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# **NEOMARKETS GROUP LTD**

## **TERMS OF BUSINESS**

### **PLATFORM METATRADER 5**

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## **1. INTRODUCTION**

1.1. These Terms of Business (“Terms”) explain the rules we follow when we execute your Transactions on the Platform MetaTrader 5 (“MT5”).

1.2. This Terms explains:

(a) the rules around opening and closing your Positions;

(b) what steps we take if the Margin Level on your Trading Account is not enough to support your Open Positions;

(c) how we support your trades in stocks.

1.3. Apart from this Terms, there are rules around your trading on Neomarkets Group in other Operative Agreements. You should read each of them carefully before you start trading with us.

1.4. Unless otherwise defined, you can find definitions for any capitalized terms used in this Terms in the Client Agreement.

## **2. GENERAL TERMS**

### **Quotes**

2.1. We recalculate Quotes for all Instruments in real time, based on market conditions and streaming prices received from our liquidity providers (or exchange or price feeder), and send you some of these Quotes as Market Snapshots. You will receive Quotes through MT5. By accepting the Terms, you also accept that these Quotes (as they appear on the MT5) are correct and valid.

2.2. Quotes may vary significantly for many reasons, which include:

(a) differences between the demo version and live version;

(b) differences between types of the trading accounts;

(c) market prevailing conditions; and/or

(d) attributes of the Instrument(s).

2.3. While trading with us, you should assume that:

(a) the Quote you received has not changed since the previous Market Snapshot;

(b) you may not receive all the Quotes that have been in the Quotes Flow between Market Snapshots;

(c) Spreads on Instruments are not fixed and will vary depending on market conditions and

the streaming prices we receive from our liquidity providers; and

(d) In Stocks accounts, all your orders despite their request type (limit, stop etc.) will be transferred to the market as market orders despite the type of request.

### **Execution of the Client’s Instructions**

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2.4. The procedure for handling the Client's Instructions given via the MT5 is:

- a) the Client prepares an Instruction and the MT5 checks if it is valid;
- b) the MT5 sends the Instruction to the Server;
- c) if the connection between the MT5 and the Server has not been disrupted, the Server receives the Instruction and starts the process of verification;
- d) a valid Client's Instruction is placed in the queue and sorted by arrival time (first in – first out) and the "Order is placed in a queue" status appears in the "Order" window in the MT5;
- e) as soon as a Dealer is ready to handle a new Instruction the Dealer takes the first Instruction from the queue and processes it<sup>1</sup> and the "Order is placed" status appears in the "Order" window in the MT5;
- f) the Server receives from the Dealer the result of the Client's Instruction execution process;
- g) the Server sends to the MT5 the result of the Client's Instruction execution process; and
- h) the result of the Instruction execution is received by the MT5 if the connection between the MT5 and the Server has not been disrupted. The Client may place either an Exchange Execution Instruction or Pending Order.

2.5. The Client cannot cancel an Exchange Execution Instruction or Pending Order once placed.

2.6. The Company at its sole discretion shall specify the current market price.

2.7. 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. Under Abnormal Market Conditions, the Company reserves the right, in its sole discretion, to reject any Orders for execution.

2.8. In the circumstances listed below, the Company may decline an Instruction or a Request (the "Off quotes" message will appear in the Client Terminal in this case):

- a) if the Instruction or Request precedes the first Quote in the Trading Platform on the Market Opening;
- b) if current Conditions are different from Normal Market Conditions;
- c) if the Client has made an unreasonable number of Requests in comparison with the number of Transactions<sup>2</sup>;

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<sup>1</sup> 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.

<sup>2</sup> More than five Requests per one Transaction.

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- d) if the Client's Free Margin is less than the Initial Margin;
- e) in any other reasonable case on the Company's sole discretion.

**Transactions**

2.9. 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**

2.10. All the positions which remain open from 23:59:45 to 23:59:59 (Server time) may 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 Client's Trading Account with the amount calculated in accordance with the Contract Specifications set out in the Company's Webpage, as amended from time to time.

**Spreads**

2.11. The Company will provide quotes for all Instruments with a flexible Spread:

- a) The minimum spread for each Instrument is specified in the Contract Specifications.
- b) The maximum spread for each Instrument, under Normal Market Conditions, is available upon request.

**Quotes Base Synchronization**

2.12. In case of unforeseen break or incorrect flow 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 sources<sup>3</sup>.

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**

2.13. The size of the Leverage is described on the Company's Trading Terms Webpage.

2.14. The Company has the right to change the Leverage for the Trading Account in accordance with margin requirements with immediate effect without giving prior notice. Leverage may be changed:

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<sup>3</sup> If necessary, information is not available on the demo Server.

- a) during Abnormal Market Conditions;
- b) during an Emergency Situation;
- c) during Force Majeure Event circumstances.

2.15. The Company is entitled to apply new margin requirements amended in accordance with Clause 2.14 above to the new positions and to the positions which are already open.

2.16. The Company has the right to change the Leverage for a particular Client at any time and at its sole discretion with prior Written Notice. Such an amendment shall enter into force upon notification of the Client.

#### **Execution Price and Market Fluctuations**

2.17. We cannot guarantee that your actual execution price will match the Quote you see when you place your Order. This variation is caused, among other things, by Gapping and Slippage.

#### **Hedging and Netting systems of accounts**

2.18. Where the Client uses the netting system for the calculation of positions: only one position whose volume changes where other trades are conducted for this instrument may be opened on a single trading account for each instrument. The direction of the position will correspond to the direction of the trade with the largest aggregate volume. Where the aggregate volume is equal for transactions to buy and sell, the position will be closed.

2.19. Where the Client uses the hedging system for the calculation of positions: several trading positions may be opened on a single trading account for each and the same instrument, including in different directions. Where the aggregate volume is equal for transactions to buy and sell, the positions will not be closed.

### **3. OPENING A POSITION**

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

- a) Instrument;
- b) Transaction Type;
- c) Transaction Size; and
- d) Fill Policy.

3.2. In order to open a position via the MT5 without using an Expert Advisor, the Client shall press the "Buy" or "Sell" button. The Client's Instruction to open a position may be executed at a price that differs from the Quote the Client has received via the MT5 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 MT5 using an Expert Advisor, the Client is not able to specify Stop Loss and/or Take Profit Orders levels. If the Client wishes to place these Orders, the Client can do it by modifying the existing position in accordance with Clauses 5.16 to 5.22.

#### **Processing and execution of Instructions to open a position**

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

a) cumulative Client positions and new Necessary Margin ("New Margin") are calculated depending on the Initial Margin, which is calculated at the average weighted price (in terms of volume) of all positions;

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 no 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. An Instruction to open a position will be declined by the Company if it precedes the first Quote in the MT5 on the Market Opening. In this case, the "Off quotes" message appears in the MT5 window.

3.7. When using the One-Click Trading tab in the Market Watch window, an Instruction to open a position will be automatically placed (i.e. without any further confirmation) upon clicking on the "Buy" or "Sell" buttons within the Trading tab of the Market Watch window. Once an Instruction has been placed it may not be cancelled, and will be recorded within the Server Log File. A One-Click Trade may be rejected in such circumstances as a lack of Free Margin or refusal by the Dealer to open.

3.8. An Order placed by a Client may be not executed due to, amongst other things, lack of liquidity from Liquidity Providers or Fast Market conditions. In such circumstances the Client may indicate his preferred Fill Policy as follows:

a) If the Client has chosen a “Fill or Kill” policy, the Order shall only be filled with the specified volume and price equal to or better than that indicated within the Order, otherwise the Order shall be terminated;

b) If the Client has chosen a “Fill or Cancel” policy, the Order shall be executed with the volume maximally available in the market within that indicated in the Order at the price equal to or better than the indicated one. The Order may therefore be partially filled and any remaining quantities will be cancelled.

## **4. CLOSING A POSITION**

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

- a) Instrument;
- b) Transaction Size; and
- c) Fill Policy.

4.2. In order to close a position via the MT5 without using an Expert Advisor, the Client shall press the “Close” button. The Client’s Instruction to close a position may be executed at a price that differs from the Quote the Client has received via the MT5 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. 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.

4.4. An Instruction to close a position shall 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 MT5 window.

4.5. 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 MT5 window.

4.7. When using the One-Click Trading tab in the Market Watch window, in order to close a position, a matching trade volume must be placed to that already opened. If the Client attempts to open/close a trade volume greater (or less) than the position already open, the Client shall have either a zero or net Long/Short Position based upon the net overall exposure at the weighted average price. Once an Instruction has been placed it may not be cancelled and shall be recorded within the Server Log File. A One-Click Trade may be rejected in such circumstances as a lack of Free Margin or refusal by the Dealer to open a position and shall be recorded within the Server Log File.



## 5. ORDERS

### Order types in the MT5

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;

e) “Buy Stop Limit” a Pending Order to place Buy Limit Order at specified level if the future Ask price reaches the value indicated in the Order;

f) “Sell Stop Limit” an Order to place Sell Limit Order at specified level if the future Bid price reaches the value indicated in 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 Client 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 Client 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 Client 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 Client 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”).

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

a) Instrument;

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- b) Fill Policy;
- c) Order type (Buy Stop, Buy Limit, Sell Stop, Sell Limit, Buy Stop Limit or Sell Stop Limit);
- d) Transaction Size; e) Order Level; f) Stop Limit Price (for Stop Limit Orders only)

In addition, the Client 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:

i. any of the required parameters is not specified or is incorrect; or

ii. 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 MT5 without using an Expert Advisor.

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

a) 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

b) 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 MT5 without using an Expert Advisor, the Instruction shall be declined and the "Modify" button shall remain inactive.

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

a) Ticket for the Pending which the Client 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 MT5 without using an Expert Advisor, the Instruction shall be declined and the "Modify" button shall 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

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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; 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;

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 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;

d) 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;

e) 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;

f) 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;

g) 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;

h) for the Sell Stop Limit the current market price is the Bid price and the Order must not be placed lower than the Bid price less this number of Points; and

i) for the Buy Stop Limit 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.

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, Buy Stop or Buy Stop Limit 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, Sell Stop or Sell Stop Limit 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, Buy Stop or Buy Stop Limit 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, Sell Stop or Sell Stop Limit 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 Ticket.

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 MT5 window.

5.15. The Company has the right, but no 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 Client gives an Instruction to modify Pending Order parameters (the level of the Pending Order and/or If Done Orders), the Client shall specify the following:

a) Ticket;

b) Order Level;

c) Stop Limit Price (for Stop Limit Orders only);

d) level of Stop Loss; "0.0000" means that Stop Loss is not placed (or it is deleted if it has already been placed);

e) 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 or deleted through the MT5 without using an Expert Advisor, the Instruction shall be declined and the "Modify" button shall remain inactive.

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

a) symbol of trading instrument of position on which Stop Loss or Take Profit is modified;

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 or deleted through the MT5 without using an Expert Advisor, the Instruction shall be declined and the "Modify" button shall remain inactive.

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

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 MT5 window.

5.21. The Company has the right, but no 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 hereto.

5.22. When the Client has given an Instruction to modify or delete an Order Level, the Company has the right, but no 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. hereto.

#### **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;

i) the Buy Stop Limit is placed in the queue to be executed if the Ask price in the Quotes Flow becomes equal or higher than the Order Level;

j) the Sell Stop Limit 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 Client positions and new Necessary Margin ("New Margin") are calculated depending on the Initial Margin, which is calculated at the average weighted price (in terms of volume) of all positions;

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

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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 is being added to the existing Cumulative Position for this instrument.

5.27. Pending Order can be executed partially if there is not enough liquidity to hedge the trade with Liquidity Providers at the Order Level.

5.28. In the cases where insufficient liquidity exists at the order level and/or the order level falls within a price gap at market opening and/or during the quote(s) flow, the Company, in its sole and absolute discretion, may execute Buy Limit, Sell Limit and Take Profit orders at the requested price at the moment the order is executed.

5.29. In the cases where insufficient liquidity exists at the order level and/or the order level falls within a price gap at market opening and/or during the quote(s) flow, the Company, in its sole and absolute discretion, may execute Buy Stop, Sell Stop and Stop Loss orders at the current available price at the moment the order is executed. The Client acknowledges, agrees and consents herein that the execution price may differ from the order level.

5.30. In the cases where a pending order level and/or the respective order's Stop Loss and/or Take Profit shall fall within a price gap at market opening and/or during the quote(s) flow, the Company, in its sole and absolute discretion, shall open and close a position immediately within the same tick, at the first available price.

5.31. Please bear in mind, that the Company may at its sole discretion change within the hour before the close of the trading session on every Friday, the Stop Out and Margin Call levels from 50% to 100% and from 80% to 130% respectively, for all MT5 accounts. Moreover, kindly note that the Company may extend these amendments for as long as it deems necessary after the market opening, by providing the Client with prior written notice.

3.32 If there is more than one Dealer, depending on the amount of time a Dealer needs to handle the Client's Request or an Instruction, there is a possibility that in the Server Log File the recorded execution time of the first Request or Instruction in the queue will be later than the execution time of the Request or Instruction which followed after.

## 6. CORPORATE ACTIONS REGARDING CFDS ON EQUITIES/INDICES

6.1. While trading CFDs on Shares and Spot Indices, please consider that the Company may apply reasonable measures in order to reflect the Corporate Actions of the underlying assets. This can include

but is not limited to: Splits / Reverse Splits, Dividends Payments, Rights Issues, Mergers or Acquisitions etc.

6.2. Please also note that it is the Client's sole responsibility to be aware if an upcoming corporate event is approaching that may affect the underlying securities. The Company might charge the costs associated with the underline corporate actions, depending on Client's position direction (Buy/Sell), without a notice as this has been applied directly by our Liquidity Providers to the Company.

6.3. In relation to a dividend adjustment to be applied to the Client's account, the Client must hold an open trade at the close of the trading session on the Business Day before the exdividend date.

## **7. STOP OUT**

7.1. The Company is entitled to close the Client's Open Positions without the consent of the Client or any prior notice if the Equity is less than the Level of Stop Out specified at Trading Terms on the Company's Webpage. Stop Out levels are indicated on the Company's website in the "Trading Account Comparison" section.

7.2. Margin Level shall be monitored by the Server. The Client acknowledges, agrees and consents herein that subject to Clause 7.1 above the Server shall generate the Stop Out Instruction to close a position without prior consent required by the Client. The Client agrees that the price at which the Order is executed may be different from the Quote at which the Stop Out Instruction was generated.

7.3. Stop Out shall be executed at the price at which the Company has hedged the trade. The Client acknowledges, agrees and consents herein that the Company has the right, in its sole and absolute discretion, to adjust this price to reflect the cost(s) of hedging.

7.4. Stop Out shall be executed at the current price available at the moment the order is executed. The Client acknowledges, agrees and consents herein that in the cases where the Stop Out is executed by the Company, the Stop Out shall be executed at the price at which the Company has hedged the position and the price shall be adjusted by the Company, in its sole and absolute discretion in order to reflect such hedging cost(s).

7.5. If the Client 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 for the Hedging system accounts and the one with the highest Margin used for the Netting system accounts.

7.6. If a Stop Out execution has resulted in a negative Balance of the Client's Trading Account, the Client shall be liable for this loss and must make a payment of the full and total amount due immediately. The Company has the right to compensate this loss at the expense of the Client's funds located in other Accounts belonging to the Client.

7.7. The Company has the right to close any Open Position of the Client without a warning if it is required in accordance with the Dispute process.

7.8. In regard to 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 Client of the date when the "close only" mode starts through Platform internal mail notice and/or by displaying the information on the Company's Website.

The Company compulsorily closes the positions, which remain open on the expiry date of the underlying future contract, at the last Quote of the last trading session for this Contract for Difference:

- a) Long positions at the Bid price;
- b) Short positions at the Ask price.

## **8. COMMUNICATION**

8.1. In order to communicate with the Client, the Company will communicate with the Client as per Clause 18 of the Client Agreement.

8.2. The Client shall notify the Company in a timely manner of any change in his contact details either by updating the information in Personal Area or by any other method offered by the Company.

8.3. The Client understands and accepts that the Company reserves the right to unilaterally terminate relations with the Client should the Client behave inappropriately when communicating with a Company employee.

## **9. OFF EXCHANGE**

9.1. The Company may deal through Exchanges and numerous Retail Service Providers and Market Makers. The Company may place a Client's order outside of an Exchange if this satisfies and is in accordance with the Order Execution Policy of the Company. By accepting these Terms of Business, the Client agrees and acknowledges that the Company will be entering into transactions for and on Client's behalf outside a regulated market or a Multilateral Trading Facility.

## **10. AGGREGATION**

10.1. The Company may aggregate orders received from the Clients. Aggregation means that the Company may combine a Client's order with those of other Clients of the Company for execution as a single Order. The Company may combine a Client's order to deal with those of other Clients if the Company reasonably believes that this is in the best interests of the Clients as a whole.

10.2. However, on occasions, aggregation may result in Client's obtaining a less favorable price once an order has been executed. The Client acknowledges and agrees that the Company shall not have any liability to the Client as a result of any such less favorable price being obtained.

## **11. CUSTODY**

### **Stocks Registration**

11.1. The Stocks which are held by the Company for Client's Account will be registered in the name of the Company, as the Client's custodian or a nominee other than the Company, including a sub-custodian or a recognized depository clearing organization. Client's ownership of the Stocks will be reflected in the Company's records.

### **Client Assets**



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11.2. The Client instructs the Company to hold any Stocks bought on Client's behalf until the Company receives further instruction from the Client to sell. The Company will act as a custodian and will hold Instruments on Client's behalf in accordance with any applicable regulations.

11.3. The Company may, subject to any applicable regulations, appoint any other person as a sub-custodian or otherwise to hold Stocks, including documents of title or certificates evidencing title to such Stocks. The Company will exercise reasonable skill and care in the selection, appointment and periodic review of sub-custodians but will not be liable for the third parties' acts, omissions, insolvency or dissolution as per clause 16 ("Liability of Parties"). Any discrepancy in terms of Client assets and any resulting shortfall will be dealt with in accordance with any applicable regulations. Detailed records of all of the Clients' Stocks held by the Company will be kept at all times to show that Clients' Stocks are held for and on his/her behalf and benefit, and do not belong to the Company or any subcustodian.

11.4. Clients' Instruments will be registered in the same name as those of other clients (pooled together with other Clients' Instruments in an omnibus co-mingled custody account). If the Company or the third-party nominee were to become insolvent there may be delays in identifying individual assets, and possibly an increased risk of loss if there should be a shortfall because additional time will be needed to identify the assets held for specific clients. In addition, in the event of an unreconciled shortfall caused by the default of a custodian, the Client may share proportionately in that shortfall.

11.5. The Client authorizes the Company and any sub-custodian to hold or transfer Stocks (or entitlements to them) to a Stocks depository, clearing or settlement system. Stocks that cannot be settled through a central Stocks depository system may be held overseas by a third-party (including custodian, sub-custodian, registrar, bank, intermediate broker, or settlement agent) in the name of the Company or a third-party nominee. Details of the name that an Instrument is registered in are available on request.

11.6. The Client agrees that because of the nature of applicable laws or market practices in certain jurisdictions, the Company may decide that it is in the best interest of the Client and for his/her Stocks, to be registered or recorded in Company's name or in the name of the person who is a custodian. If this is not feasible for the Company, then:

a) Client's Stocks may be registered or recorded in the name of the Company or custodian as the case may be;

b) Clients' Stocks may not be segregated and separately identifiable from the investments of the firm or custodian in whose name the Instruments are registered; and

c) As a consequence, in the event of a failure, Clients' Instruments may not be as well protected from claims made on behalf of the Company's general creditors. It should be noted that when the Company arranges for a third-party to hold Clients' Instruments overseas there may be different settlement, legal and regulatory requirements than those applied in Mauritius.

11.7. The Client remains the beneficial owner of the Stocks and money that the Company holds for and on Client's behalf. The Client hereby acknowledges and agrees that he will not try to sell, mortgage or otherwise deal in or part with beneficial ownership of the Instruments and money held on Client's account with the Company.

11.8. The Client will not be entitled to any interest in respect of Stocks and/or money held by the Company as custodian and any interest will be retained by the Company.

11.9. The Company may be required to give Client's details (including email address) and details of Client's shareholding to the companies' registrars.

11.10. In the event that the Company has not received instructions from the Client in relation to any of the Stocks held in the Client's account (e.g. to purchase, sell or move the assets) for a period of at least (12) twelve years (notwithstanding any receipts of dividends or interest or similar items and irrespective of any movement of the Client's account balance) and the Company is unable to trace the Client despite having taken reasonable steps to do so, the Client agrees that the Company may cease to treat the assets as Client assets.

11.11. The Company will maintain true, complete and accurate records relating to the liquid funds and Stocks held by it for each Client. The Company will take reasonable care in the selection and ongoing supervision of the bank and depositary with which the liquid funds and Stocks are deposited but will not be liable for the acts or omissions of the bank or depositary as per clause 16 ("Liability of Parties"). Clients' assets may be at risk if the bank or depositary becomes insolvent. If any of the liquid funds or Stocks held for and on behalf of the Client by the Company are properly passed to the account of a third party in connection with a transaction or in order to meet margin or collateral obligations, the funds or Stocks may be at risk if the third party becomes insolvent.

11.12. Since Clients' liquid funds and Stocks will be pooled by the bank or depositary with liquid funds and Stocks belonging to other Clients, the Client will not have a legal claim against a specific sum of money or a specific security. Instead, any claim will be against the pool in general. If there is an irreconcilable shortfall in the pool of liquid funds or Stocks following a default by the bank or depositary (for example, if it becomes insolvent), the Client may not receive the full entitlement to the liquid funds or Stocks. If so, the Client will share in the shortfall pro rata. If the Company becomes insolvent and any of the Clients' liquid funds or Stocks are held in the name of the Company by a bank or depositary in such a territory, those funds or Stocks will therefore be available to Company's creditors generally and so may be at risk. Clients' rights may differ accordingly, particularly if the bank or depositary defaults.

## **12. FEE**

12.1. The Client will be subject to certain fees and commissions. The Clients hereby agrees to pay brokerage commissions, charges, foreign exchange dealing commissions on currency conversions, credit card processing fees and other fees promptly as set forth in the Company's website as applicable to Client's account and the transactions and Services the Client receives. The Client also agrees to pay all applicable country, federal, state and local taxes. The Client authorizes the Company automatically to debit his/her account for any such commissions, charges, fees and taxes. The Company may modify the fee schedule at any time.

12.2. Additional charges may also be incurred by the Client in the case of delayed or failed settlement of a transaction. Any such amounts will be the Client's responsibility and where appropriate will be deducted from the Client's account.

12.3. The Company may charge the Client for the provision of market data or any other account feature or such other fees as the Company reasonably advise the Client from time to time.

## **13. SETTLEMENT**

13.1. To execute a purchase order for Stocks, the Company requires that the Client's account contains available funds equal to or greater than the purchase price of the Stocks plus any associated fees and commissions and that all payments for the purchase be made without set-off, counterclaim or deduction.

13.2. Settlement of purchases will be at the Client's risk. Accordingly, the Company will not be liable to the Client if any other counterparty's actions lead to an order default. Applicable law may require the Company, the Execution Broker, a bank, a depository or any other counterparty to deduct tax from sale proceeds before they are credited to the Client's account or remitted to the Client from his/her account.

13.3. The Company will effect any currency conversions necessary in order to settle a purchase at such rates, and in such manner, as it may, in its discretion, determine.

13.4. Where available, the Company utilizes central Stocks depositories for the settlement of the applicable Security. If an Instrument ceases to be able to be settled through the applicable central Stocks depository, the Client accepts that the Company may have to use alternative dealing facilities to fulfill the order and/ or levy an increased charge for such order.

13.5. The Company is not responsible for any delay in the settlement of a transaction resulting from circumstances beyond the Company's control, or the failure of any other person or party (including the Client) to perform all necessary steps to enable completion on the settlement date. Company's obligation is only limited to pass on to the Client, or to credit to the Client's account, such deliverable documents or sale proceeds (as the case may be) as the Company actually receives.

13.6. The Company may refuse to allow a withdrawal on any account that the Client has with the Company if it would leave insufficient funds in the account to pay for any unsettled transactions. Where the Client makes payment into his/her account and then make a withdrawal shortly afterwards, the Company reserves the right to delay settlement for up to eight business days to ensure that the payment has cleared.

13.7. If the Client buys an Instrument, the consideration for the transaction and, in addition, commission payable and all applicable charges and taxes to that transaction will be the Client's responsibility and will be deducted from his/her account and held by the Company as pending settlement. Monies deducted will not be treated as client money on the day of expected settlement. If settlement does not occur on the day of expected settlement the monies will be treated as client money. It is the Client's responsibility to ensure at all times that sufficient cleared funds are on his/her account to satisfy settlement of any transaction and all commission, charges and taxes associated with that transaction.

13.8. Should the transaction fail to settle for any reason, the Company may reverse the transaction, return any commission and all applicable charges and taxes for that transaction and cancel the debit of any cash from the Client's account and amend the account accordingly to reflect the same.

## **14. CORPORATE ACTIONS REGARDING STOCKS, VOTING RIGHTS, INTERESTS, AND DIVIDENDS**

### **General**

**Neomarkets Group Ltd**

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[info@marketsneo.com](mailto:info@marketsneo.com)

14.1. While trading Stocks, please consider that the Company may, at its sole and absolute discretion, apply reasonable measures in order to reflect the Corporate Actions of the underlying assets. This can include but is not limited to: Stocks Splits / Reverse Splits, Spin-offs, Dividends Payments, Rights Entitlement Issues, Mergers or Acquisitions, Reorganizations, Take-Over offers (and similar), Name and Symbol changes, any available Insurance Coverage (Including the limitation of such insurance) etc.

14.2. Please also note that it is the Client's sole responsibility to be aware if an upcoming corporate event is approaching that may affect the underlying Stocks. The Company might charge the costs associated with the corporate actions, depending on Client's position direction (Buy), without a notice as this has been applied directly by our Liquidity Provider and/or the respective Exchange and/or Price Feeder to the Company. The Company will make its best efforts to effect the adjustments needed on the Client's Account on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice and/or taking into account the treatment the Company may receive from its counterparties or any relevant third party.

14.3. Nothing contained herein shall be construed as an obligation of the Company to provide to the Client such rights resulting out of a Corporate Action.

14.4. The Company shall not be obliged to but may arrange for the Client to receive the report, accounts and other information issued by a company. The Company is not obliged to but may notify the Client of or arrange attendance at any annual general meetings or extraordinary general meetings applicable to Clients' Instruments.

**Corporate Events**

14.5. A corporate event is something which will bring about a change to the Instruments the Company holds on Client's behalf, such as a rights entitlement issue. If there is a corporate action on Instruments the Company holds on Client's behalf, the Company will use reasonable efforts to contact the Client, however the Client acknowledges that there may be situations where it is impractical to do so. The Company shall be under no duty to tell the Client of or act upon any corporate event until the relevant Instruments are registered in the name of the Company's nominee. Only information issued through the applicable Exchange or the registrars will be relayed to the Client.

14.6. The Client must return any valid election correspondence in respect of a corporate action by the deadline specified by the Company. This may not correspond with the deadline set by the registrars. It is Client's responsibility to ensure he has sufficient monies on his/her account to satisfy any purchase of Stocks pursuant to a corporate action. Where Stocks or cash are due to the Client as a result of a corporate action, these will be credited to the Client's account as soon as reasonably possible after the Company receives them, net of any commission, payment and applicable tax. Elections received in respect of corporate actions are deemed to be irrevocable and final.

14.7. If the Company has not received a valid election correspondence from the Client by the relevant date, the Company will use reasonable efforts to act in accordance with the default terms of the registrars, except in such a case that the Company has specified an alternative default option and/or in the following circumstances:

a) in respect of take-overs, the Company will use reasonable efforts to accept the default terms of an offer after the offer has been declared wholly unconditional or unconditional in all respects. The

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Client will be notified accordingly on receipt of the proceeds of the offer. Any adjustment shall represent the economic equivalent of the rights and obligations of the Company and the Client next to the time of the action; and

b) in the event of a Share held on Client's account altering the exchange on which it is listed, the Company will use reasonable efforts to return the shareholding to the Client in certificated form.

14.8. The Company reserves the rights to close out any open positions at the market price as soon as practical following such corporate event taking place, in order to make any required adjustment (price, quantity or any other adjustment) resulting out of the Corporate Action.

14.9. Where a corporate event results in a fractional entitlement to part of a Share, then the Company may aggregate those fractional entitlements and sell such fractional Shares and credit Client's account with a cash value which may be subject to a minimum charge.

14.10. Where corporate events (such as partial redemptions) affect some but not all nominee Instruments held in a pooled account, the Company shall allocate the Instruments which are affected to relevant clients in such a fair and equitable manner as the Company reasonably consider is appropriate.

14.11. If the terms of a corporate event require an election to be made on behalf of the Company's entire nominee holding in a company, the Company reserves the right not to offer an option to the Client, where it is reasonable to do so. The Company will use reasonable endeavors to give the Client an alternative option but without guarantying that this will match the options offered by that company.

14.12. The Company will reflect a corporate event on Client's account as soon as practicable after the Company has received confirmation that the corporate event has been completed from its custodians.

14.13. If the Company is notified of a class action or group litigation that is being proposed or taken concerning Instruments that its nominee is holding, or has held, on Client's behalf, the Company is not required to inform the Client about this or otherwise act on that notification.

14.14. In the case of spin-offs, these will be applied to the primary symbol. However, the spin-off quantity from the primary symbol will not be transferred to the new spin-off symbol. The Company will use reasonable endeavors and make its best efforts to add the spin-off symbol to the market watch as soon as practicable but without guarantying that such adjustment will take effect before the market opening. The Company will have no liability to the Client in relation to any profit and/or loss, costs or expenses that the Client may suffer as a result of the aforementioned actions.

**Voting Rights**

14.15. The Company is not obliged to but may inform the Client of, or arrange the exercise of any voting rights attaching to Instruments the Company holds on Client's behalf, whether exercisable at an annual general meeting or otherwise.

**Interest**

14.16. Any income payments or tax credits that the Company collects on Client's behalf will be credited to his/her account as soon as is practicable. The Company will not be liable for any loss of interest due to any delay outside Company's control in crediting any income to Client's account. Income payments will usually be credited in cash net of applicable Taxes.

## **Dividends**

14.17. The Company will be responsible for claiming and receiving dividends, interest payments and other income payments accruing to Client's Stocks that the Company holds on the Client's behalf.

14.18. The Company is not obliged to but may offer the Client any dividend reinvestment plans available or any scrip option or stock dividend offered or the like for Instruments that Company holds on Client's behalf. However, any such decision will not take account of Client's personal tax position. In general, the Client will receive the cash default option.

14.19. The Company may, but is not obliged to, offer to the Client any other rights or special offers that are made available to holders of Instruments.

14.20. The Company may at its election claim or reclaim tax credits on dividends or other income on foreign Stocks. In order to deal in US Shares, the Client will be required to first provide to the Company with a valid US tax form (W8BEN Form). The Client has an on-going obligation to inform the Company if his/her tax status changes.

14.21. As the Company will hold Clients' Instruments in one or more pooled accounts, the Client may receive dividends or distributions net of applicable Taxes which have been paid or withheld at rates that are less beneficial than those that might apply if the Instruments were held in Client's own name or not pooled.

## **15. THE PROCEDURE FOR DISPUTE RESOLUTION AND COMPLAINTS PROCEDURE**

15.1. To file a complaint with us you should follow the rules of the Complaints Management Policy that is available on our Website.

## **16. LIABILITY**

16.1. The Client is responsible for all liabilities, losses or costs of any kind or nature whatsoever that may be incurred by us as a result of any failure by the Client to perform any of the Clients' obligations under these Terms of Business, in relation to any Instruction received from the Client, Market Abuse, Transaction that the Company executes on the Client's behalf or in relation to any false information or declaration made either to the Company or to any third party, in particular to any Exchange, Liquidity provider and/or Price Feeder. The Client acknowledges that his/her responsibility extends to the Company's legal and administrative costs and expenses incurred in respect of taking any legal or investigatory action against the Client, or instructing any debt collection agency, to recover monies owed by the Client to the Company.

16.2. The Client agrees that he/she will not hold the Company liable for any losses, liabilities, judgments, suits, actions, proceedings, claims, damages and/or costs suffered by the Client, resulting from or arising out of any act or omission by any person obtaining access to Client's account by using Client's designated account number and/or password and/or Security Details, whether or not the Client authorized such access.

16.3. The Company shall not be liable for any default, omissions, errors, mistakes, insolvency and/or dissolution of any third party and/or Associated Company other than if this was a result of Company's own negligence, fraud or willful default.

16.4. Certain information in relation to Company's services is provided by third parties and the Company is not liable for any inaccuracy, errors or omissions in the information they provide to the Company except where such inaccuracy, error or omission is caused by Company's own negligence, fraud or willful default.

16.5. Without prejudice to any other Terms of these Terms of Business, and to the extent permitted by Governing Legislation, the Company will have no liability to the Client in relation to any loss, costs or expenses that may be suffered by the Client as a result of technology limitations/ failures, server maintenance, planned maintenance, custodian rollover process, including but not limited to:

a) any delay or defect in or failure of the whole or any part of the Company's software or any systems or network links or any other means of communication; or

b) any computer viruses, worms, software bombs or similar items being introduced into Client's computer hardware or software except where such loss, cost or expense is a result of Company's own negligence, fraud or willful default.

16.6. Without prejudice to any other Terms of these terms of Business, the Company will have no liability to the Client in relation to any profit and/or loss, costs or expenses that the Client may suffer as a result of:

a) any inability by the Client to execute an Instruction;

b) any delay or change in market conditions before the Company executes an Order or before a Transaction settles;

c) any cause beyond Company's reasonable control and the effect of which is beyond Company's reasonable control to avoid;

d) the effect of a stop out;

e) the effect of termination;

f) the effect of a corporate event;

g) the effect of the Client's failure to comply with these Terms of Business;

h) any adverse tax implications of any Transaction whatsoever;

i) the Company's inability to modify delete and/or cancel an order;

j) situations described as per clauses 15.12 and 15.13 above herein;

k) the effect of disabling of the account in case of inactivity.

16.7. Without prejudice to any other Terms of these Terms of Business, the Company will have no liability to the Client in relation to any loss which is a side effect of the main loss or damage and which is not a foreseeable consequence of a breach of these Terms of Business, including, without limitation,

loss of business, loss of profits, failure to avoid a loss, loss of data, loss or corruption of data, loss of goodwill or reputation, caused by any act or omission of the Company under these Terms of Business.

16.8. Subject to Terms 16.2, 16.3, 16.4, 16.5, 16.6 and 16.7 the Company will be liable to the Client in the event a loss is incurred by the Client as a result of any failure by the Company (or any sub-custodian) to perform the express custodial duties as set out under these Terms of Business or to comply with any reasonable standards applicable to the performance of the custodial services under the current Terms. The Company will not be liable to the Client in respect of any loss incurred, due to the Company's and/or any sub-custodian's failure to perform the express custodial duties, to the extent to which it arises from a sub-custodian, where such sub-custodian is insolvent, in circumstances where the Company has taken reasonable care as set out under these Terms of Business or as required by law in the appointment and monitoring compliance of the services provided by that sub-custodian.

16.9. Nothing in these Terms of Business shall limit the Company's liability for personal injury or death.

## **17. COMPANY MAY LOAN ANY OF THE STOCKS HELD IN A MARGIN ACCOUNT**

17.1. The Client authorizes the Company to lend, as his/her agent, to the Company or a third party any Stocks held in the Client's account (if any) and neither the Company nor the third party shall have any obligation to retain possession and control a similar amount of such Stocks. In connection with such loans, the Company may receive and retain certain benefits (including stock lending fees and interest on posted collateral) to which the Client shall not be entitled. Such loans may limit, in whole or in part, the Client's ability to exercise any voting rights relating to the Stocks lent. Any Stocks lent may be lent, in turn, by the borrower.

## **18. SECURITY INTEREST**

18.1. Right of set-off: All of the Client's money, Stocks, currencies, and other property which the Company may at any time be holding for and on behalf of the Client (either individually or jointly with others) are subject to right of set-off by the Company for the Client's liabilities towards the Company.

18.2. The Client grants to the Company, for protecting its interest, a first fixed charge on, a general lien over, and a right of set-off in respect of all Stocks held by, delivered or paid (or due to be delivered or paid) to the Company for the Client's account. The Client appoints the Company as an agent to take any action necessary to perfect this security.

18.3. If the Client fails to comply with any of the provisions of these Terms of Business, the Security will be enforceable by the Company. If the Client fails to comply as stated, the Company may accordingly, without any notification to the Client, cancel, close out or reverse any transaction it has entered into for the Client, and sell or otherwise dispose of any assets held by the Company for the Client, at any price and in any manner whatsoever, as it deems proper (with no responsibility for any diminution in price).

18.4. The Company will be acting on the basis of good faith and fairness in this respect. In addition, the Company may enter into any other transaction, or proceed to such actions and/or inactions, which would (or is intended to) have the effect of reducing or eliminating the Company's liability under any transaction it has entered into for the Client. The Company will not be liable to the Client for its decision of Stocks sold or otherwise disposed of as per clause 16.6 ("Liability of Parties"). The Company will apply



the proceeds of disposal (net of costs) in or towards the Client's liabilities to it and will pay to the Client the balance. If the proceeds do not discharge all of the Client's liabilities towards the Company, the Client will remain liable to the Company for the balance.

## **19. ASSIGNMENT**

19.1. The Company has the right, subject to applicable regulations and upon prior notice to the Client, to assign any and all of the rights and/or obligation emanating under these Terms of Business to another registered, authorized and/or unauthorized third party. The Client acknowledges that:

a) The Company may, at its reasonable discretion, arrange for an order to be executed with or through a third-party which may be an unaffiliated Company, or an affiliate of the Company. Any authority granted by you to the Company, and/or any limitation of liability of the Company, shall also extend to include in the grant of authority and limitation of liability to the affiliates, agents and any service provider of the Company.

b) The Company and the agents, affiliates or service providers acting on behalf of the Company are authorized to perform the services contemplated by these Terms of Business. The Client consents to the Company by providing the identifying information to any requesting service provider of the Company.

c) The Company shall not be liable to the Client for any act or omission of any such third party including but not limited in regard to information provided by such third party, except where the Company has acted negligently, fraudulently or in willful misconduct in relation to the appointment of the third party, as per clause 16.4 ("Liability of the Parties").

d) The Company does not receive any remuneration, discount or non-monetary benefit from third parties for routing Client orders to a particular trading venue or execution venue which would infringe the requirements on conflicts of interest or inducements. The Company may receive third-party payments only when the aforesaid is designed to enhance the quality of the service to the Client and does not impair compliance with the Company's duty to act honestly fairly and professionally in accordance with the best interests of the Client. The Company shall duly inform the Client in this respect.

## **20. EFFECT OF TERMINATION**

20.1. On termination of these Terms of business and operative agreements and consequently closure of Client's account, subject to the provisions of the operative agreements, and following receipt of Client's instructions, the Company will arrange, as soon as reasonably feasible, for Client's Stocks to be sold. All proceeds of sale will be paid into an account under Client's name.

20.2. The Company will charge any applicable fees, charges and/or taxes on the sale of Clients' Stocks and the remaining balance of the sale proceeds will be held by the Company for and on behalf of the Client, as Client money in accordance with the operative agreements.

20.3. Where Stocks are sold, the Client acknowledges that a shortfall may be suffered between the amount that the Client initially invested and the amount the Client received after sale. The Company is

not responsible and will not be held liable for any shortfall that arises as per clause 16 ("Liability of Parties"). Any shortfall will be borne by the Client.

## **21. MARKET ABUSE**

21.1. The Client shall not arrange or execute or place any Open Position, Trade and/or Order with the Company or otherwise, nor will the Client behave in a manner that would amount to market abuse, market manipulation and/or insider dealing (by the Client himself or acting jointly with another person). In addition, the Client shall not arrange or execute or place an Open Position, Trade and/or Order that contravenes any primary or secondary legislation or other law or regulatory rules in relation to Market Abuse.

21.2. In the event that the Client placed an Open Position, Trade and/or Order in breach of any of the representations and warranties given above or if the Company has grounds for suspecting that the Client has done so, the Company may in its absolute discretion (and with or without giving notice to the Client), and without being under any obligation to inform the Client of its reason for doing so, close that Open Position and/or Order and any other Open Position and/or Orders that the Client may have open at that time, and also in the Company's absolute discretion:

a) enforce the Open Position or Trade against the Client if it is an Open Position or Trade under which the Client had made losses; and

b) treat all of the Clients' Open Positions and Trades under this paragraph as immediately void even if they are Open Positions or Trades under which the Client has made profits.

Unless and until the Client produces conclusive evidence that in fact they have not committed the breach of warranty and/or misrepresentation as referred to above, within the period of one month from the date of closure under this paragraph, all such Trades between the Company and the Client (under which the Client has made profits) will be finally null and void.

21.3. The Company can exercise the above rights regardless of the effect it may have on the Client's other Open Positions or Orders, or other positions the Client may have with a third party and even if a loss arises as a result.

21.4. The Company is not required to give advance notice to the Client of the exercise of its rights as above, but the Company will inform the Client as soon as practicable that it has exercised such rights.

## **22. DORMANT ACCOUNT**

22.1. The Company, under the terms and conditions of this Agreement and in accordance with its internal policies and procedures, reserves the right in its absolute discretion, to create a dormant accounts policy and/or to impose on any dormant account a handling fee of \$5/€5/£5 or equivalent per month and/or close the trading account upon and/or after the period of six (6) consecutive months of inactivity in the following cases:

a) Where the Client has not transacted with the Company for a period of six (6) consecutive months and the Company shall deem the trading account to be dormant.

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b) Where the Client's dormant and/or inactivate account(s) has a positive cash balance, the Company reserves the right at its absolute discretion to apply and/or impose a handling fee of \$5/€5/£5 or equivalent per month and as this may be amended from time to time by the Company.

c) Where the Client makes a genuine attempt to resolve his/her account balances, the Company reserves the right to waive any and/or all payments and/or fees at its own and absolute discretion.

22.2. Where the Client's dormant account(s) has a zero-cash balance the handling fee of \$5/€5/£5/ or equivalent per month shall not be imposed by the Company, however, the Company shall reserve the right to close the account(s) upon and/or after the period of six (6) consecutive months of inactivity.