

CLIENT AGREEMENT

"The agreement that constitutes the basis on which the Company provides investment services and activities and ancillary services to the Client."

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1. Introduction and Acknowledgement

- 1.1. The *Client Agreement* (hereinafter called the “Agreement”) is entered by and between X GLOBAL Markets Ltd, a Cypriot private company limited by shares (Registration No. HE 291958), with its registered office at Fragklinou Rousvelt 162, 1st Floor, 3045 Limassol, Cyprus (hereinafter called “the Company”) and the following persons (called the “Client(s)”):
 - i. Those, who either themselves or through their Authorized Representative, have completed and submitted the Online Application to Open a Real Trading Account (available online at <http://www.xglobalmarkets.com>) or,
 - ii. Those, who either themselves or through their Authorized Representative, have completed, signed and submitted the Application to Open a Corporate Trading Account or,
 - iii. Those, who either themselves or through their Authorized Representative, have completed, signed and submitted the Application to Open a Real Trading Account.
- 1.2. The Company is authorized and regulated by the Cyprus Securities and Exchange Commission (hereinafter called the “CySEC”) under the Investment Services and Activities and Regulated Markets Law of 2007 (No. 144(I)/2007), as amended (hereinafter called the “Law”), with license Number 171/12. The Company’s contact address is Fragklinou Rousvelt 162, 1st Floor, 3045 Limassol, Cyprus.
- 1.3. The office address of the Cyprus Securities and Exchange Commission (CySEC), is 27 Diagorou Street, 1097 Nicosia, Cyprus (Telephone: +357 22 506 600/Fax: +367 22 506 700/<http://www.cysec.goc.cy>) and its postal address is P.O.BOX 24996, 1306 Nicosia, Cyprus.
- 1.4. The terms and conditions included in the Agreement shall apply to dealings between the Company and the Client. The Client acknowledges that such dealings are subject to Cypriot law.
- 1.5. The Client acknowledges that the *Client Agreement* is the agreement that constitutes the basis on which the Company provides investment services and activities and ancillary services to the Client.
- 1.6. The Client acknowledges that he/ she has read, understood and accepted the *Client Agreement*, the *Risk Notice for trading CFDs* (Appendix A) and the *Terms and Conditions for trading CFDs*, as amended from time to time, in addition to any information contained within or through the Company’s website available online at <http://www.xglobalmarkets.com>, including but not limited to the information contained under the *Legal Information* section on the Company’s website (together, the “Collective Agreement”).
- 1.7. The scope of the Collective Agreement is to govern all dealings and relations of the Client with the Company and to disclose all relevant information required by the applicable legislation. The aim of the Company is to provide such information so that the Client is reasonably able to understand the nature and risks of the investment service and of the specific type of financial instrument that is being offered and, consequently, to be able to make investment decisions on an informed basis.
- 1.8. By accepting the non-negotiable Collective Agreement, as amended from time to time, the Client enters into a legally binding contractual relationship with the Company and acknowledges that the Collective Agreement overrides any other agreements and/or arrangements to the extent that the Company does not expressly determine that the context requires otherwise. The

Distance Marketing of Consumer Financial Services Law N.242 (I)/2004, implementing EU Directive 2002/65/EC, does not require the *Client Agreement* to be signed by either the Client or the Company in order for both the Client and the Company to be legally bound by it.

- 1.9. If the Collective Agreement is amended, the Client will be notified in accordance with section 5 of this Agreement (“Amendment of the Collective Agreement”).
- 1.10. In the context of the Agreement, the term amendment shall mean the modification, the change, the altering and shall include the meaning of the words replacement and expansion.
- 1.11. The Client acknowledges that the legally binding language is the English language.
- 1.12. The interpretation of terms used in the Agreement is set out in section 2 of this Agreement (“Interpretation of Terms”).
- 1.13. The definition of other terms used in the Agreement is set out in the Law and/or in the applicable legislation and may also be provided herein; such terms have quote marks. Terms without quote marks that are not interpreted in the Agreement shall have the meaning attributed to them in the Law and/or in the applicable legislation.
- 1.14. Headings of the sections of this Agreement shall be used exclusively for the ease of reference and shall not affect the contents and interpretation of the Agreement.

2. Interpretation of Terms

- 2.1. **Access Data** - the username, password, login code, trading account number and any other relevant information given by the Company to the Client and which forms a general requirement to place orders with the Company and/or to

access the Company’s electronic trading system for trading via the trading platform(s).

- 2.2. **Account Statement** - a statement of the transactions made within the reported period.
- 2.3. **Amendment** - the modification, the change, the altering, the replacement, the expansion.
- 2.4. **Appendix** - the Appendices of the Agreement, as these may be amended from time to time; the Appendices constitute an integral part of this Agreement.
- 2.5. **Applicable Legislation** - all applicable laws, rules and regulations as in force from time to time.
- 2.6. **Application to Open a Corporate Trading Account** – the application (i.e. form) to open a corporate trading account completed, signed and submitted by the Client (or by its Authorized Representative).
- 2.7. **Authorized Representative** - the natural or legal person who is expressly authorized by the Client to act on his/ her behalf; such authorization is expressly provided by the Client to a specific person through a Power of Attorney.
- 2.8. **Balance** - the sum of all funds deposited up to the prevailing point in time minus the sum of all funds withdrawn up to the same point in time including the results (i.e. profits and/or losses and/or any other fees and commissions) of positions that have been closed (i.e. the results of closed positions) up to that same point in time.
- 2.9. **Balance Currency** - the currency in which the trading account is denominated; it should be noted that all charges and fees are calculated and paid in the balance currency.

- 2.10. **Base Currency** - the first currency in a currency pair.
- 2.11. **Client** - The following persons:
- Those, who either themselves or through their Authorized Representative, have completed and submitted the Online Application to Open a Real Trading Account (available online at <http://www.xglobalmarkets.com>) or,
 - Those, who either themselves or through their Authorized Representative, have completed, signed and submitted the Application to Open a Corporate Trading Account.
- 2.12. **Closed Profit/Loss** - the profit/loss (including charges and other fees) of closed positions calculated (and included in both the equity and balance) at closing prices (i.e. based on the actual prices at which the positions have been closed) and in terms of the balance currency.
- 2.13. **Closed Position** - any position that has not been left open. For example, an open short (i.e. sale) position that has been covered by the opposite long (i.e. buy) position and vice versa.
- 2.14. **Collective Agreement** - the *Agreement*, the *Risk Notice for trading CFDs* (Appendix A) and the *Terms and Conditions for trading CFDs*, as amended from time to time, in addition to any information contained within or through the Company's website available online at <http://www.xglobalmarkets.com>, including but not limited to the information contained under the *Legal Information* section on the Company's website (together, the "Collective Agreement").
- 2.15. **Company's website** - the Company's web page (including all relevant subpages) on the World Wide Web (<http://www.xglobalmarkets.com>).
- 2.16. **Complaint** - an expression of dissatisfaction by a Client related to the provision of investment and/ or ancillary services provided by the Company.
- 2.17. **Contract for Difference (CFD)** - a complex "financial instrument", a financial derivative, a contract between two parties, typically described as buyer and seller, stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time. (If the difference is negative, then the buyer pays instead to the seller.) In effect, a CFD is an agreement to either buy (long position) or sell (short position) a contract that reflects the performance of its underlying "financial instrument" or asset; such "financial instruments" or assets include, amongst others, spot foreign exchange, equities, spot precious metals and futures; the profit or loss of the position is determined by the difference between the price a CFD is bought at and the price it is or can be sold at and vice versa. A full list of the CFDs available for trading along with the relevant fees and/or commissions is provided online under the *Trading Conditions* section (tab named *Contract Specifications*) on the Company's website.
- 2.18. **Durable Medium** - any instrument that enables the Client to store information addressed personally to him/her, in a way accessible for future reference and for a period of time adequate for the purposes of the information and which allows the unchanged reproduction of the information stored.
- 2.19. **Electronic Services** - the services and/or any information provided by the Company to the Client, through access to its approved software (which includes any trading platform and Client terminal offered by the Company), website and any other service that the Company may from time to time provide and designate as constituting electronic service.

- 2.20. **Equity** - the balance at the prevailing point in time including the results (i.e. profits and/or losses and/or any other fees and commissions) of positions that remain open (i.e. the results of open positions) up to the same point in time.
- 2.21. **Exchange** - any “regulated market”.
- 2.22. **Floating Profit/Loss** - the profit/loss (including charges and other fees) of open positions calculated (and included in the equity) at any point in time at prevailing market prices and in terms of the balance currency.
- 2.23. **Free Margin** - funds (i.e. collateral) available for opening additional positions. It is calculated as: Equity minus Margin and always in terms of the balance currency.
- 2.24. **Grievance** - a hardship suffered, which constitutes the grounds of a complaint.
- 2.25. **Internal Mailing System** – the electronic mailing system that is used to send messages through the trading system to the Client Terminal.
- 2.26. **Law** - the Investment Services and Activities and Regulated Markets Law of 2007 (No. 144(I)/2007), as amended from time to time.
- 2.27. **Margin** - the required funds (i.e. collateral) in terms of the balance currency for maintaining the prevailing open positions.
- 2.28. **Margin Level** - the Equity to Margin ratio calculated as: Equity divided by Margin.
- 2.29. **Market** - the market on which the “financial instruments” are subject to and/or traded on, whether this market is a “regulated market” or not and whether it is in Cyprus (i.e. local market) or abroad.
- 2.30. **Online Application to Open a Real Trading Account** - the electronic application (i.e. form) to open a real trading account completed by the Client (or by its Authorized Representative) and accessed through the Website.
- 2.31. **Open Position** - any position that has not been closed. For example, an open short (i.e. sale) position not covered by the opposite long (i.e. buy) position and vice versa.
- 2.32. **Order** - the request for the transmission and/or execution of a transaction given by the Client to the Company.
- 2.33. **Parties** - the two parties to the Agreement (i.e. the Company and the Client).
- 2.34. **Person** - any individual (i.e. natural person) and any form of legal entity, partnership, corporation, joint venture, trust, non-corporate association, or a government branch, agency or political subdivision thereof. When there is reference to persons the singular shall include the plural and vice versa and either gender shall include the other.
- 2.35. **Services** - the investment services and activities and ancillary services provided or to be provided by the Company to the Client as per section 7 of this Agreement (“Provision of Services”).
- 2.36. **Stop-loss order** - a loss minimization order that is embedded to an order with the intention of constraining (i.e. limiting) potential losses to a specific amount.
- 2.37. **Swaps** - rollover fees charged on CFD (and other) positions held overnight.
- 2.38. **Terms and Conditions** - the Company’s *Terms and Conditions for trading CFDs*; such terms and conditions govern the actions related to the reception and transmission and execution of the Client’s orders. The *Terms and Conditions for trading CFDs* can be found online under the *Legal Information* section at <http://www.xglobalmarkets.com>.

- 2.39. **Trading Account** - the account maintained by the Client with the Company for the purpose of trading the financial instruments in relation to which the Company is licensed to offer its Services (section 7 of this Agreement); each trading account is uniquely identified through a unique identification number.
- 2.40. **Trading Platform(s)** - the electronic (i.e. computer) system(s) that is/are used by Clients to place orders in relation to financial instruments (i.e. to trade) over the Internet with the Company. The term trading platform and Client terminal may be used interchangeably in the Collective Agreement.
- 2.41. **Trading System** - aggregate of the computer devices, software, databases, telecommunication hardware and other equipment, making it possible to maintain, preserve, process and interpret the information necessary to receive, transmit, manage and assist in the execution of Client orders, to keep the record of transactions with the Company and to generate, prepare, provide and submit/sent information.

3. Declarations, Acknowledgements, Representations and Warranties

- 3.1. The Client represents and warrants to the Company that he/she has the authority to enter into the Collective Agreement and to honor and execute the provisions thereof and that he/she has not been forced, or coerced, or constrained or otherwise persuaded in entering into the Collective Agreement. Further, in case of a legal person, the Client represents and warrants to the Company that such legal person is properly empowered and has obtained the necessary authority pursuant to its constitutional documentation to enter into the Collective Agreement.
- 3.2. The Client represents and warrants to the Company that he/she is at least eighteen (18) years of age or, in case of a legal person, has full capacity; as such, the Client has the legal right to contract and enter into the Collective Agreement. Further, the Client represents and warrants to the Company that he/she is not under any legal disability with respect to, and is not subject to any law or regulation that prevents his/her performance of the Collective Agreement or any obligation or transaction contemplated by this agreement.
- 3.3. The Client acknowledges and accepts that if such Client is more than one natural or legal persons, its obligations and liabilities under the Collective Agreement shall be joined and several and any communication, including but not limited to notices, shall be construed as delivered to all natural or legal persons that together constitute the Client.
- 3.4. The Client declares that it acts for itself, as principal, and not as an authorized representative or trustee of a third person, unless it has produced and presented, to the satisfaction of the Company and prior to entering the Collective Agreement, a document, such as a power of attorney, which authorizes the Client to act as representative and/or trustee of any third person. Further, the Client acknowledges and accepts that the Company reserves the right to revoke at any time and without prior written notice, any such document.
- 3.5. The Client declares that he/she has disclosed to the Company, prior to entering into the Collective Agreement, any prominent public position(s) he/she has held and/or any relationship (relative or associate) with such a person and undertakes to inform the Company if, in the course

of the Collective Agreement, he/she or his/her relatives or his/her associates come to hold such position(s).

- 3.6. The Client acknowledges and accepts that the placement of orders shall be done via electronic services, telephone, and delivery by hand or via any other type of verbal transmission or written means as it may be specified, from time to time; such placement shall be performed in accordance with the provisions of section 11 of this Agreement. Further, the Client accepts the contract specifications for each financial instrument as these are available online under the *Trading Conditions* section (tab named *Contract Specifications*) at <http://www.xglobalmarkets.com> and acknowledges and accepts that the Company reserves the right to amend the contract specifications and to notify the Client in accordance with the provisions of section 5 of this Agreement.
- 3.7. The Client represents and warrants to the Company, in relation to financial instruments and other assets, the following:
- Such instruments and other assets delivered by the Client to the Company are not connected, directly or indirectly, to any illegal acts and/or criminal activities
 - Such instruments and other assets delivered by the Client to the Company, shall belong exclusively to the Client and at all times be free from any charge, lien, pledge or encumbrance, unless the Client has otherwise disclosed to the Company in writing
- 3.8. The Client represents and warrants to the Company that all documents delivered by the Client to the Company, from the time of submission of the Online Application to Open a Real Trading Account or from the time

of submission of the Application to Open a Corporate Trading Account as applicable (i.e. from the time of initiation of the account opening process) and for the full duration of the Collective Agreement, are authentic, valid and free of any defect and that such documents shall have the legal effect that they contend to have. Further, the Client represents and warrants to the Company that the information, including but not limited to notices, provided by the Client to the Company, from time to time, is not misleading and that such information is true, accurate and complete. Furthermore, the Client acknowledges and accepts its obligation to deliver all documents required by the Company for due diligence purposes irrespective of whether the Client has made a deposit in its trading account(s).

- 3.9. The Client acknowledges and accepts its obligation, throughout the duration of the Collective Agreement, to provide, promptly and responsibly, written notice of any changes to its personal and/or financial circumstances, accompanied with relevant information and/or supporting documentation, in order for the Company to be able to determine whether the offering of services with respect to certain financial instruments is appropriate for the Client; the Client acknowledges and accepts the Company's right to require further information and/or supporting documentation in relation to such changes.
- 3.10. The Client acknowledges and accepts the fact that the Company shall have the right of lien on all assets, including funds and financial instruments, which come into the control of the Company on behalf of the Client. In effect, the Company is entitled to refuse the delivery of such assets to the Client until all the obligations, including but not limited to amounts due, of the

Client towards the Company are fulfilled. The Client's express consent is not required for the Company to exercise the lien; should such intention arise, the Company shall notify the Client. The Company shall not be liable for any loss and/or damage suffered by the Client or by any third party as a result of the exercise of the right of lien on the assets of the Client or as a result of any other legal action that may be taken by the Company in order to settle its claims against the Client (including any future or contingent claims).

3.11. The Client acknowledges and accepts the Company's right to liquidate the assets of the Client and to use the resulting proceeds in order to cover, fully or partially, any amount due by the Client to the Company in case the Company carries out a transaction on behalf of the Client, which is not covered by the Client's available funds. The Client expressly agrees to such liquidation.

3.12. The Client acknowledges and accepts the fact that the Company is entitled to refuse to honor its obligations under the Collective Agreement, for a period during which the Company has any unsettled claims against the Client (including any future or contingent claims), irrespective of whether such claims arise from the same transaction from which the obligations arise.

4. Commencement and Duration of the Collective Agreement

4.1. The Collective Agreement shall commence once the Company sends an email and/or fax and/or letter to the Client that contains details related to its trading account (such as access data) along with other information and/or documentation that includes, but it is not limited to, the *Client Agreement*, the *Terms and Conditions*

for trading CFDs, the *Conflicts of Interest Policy*, the *Best Execution Policy for trading CFDs*, information on *Protection of Client Funds and Investor Compensation Fund* and information on *Client Categorization*.

4.2. Upon its commencement, the Collective Agreement shall be valid for an indefinite time period, unless terminated in accordance with section 6 of this Agreement.

5. Amendment of the Collective Agreement

5.1. The Collective Agreement may be amended unilaterally by the Company as a result of any amendment in the applicable legislation including, but not limited to, any amendment in the Law and/or regulations and/or directives and/or rules of the CySEC and/or of the Market and/or of any other authority.

5.2. The Collective Agreement may be amended unilaterally by the Company as a result of the issue of any decision and/or of any circular from the CySEC and/or from the Market and/or from any other authority.

5.3. The Collective Agreement may also be amended on a unilateral basis by the Company for any reason outside the context of subsection 5.1 and subsection 5.2 of this section.

5.4. In cases where the amendment(s) of the Collective Agreement relate(s) to subsection 5.1 and/or subsection 5.2 of this section, the Company shall notify the Client of the said amendment(s), which shall take effect on the date and time specified in the notice (this can even be immediately) without the Client's consent.

5.5. In cases where the amendment(s) of the Collective Agreement relate(s) to subsection 5.3 of this section, the

Company shall notify the Client of the said amendment(s), which shall take effect on the date and time specified in the notice; such date and time shall be at least fifteen (15) calendar days following the date and time on which the notice was given. Any order of the Client to effect a transaction following the time on which the notice was given, shall be considered as acceptance by the Client of the said amendment(s) and of the Collective Agreement, as amended. In case the Client does not accept the amendment(s), he/she shall be entitled to terminate the Collective Agreement in accordance with section 6 of this Agreement.

- 5.6. Any outstanding order, transaction or any other rights or obligations that exist at the date and time of the amendment pursuant to the Collective Agreement shall not be affected by such amendment unless the applicable legislation requires otherwise.
- 5.7. The notice given as a result of any amendment under section 5 of this Agreement can be in written form (e.g. through email and/or through the internal mailing system and/or through letter) and/or posted on the Company's website under the *Notices* section.

6. Termination of the Collective Agreement

- 6.1. The provisions of section 6 shall continue to apply after the termination of the Collective Agreement.
- 6.2. Each Party shall be entitled to terminate the Collective Agreement by giving to the other Party fifteen (15) days written notice specifying the termination date. An email constitutes written notice.
- 6.3. Upon termination of the Collective

Agreement, the Company will be entitled without prior notice to cease to grant the Client access to all or certain electronic services.

- 6.4. The Company shall be entitled to terminate the Collective Agreement immediately without giving prior notice in the event of one (1) or more of the following circumstances:
- A violation on behalf of the Client of any of the Client's obligations under the Collective Agreement
 - A Client's death
 - A Client is declared absent or becomes of unsound mind
 - An issuance of an application and/or order and/or resolution and/or other announcement in relation to bankruptcy or winding-up proceedings involving the Client
 - A Client involving the Company in any type of fraud
 - A Client being guilty of malicious conduct or gross negligence or fraud or of using fraudulent means in relation to the performance of the Collective Agreement
 - The Company has reliable information that a material adverse change in the Client's circumstances has occurred, which has the potential of making the Client incapable of performing its obligations under the Collective Agreement and, following the submission of relevant request (by email and/or fax and/or letter and/or telephone) by the Company to the Client, the Client does not give to the Company adequate assurance of its ability to perform its obligations under the Collective Agreement within

72 hours following the submission of the request

- The Client engages in inappropriate behaviour including, but not limited to, threatening and/or blackmailing the Company or “relevant persons” of the Company and/or carries out actions that are considered to be incorrect, misleading, slanderous or defamatory by the Company on online and/or offline areas of public discussion including, but not limited to, forums, discussion sites (blogs), public gatherings and events, websites et cetera
- The Company has reliable information that the Client tries to abuse the Company’s trading platform(s) and/or trading system including but not limited to efforts that target to abuse the price feed through the Client Terminal via the utilization of electronic means, including but not limited to the utilization of computer software(s), expert advisor(s) et cetera
- A termination is required by the CySEC and/or by any other authority and/or by a regulatory body and/or by court of law

6.5. In accordance with subsection 6.1 of this section, following the termination of the Collective Agreement, any rights or obligations that have arisen during or before the termination of the Collective Agreement shall not be affected and the Client shall be obliged to pay to the Company, inter alia, the following:

- Any amount that is due to the Company by the Client
- Any expenses incurred by the Company in the provision of the services under the Collective

Agreement, or any expenses incurred by the Company as a result of the termination of the Collective Agreement

- Any damage and/or loss that has arisen during the arrangement and/or the settlement of the outstanding obligations

6.6. Upon termination of the Collective Agreement, the Company shall have no other liability towards the Client apart from transferring to the Client any amount available in the trading account of the Client net of any outstanding amount that is due to the Company by the Client; for the determination of such amount due the Company will take into consideration, inter alia, whether the termination becomes effective in the context of subsection 6.4 of this section.

6.7. In case the termination becomes effective in the context of subsection 6.4 of this section, the Company reserves the right to reverse any transaction(s) that is/are considered to be contrary to the Company’s or to the Client’s interests.

7. Provision of Services

7.1. The Company is licensed to offer the following Investment and Ancillary Services in relation to one or more of the following financial instruments (this information can also be found online at <http://www.cysec.gov.cy>):

Investment Services and Activities:

- (a) Reception and transmission of orders in relation to one or more financial instruments
- (b) Execution of orders on behalf of Clients

Ancillary Services:

- (a) Safekeeping and administration of Financial Instruments for the account of clients, including custodianship and related services such as cash/collateral management
- (b) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- (c) Foreign exchange services where these are connected to the provision of investment services
- (d) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments

Financial Instruments:

- (a) Transferable securities
- (b) Money market instruments
- (c) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash
- (d) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)

- (e) Financial contracts for differences.

7.2. The Company has the sole discretion, at any time and without justification of the reasons, to refuse the provision of any investment and/or ancillary service to the Client, in order to protect the legitimate interests of both the Client and the Company.

8. Tied Agents and Outsourced Associates

8.1. The Company is entitled to appoint “tied agents” for the promotion of the investment and/or ancillary services that the Company is licensed to provide to Clients and prospective clients, for the solicitation of clients as well as for the reception and transmission of Client orders in relation to the financial instruments offered by the Company; in such cases, the Company shall remain fully and unconditionally responsible for any action and/or omission on the part of the tied agent when acting on behalf of the Company.

8.2. The Company is entitled to engage in contractual relationships with outsourced associates for the performance of operational functions relevant to the provision of services to the Client and the performance of investment activities. In such cases, the Company shall ensure that it takes all reasonable steps to avoid undue additional operational risk in order to uphold continuity and satisfaction in the provision of services to the Client and the performance of investment activities. Outsourcing of important operational functions shall not be undertaken in such a way as to materially impair the quality of the Company’s internal controls and the ability of any competent authority to monitor the Company’s compliance with its regulatory obligations.

8.3. Any outsourced associate and/or tied agent shall satisfy all regulatory requirements.

9. Capacity

9.1. The Company shall act, at all times, as an agent of the Client.

9.2. The Company shall not accept as Client a third person, which is expressly authorized by a Client to act on its behalf (i.e. such person acts as Authorized Representative of the Client) through a Power of Attorney, unless agreed otherwise with the Client. In effect, all instructions, orders or notices given by an Authorized Representative shall be considered to have been given by the Client and the Client shall be fully responsible for all obligations and/or liabilities and/or other consequences related to such instructions, orders or notices and/or resulting from any act and/or omission on the part of the Authorized Representative in relation to such instructions, orders or notices and/or resulting from the fact that the Company has acted pursuant to such instructions, orders or notices.

9.3. In effect, no information shall be disseminated and/or disclosed to such third person in relation to the Client and/ or to the Client's trading and/or other activity, unless agreed otherwise with the Client; such agreement shall be expressly stated within the context of a Power of Attorney that is granted by the Client to the Authorized Representative and the Company, at its absolute discretion, accepts such Power of Attorney as being legitimate and satisfactory. The powers of an Authorized Representative shall be expressly stated and specifically provided through the said Power of Attorney.

9.4. The Client acknowledges and accepts

that any powers granted to an Authorized Representative through a Power of Attorney shall remain in force until the Company receives a written notice from the Client to revoke the said Power of Attorney. Further, the Client acknowledges and accepts that the Company reserves the right to revoke at any time and without prior written notice, such Power of Attorney.

10. Client Categorization

10.1. The Client shall be categorized as a "Retail Client" or as a "Professional Client" or as an "Eligible Counterparty" on the basis of the information provided by the Client during the account opening process (i.e. following completion and submission of the Online Application to Open a Real Trading Account or following completion and submission of the duly signed Application to Open a Corporate Trading Account). The Client is subject to re-categorization upon notifying the Company of any change in his/her personal circumstances; such notice is the sole responsibility of the Client. The Client is also subject to re-categorization, at any time, upon review of its categorization at the Company's sole discretion; the Client shall be notified accordingly.

10.2. The major difference between the three (3) categories of Clients is on the different level of their protection.

10.3. The Client can request a different categorization and the Company has the right to decline any such request.

10.4. Further information in relation to *Client Categorization*, a Client's right to request a different categorization and limitations to the level of a Client's protection that such re-categorization would entail, is included in the *Client Categorization Disclosure*, which can

be found under the *Legal Information* section on the Company's website and which constitutes an integral part of the Collective Agreement.

- 10.5. The Company is obliged by law to confirm and verify the identity of each person who registers on the system and opens an Account; therefore, the client ought to comply with applicable "Anti-Money Laundering ("AML") & Know your Customer ("KYC") Legislation, the client will be prompted to provide with the following information when he/she will register with the Company: a) name; b) address/residency; c) date of birth; d) nationality; e) contact information; f) payment instructions; and any other personally identifiable information that the Company may ask for from time to time, such as a copy of the client Passport and/or other identifying documents.
- 10.6. Also, the client must agree that: a) he/she is at least 18 years old, or the age of legal consent for engaging in financial investment activities under the laws of any jurisdiction that applies to the client; b) he/she is not a politically exposed person and he/she does not have any relationship (e.g. relative etc.) with a Person who holds or held during the last twelve (12) months any public position; c) the client shall be treated as a "Retail Client", unless the Company shall classify or reclassify the client as "Professional Client" or an "Eligible Counterparty", depending on the information that the client will provide when completing the registration process; d) the client is of sound mind and he is capable of taking responsibility of his own actions; e) all the details that the client have submitted to the Company or any name on the payment card and/or payment accounts in which the client intend to deposit or receive monies for/from his account.

11. Reception and Transmission of Orders

- 11.1. The Company offers, on a reception and transmission basis only, financial contracts for differences (CFDs) to the Client. Such CFDs are financial instruments offered by the Company on a non-deliverable basis only (i.e. the settlement is cash only). A full list of the CFDs available for trading along with the contract specifications including, but not limited to, contract sizes, underlying financial instruments, fees and/or commissions, trading timeframes et cetera can be found online under the *Trading Conditions* section (tab named *Contract Specifications*) on the Company's website. Such contract specifications constitute an integral part of the Collective Agreement.
- 11.2. The Company acts as an agent on behalf of the Client when receiving and transmitting Client orders for execution. The entities to which the orders are transmitted for execution are included in the *Best Execution Policy for trading CFDs*, which constitutes an integral part of the Collective Agreement; such policy can be found online, under the *Legal Information* section on the Company's website. The Company highlights the fact that Client orders related to CFDs are transmitted for execution outside a "regulated market" or an "MTF".
- 11.3. The Client has the choice of transmitting orders via electronic services, telephone, delivery by hand or via any other type of verbal transmission or written means as it may be specified, from time to time, provided the Company is satisfied, at its sole discretion, as to the identity of the person placing the order and as to the validity of the order. With respect to the transmission of orders and/or other instructions via electronic services, the Company does not have the obligation to confirm the

authenticity of the order and/or instruction or the identity of the person transmitting the order and/or instruction and the Client authorizes the Company to rely and/ or act on any instructions and/or orders transmitted by the Client to the Company in such manner.

- 11.4. With respect to the transmission of orders via electronic services, the Client is entitled to transmit orders (i.e. to trade) through his/ her trading account from 00:00:00:000 server time to 23:59:59:999 server time from Monday to Friday each week. With respect to the transmission of orders via any other mean, the Client is entitled to transmit orders from 09:30:00:000 server time to 17:29:59:999 server time from Monday to Friday each week. With respect to telephone communication (or any other verbal communication) in general and with respect to the transmission of orders via telephone (or via any other type of verbal transmission) in particular, the Client provides his/her express consent both to the recording of all conversations between the Client and the Company (including directors, employees and/or representatives of the Company) and to the usage of the recordings or transcripts from such recordings as evidence towards any dispute that may arise.
- 11.5. It should be noted that the trading of certain financial instruments occurs during specific timeframes; the Client is responsible for checking the contract specifications, which include such information, of each financial instrument prior to trading. The Company will notify the Client of any holidays via email.
- 11.6. The Client must transmit the order(s) and/or the modification (i.e. amendment) of the order(s) to the Company with precision and accuracy;

the transmission of orders via electronic services satisfies such requirements. With respect to the transmission of orders via telephone (or via any other type of verbal transmission), the Company reserves the right, in order to safeguard the Client's transactions, to require the Client, at its own expense, to confirm such orders in writing before transmitting them to the Company. The Company reserves the right to specify the contents of the order as it should be completed and submitted by the Client to the Company for it to be a valid and legally binding order under the Collective Agreement. To this end, the Company reserves the right to require the Client, at its own expense, to amend the contents of a written order in order to contain the required contents for the order to be considered valid and legally binding under the Collective Agreement.

- 11.7. The mere reception of a Client order by the Company shall not constitute its acceptance; such acceptance shall only be constituted by the transmission of the Client order to an entity having the ability to execute such order. The Company, upon acceptance of the Client order, shall only be liable for its transmission to such entity.
- 11.8. The Client acknowledges and accepts that by entering into the Collective Agreement with the Company he/she also enters into agreements with Accurate Investment Brokers S.A.L (hereinafter called the "Execution Party A"), a Lebanese private company limited by shares, with its registered office at Harek Hreik, Alameh Center, 2nd Floor, Beirut, Lebanon (telephone number 01-999126 /127, contact address Beirut-Downtown-Maarad Street – Hamzeh Building-First Floor (contact details are subject to change therefore the Client is advised to visit <http://www accuratefx.com.lb> for the updated information) AND with IFA FX

Ltd (hereinafter called the “Execution Party B”), a Belizean private company limited by shares, with its registered office at No.5 Cork Street, P.O. BOX 1708, Belize City, Belize (for contact details which are always subject to change, the Client is advised to visit <http://www.accuratefx.com.lb>), for the provision of execution services in relation to Client orders that are transmitted by the Company to the Execution Parties A and B for execution.

11.9. All relevant parties (the Company, the Execution Party and the Client), explicitly acknowledge and accept that the Company acts as AGENT on behalf of the Client when receiving and transmitting Client orders for execution to the Execution Parties A and B and that the two (2) PRINCIPALS to each executed order are the relevant Execution Party and the specific Client on behalf of which the Company had received and transmitted the said order for execution. The Client is reminded that the Company acts as AGENT on behalf of the Client when receiving and transmitting Client orders for execution to any execution venue.

11.10. The Client fully understands and acknowledges that any amount owed to the Client as a result of the execution of Client orders (including the results of both open and closed positions; such results are represented by floating Profit/Loss and closed Profit/Loss respectively) will be paid out of any amount actually received by the Company from the entities that executed such Client orders following their transmission for execution by the Company. The Company will only pay to the Client any amount owed to such Client as a result of the execution of Client order(s) to the extent that the Company receives a corresponding payment from the third party that executed such order(s) and the Client

acknowledges and accepts that the Company’s liability will be limited to the amount actually received from such third parties.

11.11. The Company has the sole discretion to not accept a Client order by refusing to transmit such order to an entity for execution. Such refusal may relate, inter alia, to circumstances where the Client fails to meet any of its obligations towards the Company under the Collective Agreement, to circumstances where the execution of the Client order aims or may aim to manipulate the market price of the subject financial instrument, to circumstances where the execution of the Client order constitutes or may constitute abusive exploitation of confidential information et cetera.

11.12. The Company shall be obliged to transmit Client orders sequentially and promptly. Any delay in transmitting the Client order must be to the benefit of the Client, provided that the Client has not objected such delay. The Company has the right to combine a Client’s orders with orders of other Clients if there is reasonable ground to believe that such combination will be in the overall best interest of the Clients.

11.13. The Company has the right to transmit Client orders for partial execution, unless clearly instructed otherwise by the Client.

11.14. The terms and conditions that govern the actions and set the rules (i.e. the trading rules) related to the reception and transmission and execution of the Client’s orders (hereinafter called the “trading conditions”) can be found in the *Terms and Conditions for trading CFDs*, under the *Legal Information* section on the Company’s website. Upon notice to the Client, the Company reserves the right to amend, from time to time, the

trading conditions.

11.15. The Client acknowledges and accepts the risk of misinterpretations and/or mistakes when Client orders are transmitted electronically through internet (i.e. in the context of receiving electronic services from the Company) and/or via telephone and/or via any other type of electronic or verbal or written means of transmission as such means of transmission may be specified, from time to time, by the Company. Such risks may stem from technical and/or mechanic failures in the trading system and/or technical and/or mechanic failures in the electronic and/or telephone and/or any other system and the Client agrees to indemnify the Company in full for any loss and/or damage incurred as a result of acting in accordance to such orders. Further, the Client acknowledges and accepts the risk stemming from delays or other problems as well as the unauthorized access risk, which is the risk that unauthorized persons may place the orders and agrees to indemnify the Company in full for any loss or damage incurred as a result of acting in accordance to such orders. Furthermore, the Client accepts that during the reception and transmission of a Client order, the Company shall have no responsibility as to its content or the identity of the person placing the order, except for gross negligence, willful default or fraud by the Company.

11.16. The Company shall not provide "investment advice" to the Client or provide an opinion to the Client in regard to a transaction, under no circumstances.

12. Client Funds

12.1. The Company informs its Clients that Client funds shall be held in the name

of the Company on behalf of the Client (i.e. the funds will be held in the name of the Company but under a Client denomination) and/or in the name of the Client directly, in account(s) with any credit and/or other financial institution in accordance with the provisions of the applicable legislation. The Company has the right to select such institutions from time to time and will exercise reasonable skill, care and diligence in doing so.

12.2. The Company will not be liable for any loss and/or damage suffered by the Client due to the insolvency, default, act and/or omissions of any credit and/or other financial institution with which Client funds are held, unless such loss and/or damage is the result of gross negligence or fraud by the Company in the appointment or monitoring of the institution.

12.3. Client funds shall be segregated from funds belonging to the Company; however, to the extent that funds belonging to a Client may be held with funds belonging to other Clients in a pooled account with a credit and/or other financial institution, in the event of insolvency on the part of such institution that causes a shortfall in the Client funds held in the pooled account, the Client may proportionately share that shortfall. In other words, in the event of insolvency of such institution, a given Client will not have a claim against a specific sum in a specific account; the Client's claim will be against the aforementioned pool of funds.

12.4. Where the funds of the Client are deposited for safekeeping with a third party/custodian of the Client's choice, the Client will enter directly into an agreement with the third party/custodian of its choice and will notify the Company in writing of the appointment and the details of the third party/custodian.

- 12.5. Client funds belong to the Client and cannot be used by the Company for its own purposes. However, the Client authorizes the Company to make deposits and/or withdrawals from the account(s) in which its funds are held in accordance with subsection 12.1 of this section, including, without prejudice to the generality of the above, deposits and/or withdrawals for the settlement of all transactions undertaken in the context of the Collective Agreement and for the settlement of all amounts payable/receivable by or on behalf of the Client to/from the Company or to/from any other third party.
- 12.6. The Company is not obliged to pay interest to the Client for the funds deposited.
- 12.7. The Client understands and accepts that Client funds shall be deposited in the relevant trading account on the date on which such funds are received by the Company, net of any transfer fees or other relevant charges imposed by the credit and/or financial institution that holds the said funds, including any intermediary institution(s) that may be involved in the transferring process; the Company imposes no additional fees or charges. Further, the Client accepts that Client funds shall be deposited in the relevant trading account only if the Company is satisfied that the depositor (i.e. the sender) of the funds is the Client or its Authorized Representative and only if it is satisfied with the documentation and other information provided by the Client to the Company in relation to the deposit; otherwise, the Company reserves the right to return the funds to the remitter. The return of the funds shall be done through the same transfer method as the one through which the Company had received such funds and the Client shall incur any relevant transfer fees or other relevant charges imposed by any institution involved in the process; the Company imposes no additional fees or charges.
- 12.8. The Client understands and accepts that the institution that received Client funds may fully or partially reverse such receipt, for any reason whatsoever. If this happens, the Company shall deduct the corresponding amount from the relevant trading account; therefore, it might be possible for the equity of the said trading account to become negative. In such case, the Company reserves the right to amalgamate (i.e. to merge) Client funds held in different trading and/or other accounts belonging to the Client.
- 12.9. The Client is obliged to maintain sufficient funds in its trading account for the transmission of order(s) in relation to the purchase (for the purpose of subsection 12.9 of this section the word purchase shall include the meaning of both long and short positions in relation to a CFD contract) of financial instruments, as applicable. In case such obligation is not honored, the Company shall be entitled not to transmit the order(s), fully or partially. If the Company transmits such order(s), the Client shall be obliged to immediately pay the difference between the amount of the funds available for the purchase and the actual cost of the purchase, which includes all relevant charges, fees, commissions and other expenses payable to the Company. In case where the Client does not honor its obligations in accordance with subsection 12.9 of this section or in case it exhibits any delays in doing so, it will be, without notice, considered in default and will be liable for any loss and/or damage caused to the Company including loss of profit.
- 12.10. The Client is allowed to withdraw an amount equal or less to the free

margin available in its trading account; it is noted that a withdrawal request might take up to five (5) business days in order to be processed. The Company is entitled to request additional information and/ or documentation from the Client in order to be satisfied that the request is perfectly legitimate and also reserves the right to reject a request if such request is considered of having the potential of not being perfectly legitimate; in such cases, the Client understands and accepts that some delays in processing the request might occur. Further, the Client understands and acknowledges that the Company will reject a withdrawal request in case the Client hasn't submitted ALL the relevant documents for Know Your Customer (KYC) purposes as required by the Company for the completion of all necessary due diligence procedures.

12.11. The withdrawal of funds shall be done through the same remitter and using the same transfer method as the one through which the Company had received such funds; the Client shall incur any relevant transfer fees and/or other relevant charges imposed by any institution involved in the process. As a result, the Client understands and accepts that it will receive the amount of withdrawal net of any such transfer fees and other charges. It should be noted that the Company has the right to decline a withdrawal that the client requested using a specific transfer method and reserves the right to suggest an alternative transfer method.

12.12. The Client understands and accepts that any requests related to the administration of its trading account(s) shall be made through the online Members Area available at <http://accounts.xglobalmarkets.com>.

12.13. The Client understands and accepts that in case its trading account(s)

is/are inactive for a period of more than twelve (12) months, the Company has the right to charge a maintenance fee equal or less to 10 Euro or Euro equivalent. Further, the Client understands and accepts that its trading account(s) must be activated by opening at least one (1) position within thirty (30) business days from the day that such Client has made its initial deposit.

13. Client Financial Instruments

13.1. The Company informs its Clients that Client financial instruments shall be held in the name of the Company on behalf of the Client (i.e. the financial instruments will be held in the name of the Company but under a *Client* denomination) and/or in the name of the Client directly, in account(s) with a third party in accordance with the provisions of the applicable legislation. The Company has the right to select and appoint such third parties from time to time and shall exercise all due skill, care and diligence in the selection, appointment and periodic review of the third party and of the arrangements for the holding and safekeeping of those financial instruments.

13.2. Client financial instruments may not be separately identifiable from the proprietary financial instruments of the third party and, as a result, the Client may not be fully protected against the insolvency, the default and against any act and/or omission of such third party. The Company will not be liable for any loss and/or damage suffered by the Client due to the insolvency, default, act and/or omissions of any third party with which Client financial instruments are deposited for safekeeping, unless such loss and/or damage is the result of gross negligence or fraud by the Company in the appointment or monitoring of the third party.

13.3. Client financial instruments shall be segregated from financial instruments belonging to the Company; however, to the extent that financial instruments belonging to a Client may be held with financial instruments belonging to other Clients in a pooled account with a third party, in the event of insolvency on the part of such third party that causes a shortfall in the Client financial instruments held in the pooled account, the Client may proportionately share that shortfall.

13.4. The Client is obliged to deliver to the relevant custodian/third party the quantity of any financial instrument(s) for the transmission of order(s) in relation to the sale of such financial instrument(s), as applicable. In case such obligation is not honored, the Company shall be entitled not to transmit the relevant order, in whole or in part. If the Company transmits such order(s), the Client shall be obliged to immediately deliver the financial instrument(s) and/or the control of the said instrument(s) to the custodian/third party and to pay all relevant charges, fees, commissions and other expenses payable to the Company. In case where the Client does not honor its obligations in accordance with subsection 13.4 of this section or in case it exhibits any delays in doing so, it will be, without notice, considered in default and will be liable for any loss and/or damage caused to the Company including loss of profit.

13.5. Where the financial instruments of the Client are deposited for safekeeping with a third party/custodian of the Client's choice, the Client will enter directly into an agreement with the third party/custodian of its choice and will notify the Company in writing of the appointment and the details of the third party/custodian.

14. Statements, Confirmations, Notices and other Information

14.1. The requirements of the applicable legislation in relation to information relevant to this section are provided in subsections 14.2, 14.3 and 14.4.

14.2. The Company shall provide the Client with a separate statement of the funds and/or financial instruments that it holds on its behalf. This statement shall be submitted to the Client in a durable medium, at least on an annual basis, to the extent that such information has not been provided in any other statement.

14.3. Where the Company has carried out an order, other than for portfolio management (an investment service that the Company is not licensed to offer), on behalf of a Client, it takes the following action with respect to that order:

- It promptly provides the Client, in a durable medium, with the essential information concerning the execution of the order
- In the case of a "Retail Client", it submits a notice to the Client, in a durable medium, which confirms execution of the order as soon as possible and no later than the first business day following execution or, if the confirmation is received by the Company from a third party, no later than the first (1st) business day following receipt of the confirmation from the third party. This notice shall include, as applicable, and, where relevant, in accordance with Table 1 of Annex I of Commission Regulation (EC) No. 1287/2006 the Company's identification, the full name of the natural person or the name of the legal person or other designation of the Client, the trading day, the trading time, the type of the

order, the venue identification, the financial instrument identification, the buy/sell indicator, the nature of the order if other than buy/sell, the quantity, the unit price, the total consideration and the total sum of the commissions and expenses charged (an itemized breakdown if requested by the "Retail Client"), the responsibilities of the Client in relation to the settlement of the transaction, including the time limit for payment or delivery as well as the appropriate account details where these details and responsibilities have not previously been notified to the Client and, in cases where the Client's counterparty was the Company itself or any person in the Company's group or another Client of the Company, the fact that this was the case unless the order was executed through a trading system that facilitates anonymous trading. The submission of such notice shall not apply where the confirmation would contain the same information as a confirmation that is to be promptly dispatched to the "Retail Client" by another person.

- In the case of orders for a "Retail Client" relating to units or shares in a collective investment undertaking that are executed periodically, it either takes the action specified in the second bullet of subsection 14.3 of this section or it provides the "Retail Client", at least once every six (6) months, with the information presented in subsection 14.3 in respect of those transactions.

14.4. The Client may request from the Company to send him/her information about the status of his/her order.

14.5. The Company shall report to the Client, through the provision of an Account Statement, both on a daily and on a monthly basis. The Account Statement(s) will be automatically generated from the trading system and sent to the Client's email address. To this end, the Client is obliged to provide the Company with a valid email address; such address may be provided during the account opening process (i.e. following completion and submission of the Online Application to Open a Real Trading Account or following completion and submission of the duly signed Application to Open a Corporate Trading Account). In case no transactions were done within the reporting period, the Client is considered to have lost its right to be informed and the Company reserves the right to not provide an Account Statement for the said period. The Client understands and accepts that the Company will reject any request for not sending an Account Statement for any of the aforementioned reporting periods.

14.6. Confirmations related to trading financial instruments (such as trade execution details, information on the status of orders and account details), shall be sent electronically through the trading system and made available through the Client terminal. Further, the Client shall be receiving, from time to time, through the Client terminal, electronic messages containing market news, announcements, marketing and other information, which is sent through the Company's internal mailing system (i.e. messages sent through the trading system to the Client Terminal). Furthermore, any notice or other communication that the Company shall provide to the Client under the Collective Agreement may be provided electronically by e-mail and/or mailed by post.

14.7. With respect to the electronic

submission of information (i.e. any information submitted through email and/or through the trading system), the Company is considered to have honored its obligation to provide information to the Client, including Account Statements, confirmations, announcements and other messages, reports or notices, when such information is sent (i.e. electronically transmitted through email and/or through the internal mailing system, i.e. through the trading system) from the Company. The Company is not responsible for any delay or re-direction or non-receipt of the email or for any alteration or other modification of its content following its electronic transmission from the Company. In addition, the Company has absolutely no responsibility for any messages (i.e. information of any kind) sent to the Client via the Company's internal mailing system (i.e. messages sent through the trading system to the Client terminal) that have not been received or read by the Client.

14.8. The Client may object any part of the notice to which subsection 14.3 of this section refers. The objection is required to be made in writing within five (5) business days from the date the Client receives the notice; such objection will not result in the cancellation of the transaction. Failure of the Client to act as required shall prevent the Client from raising any objection.

14.9. It is possible for the Company to receive delayed, erroneous, modified or altered reports/notices from a third party. As a result, such report/notice is subject to be amended. The Client acknowledges such possibility and accepts that in such cases the Company shall have no responsibility.

15. Terms of Issue and Corporate Events

15.1. The Client shall be exclusively responsible for collecting all income related to its financial instruments, for acquiring and/or exercising all rights deriving from its financial instruments as well as for exercising all voting rights attached to such instruments, unless otherwise provided in the Collective Agreement. Without prejudice to the provisions of the current subsection, any dividend, interest, distribution and other income related to the financial instruments of the Client that is received by the Company for any reason whatsoever, will be credited to the Client's trading account.

15.2. Without prejudice to the provisions of subsection 15.1 of this section, the Client acknowledges and accepts its exclusive responsibility for knowing the terms of issue, along with all accompanied rights, including but not limited to voting rights, rights issues, bonus issues, convertibility options and acquisition or exchange offers, of all its financial instruments. The Company has no obligation, unless otherwise required by the applicable legislation, to inform the Client of such terms of issue and/or accompanied rights or of any expiry or acquisition dates. Further, the Company shall bear no responsibility for any loss and/or damage suffered by the Client as a result of not knowing or not being informed of such terms of issue and/or accompanied rights or of any expiry or acquisition dates. Furthermore, the Company has no responsibility or obligation to proceed to any actions on behalf of the Client without the Client's written consent, unless such action is required by the applicable legislation.

15.3. The Client acknowledges and accepts that in case the Company sends a reminder in relation to terms of issue,

rights, expiry dates or any corporate event related to the Client's financial instruments, such action/reminder shall not constitute an obligation or recommendation towards the Client and the Client will remain exclusively responsible as per the provisions of subsection 15.2 of this section. Further, such action/reminder should not be considered or construed as containing "investment advice".

16. Investor Compensation Fund

16.1. The Company is a member of the *Investor Compensation Fund* (hereinafter called the "ICF") and complies with all the obligations imposed by Part VII and other relevant sections of the Law.

16.2. The ICF serves the purpose of securing the claim of a "Covered Client" against the Company, in case the Company fails to meet any of its obligations (such obligations arise as a result of a Covered Client's claim related to the provision of Covered Services; investment or ancillary services offered by the Company) and the Company's financial position is unlikely to change in the foreseeable future.

16.3. Further information on the ICF can be found in the document titled *Protection of Client Funds and Investor Compensation Fund*, which is available online under the *Legal Information* section on the Company's website.

17. Confidentiality and Client Data

17.1. The Company will keep all Client data in accordance with the provisions of the relevant legislation for the protection of personal data, as this may be amended from time to time. Client data constitutes, without limitation, all the documentation, communication and other information

given by the Client to the Company, from time to time, from the commencement of the Collective Agreement to its termination as well as any such information provided by the Client to the Company following the termination of the Collective Agreement.

17.2. The parties shall not disclose to any third party any confidential information provided to each other under the Collective Agreement and mutually agree to safeguard such information and keep it strictly confidential. Confidential information includes, inter alia and without limitation, all the documentation, communication or other information exchanged between the parties as a result of the Collective Agreement, both during its term and after its termination.

17.3. The Company has the right to disclose Client data, including but not limited to details of the transactions of the Client and other personal data, to competent and other regulatory authorities both in Cyprus and abroad. Such disclosure shall be made without notifying the Client. The right to disclose Client data without notifying the Client applies also when providing such data to statutory auditors and/or other external consultants/advisors subject to the existence of a confidentiality agreement, which legally governs the exchange of sensitive information between the Company and such third parties.

17.4. The Company has the right to freely disclose Client data to third parties for the purpose of statistical and/or other analysis, when such disclosure is made on an aggregated and anonymous basis only. The output of such analysis may subsequently form the content of marketing communication.

17.5. The Company shall keep Client data for

the duration of the Collective Agreement and for at least five (5) years following its termination. The Client has the obligation to provide a written notice of any change of its data. The Company shall not be liable for any act based on Client data, which the Company had at its disposal prior of being notified of such change.

18. Communication

18.1. With respect to all communication sent by the Company to the Client, from time to time, in the context of the Collective Agreement and/or in the context of marketing communication, the Client acknowledges and accepts that such communication does not breach any of its rights under the Collective Agreement.

18.2. The official communication language with the Company is English.

18.3. The Client acknowledges and accepts that the means of communication that are considered by the Company as written means (i.e. written communication) are the following:

- Mail
- Email

18.4. The Client shall communicate with the Company via mail, email, telephone or via any other type of verbal or written communication as the Company may allow, from time to time, subject to any specific provision in relation to means of communication stated in the Collective Agreement. The communication details of the Company are the following:

- Postal Address: Fragklinou Rousvelt 162, 1st Floor, 3045 Limassol, Cyprus
- E-mail: info@xglobalmarkets.com
- Telephone: (+357) 25 560202

18.5. Subject to any specific provision to the contrary in the Collective Agreement, the Company shall communicate with the Client in a durable medium, the method of which is specified by the Client, or in such method, as the Client shall later specify to the Company, by giving written notice. The Company may communicate with the Client by email and/or through the internal mailing system and/or through the Company's website provided the Client has explicitly chosen to be communicated in such way. The Client is considered to have given its express consent to be communicated by email and/or through the internal mailing system and/or through the Company's website if either of the following is true:

- The Client (or its Authorized Representative) has completed and submitted the Online Application to Open a Real Trading Account (available at <http://www.xglobalmarkets.com>).
- The Client (or its Authorized Representative) has completed, signed and submitted the Application to Open a Corporate Trading Account.

18.6. The Company has absolutely no responsibility for any loss and/or damage that may arise as a result of delayed communication sent to the Client by the Company or communication that has been sent to the Client by the Company but, for any reason whatsoever, has never been received by the Client. It is explicitly stated that the Company has absolutely no responsibility for any messages sent to the Client via the Company's internal mailing system (i.e. messages sent through the trading system to the Client terminal) that have not been received or read by the Client for any reason whatsoever. The Client is hereby notified that the

Company reserves the right to activate, without notifying the Client, the automatic deletion of messages following the lapse of seven (7) calendar days in case such message has not been received or read by the Client within the said timeframe.

18.7. The Client is exclusively responsible for the protection and privacy of any information contained within the communication received by the Company. In this context, the Company accepts no responsibility for any loss and/or damage that may arise as a result of unauthorized access by any third party to the Client's terminal and/or to the Client's trading account and/or to any of its means of communication and the Client agrees to indemnify the Company for any such loss and/or damage. Further, the Company has absolutely no responsibility for any loss and/or damage that may arise as a result of unauthorized access to unencrypted information sent to the Client by the Company.

18.8. The Company shall, from time to time, issue and disseminate material that contains information that relates, amongst others, to the Market, to financial instruments offered by the Company et cetera. Such information can be published on the Company's website and/or communicated/disseminated and/or posted through other media. The Company explicitly informs the Client that the said material shall fall under the scope of marketing communication and shall neither contain, nor should be considered or construed as containing "investment advice" or any other form of personal investment recommendation. Further, such material shall neither contain, nor should be considered or construed as containing, any offer of or solicitation for any transactions in "financial instruments". It is expressly

stated that the Company makes no representation as to the accuracy, adequacy or completeness of the information provided; therefore, the Company will not accept any liability for any loss and/or damage arising from any action undertaken by a Client or potential client upon receiving such information and the Client agrees to indemnify the Company for any such loss and/or damage incurred as a result of any such action. Furthermore, such material shall neither contain, nor should be considered or construed as containing, "investment research", unless otherwise expressly stated. Any expressions of opinion that may directly or indirectly be included in the Material may be personal to the author and may not reflect the opinion of the Company and the Client acknowledges and accepts that such expressions of opinion are subject to change without notice.

18.9. The Company assumes no liability for any loss and/or damage that may arise from any action undertaken by a Client or potential client based on an expectation and/or forecast and/or recommendation and/or other information expressed by any of its directors, officers, employees, representatives or third parties.

19. Indemnity and Liability

19.1. The Client shall indemnify and keep indemnified the Company and its directors, officers, employees or representatives against all direct and/or indirect claims, costs, losses or damages incurred in providing investment and ancillary services to the Client under the Collective Agreement, as a result of any act and/or omission by the Client or its Authorized Representative in the performance of its obligations under the Collective Agreement and/or as a result of misleading and/or false

information provided by the Client to the Company. The indemnity shall survive termination of the Collective Agreement and shall hold to the extent that the direct and/or indirect claims, costs, losses or damages incurred are not directly due to gross negligence, willful default, deliberate actions/omissions or fraud by the Company, which, at all times, shall provide investment and ancillary services to the Client and shall process the Client's transactions in good faith.

19.2. The Company shall not be liable for any acts and/or omissions concluded by a person that gives information to the Company in relation to the reception and transmission and/or execution of the Client's transactions in financial instruments, unless such acts and/or omissions were the result of gross negligence, willful default or fraud on the part of the Company. Further, the Company shall not be liable for any loss of opportunity as a result of which the value of the financial instruments of the Client could have been increased or for any decrease in the value of the financial instruments of the Client, irrespective of the cause, unless such loss is the direct result of gross negligence, willful default, deliberate actions/omissions or fraud on the part of the Company.

19.3. The Company shall not be liable for any loss and/or damage that constitutes the result of misrepresentation of facts, error in judgment or any act or omission on the part of the Company, unless such act or omission results from gross negligence, willful default, deliberate actions or fraud on the part of the Company.

19.4. The Company shall not be liable for any loss and/or damage suffered by the Client due to the insolvency, default, act and/or omissions of any third party, including but not limited to

credit or other financial institutions, custodians, counterparties or any other third party that acts on behalf of the Client or with or through whom transactions on behalf of the Client are carried out.

20. Conflicts of Interest

20.1. The Client should read the Company's *Conflicts of Interest Policy*, which can be found online under the *Legal Information* section at <http://www.xglobalmarkets.com> and which constitutes an integral part of the Collective Agreement.

20.2. Our Conflict of Interest Policy is a policy only, it is NOT part of these Terms & Conditions and is not intended to be contractually binding or impose or seek to impose any obligations on us which we would not otherwise have, but for the Cyprus Investment Services and Activities and Regulated Markets Law 2007 (Law 144(I)/2007).

20.3. Anytime that the client requests and/or asks, further details of the conflicts of interest policy will be provided in a durable medium.

21. Costs, Charges and Fees

21.1. The Company shall be entitled to receive charges and fees from the Client in respect of the provision of investment and ancillary services under the Collective Agreement. Information on charges and fees paid by the Client when trading financial instruments can be found online under the *Trading Conditions* section on the Company's website. The Company reserves the right to change, from time to time, such charges and fees. The Client should note that any applicable charges and fees would be instantly deducted from its trading account(s), unless the nature of the charge or fee requires otherwise.

21.2. The Company shall be entitled to receive reimbursement for any other costs and expenses (hereinafter called the “dues”) incurred in providing investment and ancillary services to the Client under the Collective Agreement. The Client is obliged to pay the Company immediately and in full settlement of all its dues and should note that such dues would be instantly deducted from its trading account(s), unless the nature of the due amount requires otherwise.

21.3. The Company shall be entitled, with respect to any foreign exchange conversion required to take place, from time to time, in the context of providing services to the Client, at its absolute discretion, to charge the Client with the equivalent amount of the transaction in the balance currency of the Client’s trading account. The Client understands, acknowledges and accepts that it shall assume all risks deriving from any such conversion and, in particular, the risk of loss which may be incurred as a result of the fluctuation in the exchange rates.

21.4. The Client must take into full consideration all applicable charges and fees, including but not limited to spreads, commissions and storage fees. The Client is exclusively responsible for requiring additional clarifications from the Company in relation to such charges and fees, if needed.

21.5. The Company reserves the right to charge the Client, further to the aforementioned costs, charges and fees, a maintenance fee equal or less to 10 Euro or Euro equivalent in case the Client’s trading account(s) is/are inactive for a period of more than twelve (12) months. Such cost is charged per trading account and would be instantly deducted from the Client’s trading account(s).

21.6. The Company reserves the right to amalgamate (i.e. to merge) Client funds held in different trading accounts and/or other accounts belonging to the Client for the purpose of settling any amounts due to the Company by the Client.

21.7. The client must be informed of the components of the instrument and the way in which their interaction increases the risks if there is a combination of two or more different financial instruments (if applicable);

22. Handling of Complaints or Grievances

22.1. The Company has established and implemented an effective and transparent procedure for the reasonable and prompt handling of complaints or grievances filed by Clients. The Company keeps a record of each complaint or grievance and the measures taken for such complaint’s or grievance’s resolution.

22.2. The Client should read the Company’s *Complaint Handling Procedure*, which can be found online under the *Legal Information* section on the Company’s website and which constitutes an integral part of the Collective Agreement.

23. Risk Disclosure

23.1. The Client should read Appendix A, titled *Risk Notice for trading CFDs*, of this Agreement. The *Risk Notice for trading CFDs* constitutes an integral part of the Collective Agreement and can be also found online, under the *Legal Information* section on the Company’s website.

24. Force Majeure

24.1. The Company shall not be liable for

any failure, impediment or delay in fulfilling its obligations under the Collective Agreement where such failure, impediment or delay arises directly or indirectly from circumstances and/or extraordinary events beyond the Company's reasonable control. Such circumstances and/or extraordinary events include, but are not limited to, telecommunication failures or disruptions, suspension of the operation of the Market, crimes, rebellions, strikes, riots, wars, boycotts, illegitimate electronic and/or other actions against the Company's servers, any other political, social, governmental, economic, technological or other event or an event described by the legal term Act of God (such as flooding, hurricane, earthquake, volcanic eruption et cetera); the said circumstances and/or extraordinary events are hereinafter called the "force majeure event(s)".

24.2. The Company shall, in its reasonable opinion, determine whether a force majeure event occurred; in such cases, the Company shall take all reasonable steps in order to inform the Client. Further, under such circumstances, the Company may take any other reasonable action, as it considers appropriate on the basis that the Company can no longer comply with its obligations under the Collective Agreement as a result of the force majeure event(s). Such actions include, but are not limited to, the amendment of the contents of the Collective Agreement and the suspension of the provision of investment and/or ancillary services to the Client. Furthermore, under such circumstances, the Company may, bona fide, close any open positions of the Client at first available market prices and/or request amendments to any closed positions as applicable and/or request amendments to any order or instruction and/or increase

spreads as applicable and/or increase margin requirements and/or decrease leverage.

25. Assignment

25.1. The Client shall not, under no circumstances, assign or transfer any of its rights and/or obligations under the Collective Agreement to another person. However, the Company has the right, under certain circumstances, to assign or transfer any of its rights and/or obligations under the Collective Agreement to another person, in full or in part, provided that such person agrees to abide by the Collective Agreement.

26. Governing Law

26.1. The Client acknowledges and accepts that the laws of the Republic of Cyprus shall govern both the Collective Agreement as well as the provision of any investment and/or ancillary services by the Company to the Client under the Collective Agreement. Any unresolved disputes shall be settled following a court action in the competent court of law of the Republic of Cyprus.

26.2. In case any part, section, term or clause of the Collective Agreement is considered to be unenforceable for any possible reason by the competent court of law of the Republic of Cyprus; such part shall be severed from the Collective Agreement whilst the remainder of the Collective Agreement shall remain unaffected and fully in force.

27. Appendix A (Risk Notice for trading CFDs)

1.1. Introduction

- X GLOBAL Markets Ltd

(hereinafter called the “Company”) is an investment firm regulated by the Cyprus Securities and Exchange Commission (License No. 171/12). The *Risk Notice* for trading CFDs (hereinafter called the “*Notice*”) is provided to Clients or potential clients in accordance with the provisions of the Investment Services and Activities and Regulated Markets Law of 2007 (No. 144(I)/2007), implementing Directive 2004/39/EC of the European Parliament and of the Council on Markets in Financial Instruments (“MiFID”) as amended by the Directive 2006/31/EC of the European Parliament and of the Council.

- The *Notice* is an integral part of the *Client Agreement*, which constitutes an integral part of the *Collective Agreement*; the interpretation of the term *Collective Agreement* is set out in the *Client Agreement* (the agreement that constitutes the basis on which the Company provides investment services and activities and ancillary services to the Client; such agreement can be found online under the *Legal Information* section at <http://www.xglobalmarkets.com>). The interpretation of terms used in the *Notice* is set out in section 2 of the *Client Agreement* (“Interpretation of Terms”). The definition of other terms used in the *Notice* is set out in the aforementioned Law and/or in the applicable legislation and may also be provided in the *Client Agreement* and/or in the *Notice*; such terms have quote marks. Terms without quote marks that are not interpreted in the *Client Agreement* and/or in the *Notice* shall have the meaning attributed to them in the aforementioned

Law and/or in the applicable legislation.

- The aim of the Company is to provide in a comprehensible form appropriate guidance on and warnings of the risks associated with trading and/or investing in the financial instruments offered by the Company in the context of providing the investment and/or ancillary services that is licensed to provide (details of the said services are provided by the Cyprus Securities and Exchange Commission online at <http://www.cysec.gov.cy>). To this end, the *Notice* is given on the basis that such trading and/or investing relates to trading contracts for difference (“CFDs”). It should be noted that the *Notice* does not include all the risks and/or other aspects involved in trading CFDs and it should not be considered as investment advice or recommendation for the provision of any service or investment in CFDs.
- The Client or potential client should not trade CFDs unless he/she is fully aware of all the risks and/or other important aspects involved and the level of his/her personal exposure to such risks. In case of uncertainty as to the meaning of the guidance on and warnings of the risks included on the *Notice*, the Client must seek an independent legal and/or financial advice before taking any investment decision.

1.2. Guidance

- The Client or potential client needs to ensure that his/ her investment decision is made on an informed basis taking into consideration the interaction of several factors. Such factors

include but are not limited to understanding the nature (i.e. characteristics and associated risks) of the financial instrument in question (i.e. CFD) and the Client's or potential client's desired exposure to the relevant risks; such exposure depends on the Client's or potential client's unique circumstances including but not limited to his/her experience in trading CFDs, his/her financial position and his/her investment objectives.

- A contract for difference (CFD) is a complex financial instrument, a financial derivative, a contract between two parties, typically described as "buyer" and "seller", stipulating that the seller will pay to the buyer the difference between the current value of an asset and its value at contract time (If the difference is negative, then the buyer pays instead to the seller). In effect, a CFD is an agreement to either buy or sell a contract that reflects the performance of its underlying financial instrument or asset; such financial instruments or assets include, amongst others, spot foreign exchange, equities, spot precious metals and futures; the profit or loss of the position is determined by the difference between the price a CFD is bought at and the price it is or can be sold at and vice versa. This financial derivative allows traders to take advantage of prices moving up (long positions) or prices moving down (short positions) of the underlying financial instrument or asset and is often used to speculate on those markets. For example, when applied to spot foreign exchange (i.e. when the underlying financial instrument is a currency pair), such a contract is a foreign exchange derivative that

allows traders to speculate on the movement of the currency pair in question, without the need for a physical conversion.

- CFDs are non-standardized contracts meaning that each CFD provider (i.e. broker/dealer) can specify their own contract specifications. As non-standardized derivative contracts CFDs are usually traded in the so-called over-the-counter (OTC) derivatives markets; meaning that trading takes place on a bilateral basis (i.e. contracts are traded and privately negotiated directly between two parties) outside a regulated market or an MTF albeit on an organized, frequent and systematic basis. To this end, the CFD broker/dealer provides a system accessible to third parties in order to engage in bilateral dealings with them. In such bilateral contracts, each party should have counterparty-credit risk concerns with respect to the other party. Notwithstanding the existence of exchange-traded CFDs, the Company's CFD offering is on the basis of systematic OTC trading.
- A CFD on a particular financial instrument or asset is initiated by making an opening trade with the CFD broker/dealer; this creates a position in that financial instrument or asset. At this point Clients and potential clients should be reminded that the Company, for the purpose of transmitting Client orders for execution, acts as an agent on behalf of the Client. Particularly, upon acceptance of a Client order to trade CFDs, the Company shall only be liable for the due transmission of the order to a third party having the ability to execute such order; therefore, the

Company shall not be held liable for any act or omission or for the insolvency or for the default of any counterparty, bank, custodian or other third party with or through whom transactions on behalf of the Client are carried out (please refer to the “*Terms and Conditions for trading CFDs*”).

- In regard to CFD trading there are no expiry dates so a position is closed when a second reverse trade is done between the same two parties. At such time the monetary difference between the opening trade and the closing trade is realized and paid or received as closed profit or loss; therefore, such closed profit or loss is included in the balance of the trading account. The CFD broker/dealer may charge several fees and/or commissions at opening and/or at closing and/or whilst the position is opened. Notwithstanding the general existence of rollover fees charged on CFD positions held overnight, the Company provides such rollover at zero cost. However, for certain CFD positions that remain open for a period greater than ten (10) calendar days the Company will charge a storage fee. A full list of the CFDs available for trading along with the relevant fees and/or commissions is provided online under the *Trading Conditions* section (tab named *Contract Specifications*) on the Company’s website.

1.3. Clients and potential clients are informed of the following risks that apply when trading CFDs:

- **Price risk:** The risk of losses in positions arising from movements in the prices of the traded financial instruments. The value of any investment in financial

instruments may fluctuate downwards or upwards for a variety of reasons over the investment horizon and there is a great risk of incurring losses and damages as a result of the purchase and/or sale of any financial instrument; it is even probable that the investment may become of no value. Price risk is determined by the interaction of two sources of risk, systematic and non-systematic risk.

- **Systematic risk** (also called aggregate or market risk): The risk that arises from the market structure or dynamics which produce shocks or uncertainty faced by all agents in the market; such shocks could arise from government policy, economic forces, or even acts of God and have a great influence on general market psychology and associated investment decisions and actions (therefore non-identical financial instruments carry non-identical levels of exposure to systematic risk). To the extent that CFDs are financial derivatives, meaning that their performance is dependent on the price movement of the underlying financial instrument or asset, positions in CFDs are definitely exposed to practically the same level of exposure to systematic risk carried by the underlying financial instrument or asset.
- **Non-systematic risk** (also called specific or unique risk): The risk to which only specific agents or industries (and therefore specific financial instruments or assets) are vulnerable. In the equity market such risk could arise, for example, from a specific (i.e. unique) corporate event affecting the psychology and associate investment decisions and actions

of specific market participants that trade specific financial instruments. Such risk is generally uncorrelated with broad market movements. Again, to the extent that the prices of CFDs are derived from the prices of the underlying financial instruments or assets, positions in CFDs are definitely exposed to practically the same level of exposure to non-systematic risk carried by the underlying financial instrument or asset. Due to the idiosyncratic nature of unsystematic risk, it can be reduced or even essentially eliminated through portfolio diversification; in contrast to systematic risk, which, in general, cannot be diversified away. For this reason this risk is sometimes called diversifiable or residual risk, meaning that it can be diversified away in the context of a diversified portfolio of financial instruments (i.e. it is diversifiable) and that it represents the price risk that remains once systematic risk has been quantified and isolated (i.e. it is residual).

- **Forecasting risk** (also called model risk): The uncertainty and/or inaccuracy and/or bias involved in using plain historical returns and/or analysing such returns using financial and/or other modelling for the purpose of forming expectations and/or making forecasts in regard to the future performance of financial instruments or assets. It is expressly stated that information related to the previous performance of a financial instrument or asset does not guarantee its current and/or future performance. The use of historical data in any context does not constitute a reliable forecast of the future performance of the financial instrument in question.

- **Counterparty-credit risk:** The risk of loss due to the failure of counterparty to fulfil its obligation. Holding other things constant, credit risk is directly related to time (i.e. the longer the duration of a deal the greater the risk). As aforementioned, when trading CFDs with the Company, the client is entering into a bilateral (i.e. OTC) transaction; in effect, any position opened cannot be closed through any other entity. Such OTC transactions generally expose the parties involved in greater counterparty-credit risk compared to transactions made on regulated markets where a central counterparty (i.e. a clearing entity) ultimately stands between the two parties and legally assumes the counterparty-credit risk. It is highlighted that a CFD may have little or no value regardless of the performance of the underlying instrument if one of the counterparties to a CFD trade defaults, either partially or fully, in meeting its obligations.

- **Leverage risk:** The risk pertaining to the fact that CFDs, as financial derivatives, are traded on margin meaning that the Client can devote only a fraction of the account's value to be used as collateral in order to open leveraged positions (i.e. positions whose size implies the possibility of losing a larger amount of money compared to the initial deposit). Due to the highly leveraged nature of CFD trading which interrelates with the level of margin requirements, Clients enjoy greater benefits compared to traditional cash trading as a relatively small price movement may lead to a proportionately larger movement in the value of the CFD position; unfortunately,

such leveraged nature exposes the Client to a significantly greater risk of loss. Special attention should be given to the fact that the Client needs to ensure that he/ she has sufficient margin on his/ her trading account, at all times, in order to maintain an open position. In addition, the Client needs to monitor his/her open positions in order to avoid positions being closed due to the unavailability of sufficient funds; in effect, such unavailability increases **liquidation risk** which is the risk of a forced closure of a position which could eventually have been a profitable one if sufficient funds were made available in good time. The Company is not responsible for notifying the Client for any such instances. At Margin level equal or less than 100% the Company will automatically begin closing positions at market prices, starting from the most unprofitable one and the Client is liable for any resulting negative equity (the Client remains liable for any negative equity irrespective of the reason[s] for which such equity became negative). Further information on margin requirements per CFD is provided online under the *Trading Conditions* section (tab named *Contract Specifications*) on the Company's website.

- **High volatility risk:** The risk of trading under market conditions, which are highly uncontrollable by market participants (including the Company and the Client). Under abnormally high volatility (i.e. under non-typical or unusual conditions; conditions that deviate from normal as a result of unexpected/unforeseen events, unexpected news announcements et cetera), prices of CFDs and

other financial instruments may fluctuate rapidly. As a result, the Company might be unable to transmit for execution or execute the Client's order(s) at the declared price(s) and a stop loss order cannot guarantee to limit the Client's losses at the intended amount. This can also happen under normally high volatility (i.e. under typical or usual conditions; conditions that were expected as a result of expected events, expected news announcements et cetera); however, to the extent that such conditions can be fairly anticipated by market participants, high volatility risk is somehow reduced.

- **Taxation risk:** Although in general no capital gains taxes are involved in trading CFDs since such trading does not involve taking physical delivery of the underlying financial instrument or asset, independent tax advice should be sought, if necessary, to establish whether a client is subject to any tax. The liability for the payment of any taxes lies on the client.
- **Event risk** (related to the Company's trading system, the provision of electronic services, internet service, electricity and telecommunications): The risk of any technical failure, impediment, disruption or delay that relates to the Company's trading system, electronic services including the trading platform(s) and the Client terminal(s), electricity and/or telecommunication issues and Internet service issues/problems. Clients and potential clients must understand that the Company is not an internet service or electricity or telecommunications provider; consequently, the Company is not responsible for any failure, impediment,

disruption or delay in providing investment and/or ancillary services under the Collective Agreement, if such failure, impediment, disruption or delay arises as a direct or an indirect result of an internet service or electricity or telecommunications failure. In addition, the Client understands and accepts that the only reliable source of Market (including price) related information is provided through the trading platform and, in particular, through the Client terminal that is connected with the Company's Real (i.e. Live) Server and with the Company's trading system; this Market (including price) related flow of information has the potential of being disrupted and/or cut, consequently, such information might not even reach the Client. Further, the Company bears no responsibility for any loss and/or damage that arises as a result, amongst others, of its trading system's and/or other system's failure, including but not limited to hardware or software failure, malfunction or misuse either on the Client's side or the Company's side or both, poor internet connection either on the Client's side or the Company's side or both, incorrect settings in the Client terminal and delayed and/or disrupted updates of the Client terminal. Furthermore, the Client understands and accepts that at times of excessive (i.e. immoderate) transaction flow, including times of abnormally or even normally high volatility, some delays may be incurred in contacting the Company; in such cases, the Company bears no responsibility for any loss and/or damage that may arise as a result of such delays.

- **Liquidity risk:** The risk stemming from the general lack of marketability and/or from the lack of marketability during market conditions of abnormally and/or normally high volatility, as defined and explained above, of a financial instrument or asset that cannot be bought or sold quickly enough to prevent or minimize a loss. Liquidity risk becomes particularly important to Clients who are about to hold or currently hold an asset, since it affects their ability to trade. Clients or potential clients should be aware that the placement and/or execution of contingent orders, such as stop-loss orders, would not necessarily limit losses to the intended amounts, as it may be impossible to execute the orders under such market conditions.
- **Foreign exchange risk:** The risk related to adverse movements in exchange rates. Changes in the exchange rates may negatively affect the value, price and/or performance of the financial instruments traded in a currency other than the Client's balance currency.
- **Regulatory Risk:** The risk that a transaction could conflict with current legislation or an adverse change in legislation during the life of a transaction (i.e. during the life of a position in a financial instrument). The Client must be warned that CFDs (amongst other financial instruments) are not eligible for trading in certain jurisdictions; therefore, any offer and/or invitation and/or solicitation to trade CFDs and/or any disclosure and/or any notice and/or any warning related to CFDs, including this one, on the part of the Company is not directed to any jurisdiction where

its acceptance, distribution, publication or availability would be contrary to local laws or regulations.