Counterparty due to a disclosure of the Counterparty’s password through no fault of the Company or due to an access by unauthorized persons to the Counterparty’s communication facilities used to make transactions hereunder.

7.3. The Counterparty shall be liable for any direct reasonable Losses incurred by the Company as a result of the Counterparty’s non-fulfilment or improper fulfilment of its obligations hereunder.

7.4 Neither Party shall be in breach of this Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control (“**Force Majeure Event**”). In such circumstances, the time for performance shall be extended by a period equivalent to the period during which performance of the obligation has been delayed or failed to be performed. If the period of delay or non-performance continues for 2 months, the Party not affected may terminate this agreement by giving 10 days written notice to the affected Party.

7.5 The Party claiming that a Force Majeure Event has occurred, shall as soon as reasonably practicable after the start of the Force Majeure Event, notify the other Party in writing of the Force Majeure Event, the date on which it started, it’s likely or potential duration, and the effect of the Force Majeure Event on its ability to perform any of its obligations under the Agreement.

7.6 A Force Majeure Event will include, but is not limited to, the following:

- (a) in relation to a Party, an event or circumstance beyond the reasonable control of that Party, including without limitation fires, strikes, insurrection or riots, embargoes, wrecks, requirements or regulations of any state authority, computer or power failures or breakdown of communication lines;
- (b) any act, event or occurrence (including without limitation any strike, riot or civil commotion, act of terrorism, war, industrial action, acts and regulations of any governmental bodies or authorities) that, prevents the maintenance of an orderly market in one or more of the Trading Instruments in respect of which this Agreement relates;
- (c) the suspension or closure of any market or the abandonment or failure of any event on which the Company bases, or to which it in any way relates, its quote, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event;
- (d) the occurrence of an excessive movement in the level of any transaction and/or the underlying market or its anticipation (acting reasonably) of the occurrence of such a movement;
- (e) any breakdown or failure of transmission, communication or computer facilities, interruption of power supply, or electronic or communications equipment failure;
- (f) failure of any relevant supplier, intermediate broker, agent or principal of the Company, custodian, sub-custodian, dealer, exchange, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations.

## 8. Notices

8.1. Unless otherwise is expressly provided for herein, any notice, claim or other communication to be made

under or in connection with this Agreement shall be made in writing and delivered to the respective Party to the address or email indicated below in this clause (or to the addressee at such other address as the addressee shall have specified to the other Party by a written notice actually received by such Party), and either by: (a) actual delivery in fully legible form to such address or (b) letter, which, unless actually is not delivered earlier, will be deemed delivered after three (3) days shall have elapsed after the same shall have been deposited in the mail (i) first-class airmail postage prepaid and registered or certified, with return receipt requested, or (ii) with express delivery (including air delivery) postage prepaid, with receipt required for delivery or (c) by email which will be deemed delivered on the next Business Day of sending the email.

**To the Company:**

3, Themistoklis Dervis Street, Julia House, 4th Floor, 1066 Nicosia, Cyprus

Telephone: +357 22470900,

Fax: +357 22681505

Email: [forex@alfacapital.com.cy](mailto:forex@alfacapital.com.cy); [compliance@alfacapital.com.cy](mailto:compliance@alfacapital.com.cy); [complaintsfx@alfacapital.com.cy](mailto:complaintsfx@alfacapital.com.cy).

**To the Counterparty:**

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

Above details shall be also duplicated in the Questionnaire

**9. Applicable Law and Disputes Resolution**

9.1. This Agreement (including acceptance of its terms by the Counterparty) shall be governed by and construed in accordance with Cyprus Laws.

9.2. Any dispute arising out of or in connection with this Agreement, including any question of its existence, validity or termination shall be referred to and finally resolved by the courts of the Republic of Cyprus.

9.3. Notwithstanding the above in clause 9.2, for the purpose of time effective consideration and resolution of any dispute, prior to such dispute shall be referred to be resolved by the courts in Cyprus each of the Parties shall use its reasonable endeavors to resolve the dispute by way of negotiations between the Parties within a reasonable term, but not more than (thirty) 30 calendar days from the date a notice on the respective dispute or claim the respective dispute is related to is first delivered by one Party to the other Party.

9.4. Complaints relating to the services offered by the Company may be made by any means and should in the first instance be made to the Company. Any client, who wishes to file a formal complaint, can do so via the standard Complaints Form which can be downloaded from the Company's Website. The Complaints Form should be duly completed and forwarded to the following electronic mail address: [complaintsfx@alfacapital.com.cy](mailto:complaintsfx@alfacapital.com.cy), or mailed at the address stated in clause 8 above, attention to the Company's Compliance Officer.

9.5. Complaints to the Company will be dealt with in accordance with the provisions of the applicable law. Counterparty's complaint will be handled in a prompt and efficient manner according to the clients complaints procedures, that is uploaded on the Company's Website, in order to ensure the resolution of the complaint within the timeframe of 2 (two) calendar months unless the facts and the complexity of the complaint require further time for resolution. In such case, the Counterparty will be notified accordingly. In any event, the revised timeframe should not be more than 3 (three) calendar months from the initial submission of the complainant's formal complaint.

9.6. The Counterparty has the option, upon its receipt of the final decision of the Company, to address the complaint directly to the Cyprus Securities and Exchange Commission, or/and the Financial Ombudsman of Cyprus, or/and the courts as provided in applicable law.

9.7. The Company has put in place internal procedures for handling complaints fairly and promptly.

Generally, the Company will require five (5) Business days for considering a potential complaint/claim. A copy of the Company's complaints handling procedure is available on the Company's Website, or upon request.

## **10. Agreement Duration, Suspension, Amendment and Termination**

10.1. This Agreement shall enter into effect from the date of its signing by the Parties and shall be valid until it is terminated in accordance with its terms. All liabilities of the Parties that arise prior to its termination shall stay in force. Clauses 7.1 – 7.3 and provisions of section 9 shall survive any termination hereof.

10.2. The Company shall be entitled at any time within the duration of this Agreement to suspend unilaterally any actions (whether trade or non-trade) hereunder upon a promptly notice to the Counterparty on that by e-mail or in writing.

10.3. Any amendments or supplements hereto shall be valid only if mutually agreed.

10.4. Notwithstanding the above in clause 10.3, the Company may unilaterally from time to time make amendments or supplements to this Agreement (including, without limitation, Annexes, List of Trading Platforms and/or Contract Specifications and Margin Requirements) upon prior notice to the Counterparty by way of publishing of respective amendments and supplements on the Company's Website in the section "All Documents" (the prior publishing thereof on the Company's Website shall be deemed to be a prior notice to the Counterparty for the purposes of this clause). Such amendments and supplements shall be effective from the date as specified for this on the Company's Website.

Should the Counterparty continue to make Conversion Arbitrage Transactions or any other actions hereunder (except for delivering to the Company of a notice of termination hereof) after any such amendments or supplements came into force in accordance with this clause, that shall mean its consent to them.

10.5. In case the Counterparty does not agree with any amendments or supplements proposed, he shall be entitled to terminate this Agreement by a written notice to the Company on its termination in the form or substantially. Such notice shall come into force upon expiry of three (3) Business Days from the date of its receipt by the Company. Upon termination of this Agreement all Counterparty's Open Positions shall be closed (liquidated) by the Company at the Current Market Rate at any time from the date of receipt of the notification to the moment of termination hereof and the Counterparty's funds reflected on its Trading Account. The Counterparty should withdraw all available amounts of money from its account so that a full and complete setoff is made between the Parties.

10.6. This Agreement may be terminated by any of the Parties by delivering to the other Party at least ten (10) Business Days written notice prior to such termination, provided that the Parties have completely settled their liabilities to each other.

10.7. The Company may at any moment for any reason whatsoever or without same, unilaterally terminate this Agreement by an immediate notice on termination to the Counterparty sent by mail and/or e-mail. In doing so, all Open Positions of the Counterparty shall be closed (liquidated) by the Company unilaterally at the Current Market Rate and the money on the Trading Account of the Counterparty shall be transferred by the Company to any of the Counterparty's accounts known to it, provided that a full and complete setoff is made between the Parties.

## **11. Counterparts**

11.1. Any Annex hereto, the Questionnaire, the 'Contract Specifications and Margin Requirements' document, the Risk Warning and the List of Trading Platforms as well as any Conversion Arbitrage Transaction shall form an integral part of this Agreement.

11.2. The Counterparty may not transfer rights or otherwise transfer or purport to assign rights or novate

obligations under this Agreement without the prior written consent of the Company. Any purported assignment or transfer in violation of this condition shall be considered void.

11.3. In case of any one or more provisions of this Agreement for any reason whatsoever in any respect shall be held to be invalid, unlawful or unenforceable in any jurisdiction, such invalidity, unlawfulness or unenforceability shall not have an impact on the validity, lawfulness or enforceability of any other provisions hereof in such jurisdiction, as well as on the validity, lawfulness or enforceability of such provision in any other jurisdiction.

11.4. A waiver or delay in exercising of any right or remedy hereunder shall not be deemed a waiver thereof, a single or partial exercise of any right or remedy shall not preclude its further exercise or exercise of any other right or remedy in accordance with this Agreement.

11.5. This Agreement is executed in two original copies which are equally valid.

## **12. Conflicts of Interest**

12.1. The Company, an associate and or any other person who may be connected with the Company may have an interest or relationship which could be in conflict with the interests of the Counterparty.

12.2. Pursuant to applicable law, the Company has established, and maintains, a Conflicts of Interest Policy which identifies the circumstances which may give rise to a conflict of interest resulting to a material risk of damage to the interests of the Counterparty and provides for appropriate procedures to prevent this. A summary of this Policy can be found at the Terms of Business. A copy of this Policy can be provided upon request.

12.3. Actual or potential conflicts of interest, if any, which the Company is not able to manage in this manner, are disclosed in the policy.

12.4. The Counterparty hereby acknowledges that he is aware of the possibility that conflicts may arise and consents to the Company acting notwithstanding such conflict.

## **13. Investor Compensation Fund**

The Company is a member of the Investor Compensation Fund for customers of Cyprus investment firms. Please refer to the Terms of Business for additional information.

## **14. Confidentiality and Data protection**

The Counterparty confirms its understanding and agreement with part 'Confidentiality and Data Protection' in the Terms of Business, which forms integral part of this Agreement.

Details of how the Company processes personal data, including the legal basis and principles of processing, the rights of the data subject and principles of transfers of personal data to third countries and international organisations, are specified in the Privacy Policy available on the Company's Website.

## **15. Addresses of the Parties**

COMPANY:

**Alfa Capital Holdings (Cyprus) Limited**

Registered address: Elenion Building 2nd Floor, 5 Themistocles Dervis Street, CY-1066 Nicosia, PO Box 25549, CY-1013 Nicosia, Cyprus

Accounts details are specified in Annex 3 of this Agreement.

COUNTERPARTY:

Company

Address

Acc. # \_\_\_\_\_

Beneficiary's Bank: **Bank, Address**

(Swift: \_\_\_\_\_)

Correspondent acc # \_\_\_\_\_

with **Bank, Address**

SWIFT: \_\_\_\_\_

**16. Signatures of the Parties**

FOR AND ON BEHALF OF THE COMPANY

**Alfa Capital Holdings (Cyprus) Limited**

**By:** \_\_\_\_\_

**Name:** Konstantinos Hadjisavvas

**Title:** Director

FOR AND ON BEHALF OF THE COUNTERPARTY

\_\_\_\_\_  
**By:** \_\_\_\_\_

**Name:**

**Title:**

**Annex 1  
to Margin Trading Agreement  
on Conversion Arbitrage Transactions**

No. \_\_\_\_\_ of \_\_\_\_\_

No.

Date:

Confirmation of the conversion arbitrage transactions between the Company and \_\_\_\_\_  
(Name of the Counterparty) under Margin Trading Agreement on Conversion Arbitrage Transactions No.  
\_\_\_\_\_ of \_\_\_\_\_.

Calculation of the results of netting under Conversion Arbitrage Transactions on the Underlying Asset and the Counter Asset (preliminarily converted into the currency of the Margin Trading Account) with the netting result credited to/debited from the Margin Trading Account.

Transaction Date	Purchased Asset	Purchased Amount	Sold Asset	Sold Amount	Rate

Authorized signature

Seal

**Annex 2**  
**to Margin Trading Agreement**  
**Conversion Arbitrage Transactions**  
No. \_\_\_\_\_ of \_\_\_\_\_

HEREBY I CONFIRM:

that the balance of Margin Trading Account No. \_\_\_\_\_ as of \_\_\_\_\_ is \_\_\_\_\_  
(\_\_\_\_\_)

Authorized signature

Seal



**Banking details for payments in USD:**

*Option 1:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** 40807840400501909005  
**Beneficiary's bank:** CITIBANK, AO, Moscow  
**SWIFT:** CITIRUMX  
**Correspondent account:** 36087478  
**Correspondent bank:** CITIBANK NA, New York, USA  
**SWIFT:** CITIUS33

*Option 2:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** GB60BARC20473546652699  
**Beneficiary's bank:** Barclays Bank Plc  
**SWIFT:** BARCGB22

*Option 3:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** PL14 1050 0086 1000 0090 3154 2203  
**Beneficiary's bank:** ING Bank Śląski S.A.  
**SWIFT:** INGBPLPW

**Banking details for payments in EUR:**

*Option 1:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** 40807978300501909006  
**Beneficiary's bank:** CITIBANK, AO  
**SWIFT:** CITIRUMX  
**Correspondent account:** 0023945002  
**Correspondent bank:** Citibank Europe Plc, Dublin  
**SWIFT:** CITIIE2X

*Option 2:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** GB33BARC20473546652700  
**Beneficiary's bank:** Barclays Bank Plc  
**SWIFT:** BARCGB22

*Option 3:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** PL03 1050 0086 1000 0090 3152 2031  
**Beneficiary's bank:** ING Bank Śląski S.A.  
**SWIFT:** INGBPLPW

**Banking details for payments in GBP:**

*Option 1:*

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** 40807826600501909007  
**Beneficiary's bank:** CITIBANK, AO  
**SWIFT:** CITIRUMX  
**Correspondent account:** 5520797  
**Correspondent bank:** Citibank NA, United Kingdom, London  
**SWIFT:** CITIGB2L

Option 2:

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** GB72BARC20473523076342  
**Beneficiary's bank:** Barclays Bank Plc  
**SWIFT:** BARCGB22

**Banking details for payments in PLN:**

Option 1:

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** PL25 1050 0086 1000 0090 3152 2023  
**Beneficiary's bank:** ING Bank Śląski S.A.  
**SWIFT:** INGBPLPW

Option 2:

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** GB13BARC20473569362700  
**Beneficiary's bank:** Barclays Bank Plc  
**SWIFT:** BARCGB22

**Banking details for payments in RUR:**

Option 1:

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** 40807810200501909002  
**Beneficiary's Bank:** CITIBANK, AO  
**SWIFT:** CITIRUMX  
**Correspondent account:** 30101810300000000202  
**BIC code:** 044525202  
**KIO code:** 9909066654

Option 2:

**Beneficiary:** Alfa Capital Holdings (Cyprus) Ltd  
**Beneficiary's account:** GB48BARC20473575098844  
**Beneficiary's Bank:** Barclays Bank Plc  
**SWIFT:** BARCGB22  
**Correspondent account:** 30111810500000000784  
**Correspondent bank's BIC:** 044525225  
**Correspondent bank's SWIFT:** SABRUMM012  
**Beneficiary's bank's KIO:** 07790

**Banking details for payments in CHF:**

**Beneficiary:** Alfa Capital Holdings (Cyprus) Limited  
**Beneficiary's account:** GB53BARC20473583743588  
**Beneficiary's bank:** Barclays Bank Plc  
**SWIFT:** BARCGB22

**Annex 4**  
**to Margin Trading Agreement**  
**on Conversion Arbitrage Transactions**  
**No. \_\_\_\_\_ of \_\_\_\_\_**

**List of Trading systems**

List of Trading Platforms agreed by the Parties for negotiation of the terms of the transactions and their execution under the present Agreement:

- Metatrader 5;

- Bierbaum Pro

Chief Officer:

Seal