

# **TERMS OF BUSINESS**

**RED MARS CAPITAL LTD.**

**CIF Licence No. 396/21**

*(Regulated by the Cyprus Securities & Exchange Commission)*

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## *1. The Company*

**1.1** RED MARS CAPITAL LTD. (“the Company”) is authorised and regulated by the Cyprus Securities and Exchange Commission (“CySEC”) as a Cyprus Investment Firm (“CIF”) to offer the services and activities enlisted herein in this document, under the Provision of Investment Services, the Exercise of Investment Activities, the Operation of Regulated Markets and Other Related Matters Law 87(I)/2017, as subsequently amended from time to time (“the Law”).

**1.2** The Company’s CIF license number is 396/21.

**1.3** The Company is registered in Cyprus under the Companies Law, with registration number HE399243.

**1.4** The Company’s registered office is at Inomenon Ethnon 44, ORTHODOXOU TOWER, 3<sup>rd</sup> floor, 6042 Larnaca, Cyprus

**1.5** The Company’s head office is at 1st floor, Visionhire building, Marikas Kotopouli, 3030 Limassol, Cyprus.

## *2. Law*

These Terms and Conditions will be governed by the applicable laws of the Republic of Cyprus.

## *3. Scope of the Terms of Business*

**3.1** The Terms of Business are non-negotiable and overrides any other agreements, arrangements, express or implied statements, made by the Company unless the Company, in its sole discretion, determines, that the context requires otherwise.

**3.2** The Distance Marketing of Consumer Financial services law N.242 (I)/2004, which implements EU directive 2002/65/EC, does not require the Client’s 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.

## *4. Interpretation of Terms*

**4.1** In this Terms of Business:

“**Access Data**” shall mean the Login and Password of the Client, which are required so as to have access on and use the Platform(s).

“**Account Opening Application Form**” shall mean the application form/questionnaire completed by the Client, in order to apply for the Company’s Services under this Agreement and a Client Account, via which form/questionnaire the Company will obtain amongst other things, information for the Client’s identification and due diligence, his categorization and appropriateness or suitability (as applicable), in accordance with the Applicable Regulations.

“**Affiliate**” shall mean in relation to the Company, any entity which directly or indirectly controls or is controlled by the Company, or any entity directly or indirectly under common control with the Company; and “control” means the power to direct or the presence of ground to manage the affairs of the Company or entity.

“**Agreement**” shall mean any agreement concluded between the Company and the Client in connection with the provision of investment and ancillary services, including these Terms and Conditions any other agreements incorporating them by reference.

“**Applicable Regulations**” shall mean: (a) CySEC’s Law 87(I)/2017, Directives and Circulars or any other relevant regulatory framework issued by a governing Competent Authority, having powers over the Company; (b) the Rules of the relevant Market; and (c) all other applicable laws, rules and regulations of Cyprus or of the European Union.

“**Ask**” shall mean the higher price in a Quote, at which price the Client may buy.

“**Authorised Representative**” shall mean a person duly authorized by the Client to represent and act on behalf of the Client under the present Terms.

“**Balance**” shall mean the total financial result in the Client Account after the last Completed Transaction and depositing/withdrawal operation at any period of time.

“**Base Currency**” means the currency allocated to your Account (as chosen by you) in accordance with the Agreement.

“**Bid**” shall mean the lower price in a Quote at which the Client may sell.

“**Business Day**” shall mean any day, other than a Saturday or a Sunday, or any other Cyprus or international holidays.

“**Client Account**” shall mean the unique personalised account of the Client, opened with the Company in the name of the Client, consisting of all Completed Transactions, Open Positions and Orders in the Platform, the Balance of the Client money and deposit/withdrawal transactions of the Client money.

“**Closed Position**” shall mean executing a security transaction that is the exact opposite of an open position, thereby nullifying it and eliminating the initial exposure. Closing a long position in a security would entail selling it, while closing a short position in a security would involve buying it back.

“**Completed Transaction**” in a CFD shall mean two counter deals of the same size (opening a position and closing a position): buy then sell and vice versa.

“**Contract for Differences**” (“CFD”) shall mean an arrangement made in financial derivatives trading where the differences in the settlement between the open and closing trade prices are cash settled. There is no delivery of physical goods or securities with CFDs.

“**Contract Specifications**” shall mean the principal trading terms in CFD (for example Spread, Swaps, Lot Size, Initial Margin, Necessary Margin, Hedged Margin, the minimum level for placing Stop Loss, Take Profit and Limit Orders, financing charges, charges etc) for each type of CFD as determined by the Company from time to time.

“**Currency Pair**” shall mean the object or Underlying Asset of a CFD based on the change in the value of one currency against the other. A Currency Pair consists of two currencies (the Quote Currency and the Base Currency) and shows how much of the Quote currency is needed to purchase one unit of the Base Currency.

“**CySEC**” shall mean the Cyprus Securities and Exchange Commission, which is the Cyprus Competent Authority, responsible for the supervision of the investment services market and Company’s supervisory authority.

“**CySEC Rules**” shall mean the Rules, Directives, Regulations, Guidance notes, opinions or recommendations of CySEC.

“**Equity**” shall mean the Balance plus or minus any Floating Profit or Loss that derives from an Open Position and shall be calculated as:  $\text{Equity} = \text{Balance} + \text{Floating Profit} - \text{Floating Loss}$ .

“**Essential Details**” shall mean the required details, in order for the Company to be able to place the Order for example, but not limited to the type of Financial Instrument, the type of Order, the Direction (Buy or Sell), the volume, type of Underlying Asset, if the Client places a Pending Order (limit or stop), the Client will indicate the intended price, in which the Order will go in the market and any Stop Loss and or Take Profit etc.

“**Event of Default**” shall have the meaning given in Section 19 of the Client’s Agreement.

“**Financial Instrument**” shall have the meaning of the Financial Instruments under Appendix I, Part III of Law 87(I)/2017 and taking into account the Company’s authorization.

“**Floating Profit/Loss**” in a CFD shall mean current profit/loss on Open Positions, calculated at the current Quotes (added any commissions or fees if applicable).

“**Force Majeure Event**” is the event that a segment of the contract cannot be performed due to causes, which are outside the control of the parties, such as natural disasters, which could not be evaded through the exercise of due care.

“**Free Margin**” shall mean the amount of funds available in the Client’s Account, which may be used to open a position or maintain an Open Position. Free Margin shall be calculated as:  $\text{Equity less (minus) Necessary Margin}$  [Free margin = Equity- Necessary Margin].

“**Hedged Margin**” for CFD trading shall mean the necessary margin required by the Company so as to open and maintain Matched Positions.

“**Initial Margin**” for CFD trading shall mean the necessary margin required by the Company so as to open a position.

“**Investment Services**” shall mean the Investment Services under the Company’s CIF license.

“**Leverage**” means a borrowed capital to increase the potential returns, but it could greatly amplify the potential losses The Forex leverage size usually exceeds the invested capital for several times. The size of leverage is not fixed, as it depends on the financial instrument purchased and trading conditions.

“**Long Position**” for CFD trading shall mean a buy position, which appreciates in value if underlying market prices increase. For example, in respect of Currency Pairs: buying the Base Currency against the Quote Currency.

“**Lot size**” means a trading term used to describe the size of a trading position. The standard size for a lot is 100,000 units of currency. There are also mini, micro, and nano lot sizes that are 10,000, 1,000, and 100 units.

“**Margin**” shall mean the necessary guarantee funds, so as to open or maintain Open Positions in a CFD Transaction.

“**Margin Call**” shall mean the situation, when the Company informs the Client, to deposit additional Margin (funds), when the Client does not have enough Margin to open or maintain open position/s.

“**Margin Level**” for CFD trading shall mean the percentage of Equity to Necessary Margin ratio. It is calculated as:  $\text{Margin Level} = (\text{Equity} / \text{Necessary Margin}) \times 100\%$ .

“**Margin Trading**” means trading assets using funds, provided by a third party. When compared to regular trading accounts, margin accounts allow traders to access greater sums of capital, allowing them to leverage their positions

“**Matched Positions**” for CFD trading shall mean Long and Short Positions of the same Transaction Size opened on the Client Account for the same CFD.

“**Necessary Margin**” for CFD trading shall mean the necessary margin required by the Company, so as to maintain Open Positions.

“**Open Position**” shall mean any Long Position or a Short Position which is not a Completed Transaction. Until the trade is open, the trader can incur profit or loss.

“**Order**” shall mean an instruction from the Client to trade in Financial Instruments.

“**Platform**” shall mean the electronic mechanism operated and maintained by the Company, consisting of a trading platform, computer devices, software, databases, telecommunication hardware, programs and technical facilities, which facilitates trading activity of the Client in Financial Instruments via the Client Account.

“**Professional Client**” shall mean a “Professional Client” for the purposes of CySEC Rules, as specified in the Client Categorisation Policy.

“**Prohibited Action**” shall mean the actions as set out in paragraph 6 of these Terms of Business.

“**Quote**” shall mean the current price for a specific Underlying Asset, in the form of the Bid and Ask prices.

“**Quote Currency**” shall mean the second currency in the Currency Pair which can be bought or sold by the Client for the Base Currency.

“**Retail Client**” shall mean a “Retail Client” for the purposes of the CySEC Rules, as specified in the Client Categorisation Policy.

“**Services**” The authorized by CySEC investment and ancillary Services, provided or to be provided by the Company to Clients.

“**Short Position**” Short Position is the opposite of a Long Position. For CFD trading shall mean a sell position that appreciates in value if underlying market prices fall. For example, in respect of Currency Pairs: selling the Base Currency against the Quote Currency.

“**Slippage**” shall mean the difference between the expected price of a Transaction in a CFD, and the price the Transaction is actually executed at. Slippage often occurs during periods of higher volatility (for example due to news events) making an Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed when there may not be enough interest at the desired price level to maintain the expected price of trade.

“**Spread**” means the difference between the Bid price and the Ask price of a Contract.

“**Swap or Rollover**” for CFD trading is a commission or rollover interest, charged by the Company for extending a trader’s position overnight.

“**Swap Free Client Account**” is a type of Client Account, which is intended for traders, who use trading systems without adjustment to swaps or for Clients, who are **not** allowed to receive swaps owing to their religious beliefs. It determines the second name of this accounts type: "Islamic accounts".

“**Terms**” mean Terms of Business governing all the actions, which relate to the execution of your trades.

“**Trading Activity**” shall mean the buying and selling of goods and services, with compensation paid by a buyer to a seller, or the exchange of goods or services between parties or the transfer of goods or services from one person or entity to another, often in exchange for money.

“**Trailing Stop**” in CFD trading shall mean a stop-loss order set at a percentage level below the market price - for a long position. The trailing stop price is adjusted as the price fluctuates. A sell trailing stop order sets the stop price at a fixed amount below the market price with an attached "trailing" amount. As the market price rises, the stop price rises by the trail amount, but if the pair price falls, the stop loss price doesn't change, and a market order is submitted when the stop price is hit. Trailing Stop Order may not be executed on Company Platform.

“**Transaction**” shall mean any transaction arranged for execution on behalf of the Client under this Agreement. It will also mean any contract between the Client and the Company as principal:

(a) to pay, or to agree to pay, an amount calculated in respect of an Underlying Instrument in one currency against the settlement in the same or another currency (or other agreed Underlying Instrument); and

(b) in respect of which (other than in respect of Closing Out an Open Position as permitted under this Agreement) you have, or you are taken to have, agreed (whether orally, electronically or in writing) to:

(i) the specification of the Underlying Instruments involved;

(ii) the amount of Underlying Instruments involved and, if applicable, the amount of the specified currency involved;

(iii) the Quote;

(iv) Transaction Fee and Finance Charges; and

(v) any other features agreed by the Company.

It also includes Expiry Transactions and CFD Transactions as the context requires.

“**Transaction Fee**” means the fee or commission from time to time specified by the Company, to be the amount payable by you to the Company in respect of each Transaction

“**Underlying Asset**” shall mean the financial instrument represented by a derivative, and is what gives a derivative its value. An underlying asset often takes the form of a stock or a commodity, but it can be any asset, which provides value. It is understood that the list is subject to change and clients must refer each time on the Platform.

“**Website**” shall mean the Company’s website [www.redmars.trade](http://www.redmars.trade) or other website, as the Company may maintain from time to time.

“**Written Notice**” shall have the meaning set out in paragraphs 17.3. and 17.4. of the Client Agreement.

**4.2** Words importing the singular shall import the plural and vice versa. Words importing the masculine shall import the feminine and vice versa. Words denoting persons include corporations, partnerships, other unincorporated bodies and all other legal entities and vice versa.

**4.3** Paragraph headings are for ease of reference only.

**4.4** Any reference to any act or regulation or Law shall be that act or regulation or Law as amended, modified, supplemented, consolidated, re-enacted or replaced from time to time, all guidance noted, directives, statutory instruments, regulations or orders made pursuant to such and any statutory provision of which that statutory provision is a re-enactment, replacement or modification.

## ***5. Platform***

**5.1** Subject to the Client’s obligations under the Agreement being fulfilled, the Company hereby grants the Client a limited License, which is non-transferable, non-exclusive and fully recoverable, to use the Platform(s) (including the use of the Website and any associated downloadable software available) in order to place Orders.

**5.2** The Company has the right to shut down the Platform(s) at any time for maintenance purposes, without prior notice to the Client, this will be done only in weekends, unless not convenient or in urgent cases. In these cases, the Platform(s) will be inaccessible.

## ***6. Intellectual Property***

**6.1** The Platform(s), all copyrights, trademarks, patents, service marks, trade names, software code, icons, logos, characters, layouts, trade secrets, buttons, color scheme, graphics and data names are the sole and exclusive Intellectual Property (IP) of the Company and are protected by local and international intellectual property laws and treaties. The Agreement does not convey an interest in or to the Platform(s), but only a right to use the Platform(s), according to the terms of the Agreement. Nothing in the Agreement constitutes a waiver of the Company’s intellectual property rights.

**6.2** Under no circumstances shall the Client obscure or remove any copyright, trademark or any other notices from any of the Company’s IP or Website or Platform(s).

**6.3** The Company owns all the images displayed on its Website, the Platform(s) and downloadable software and material. The Client may not use these images in any way, other than the manner, which the Company provides them for.

**6.4** The Client is permitted to store and print the information, made available to him through the Company’s Website or Platform(s), including documents, policies, text, graphics, video, audio, software code, user interface design or logos. The Client is not permitted to alter, modify, publish,



transmit, distribute, otherwise reproduce commercially exploit that information, in whole or in part, in any format to any third party, without the Company's express written consent.

## ***7. Prohibited Actions***

**7.1** It is absolutely prohibited for the Client, to take any of the following actions in relation to the Platform(s):

- (a) Use, without the prior and written consent of the Company, any software, which applies artificial intelligence analysis, including Robot or similar, to the Company's systems and/or Platform(s) and/or Client Account.
- (b) Intercept, monitor, damage or modify any communication which is not intended for him.
- (c) Use any type of spider, virus, worm, Trojan-horse, time bomb or any other codes or instructions, that are designed to distort, delete, damage or disassemble the Platform(s) or the communication system or any system of the Company.
- (d) Send any unsolicited commercial communication, not permitted under applicable law or Applicable Regulations.
- (e) Do anything that will or may violate the integrity of the Company's computer system or Platform(s) or cause such system(s) to malfunction or stop their operation.
- (f) Unlawfully access or attempt to gain access, reverse engineer or otherwise circumvent any security measures, which the Company has applied to the Platform(s).
- (g) Any action that could potentially allow the irregular or unauthorised access or use of the Platform(s).

**7.2** Should the Company reasonably suspect, that the Client has violated the terms of paragraph above, this shall be considered an Event of Default and the Company shall be entitled to take one or more of the counter measures of paragraph 19.2. of the Client Agreement.

## ***8. Safety of Access Data***

- 8.1** The Client agrees to keep secret and not to disclose his Access Data or Client Account number to any third person.
- 8.2** The Client should not write down his Access Data. If the Client receives a written notification of his Access Data, he must destroy the notification immediately.
- 8.3** The Client agrees to notify the Company immediately if he knows or suspects, that his Access Data or Client Account number have or may have been disclosed to any unauthorised person. The Company will then take steps, to prevent any further use of such Access Data and will issue replacement Access Data. The Client will be unable to place any Orders until he receives the replacement Access Data.
- 8.4** The Client agrees, that he will co-operate with any investigation, the Company may conduct into any misuse or suspected misuse of his Access Data or Client Account number.
- 8.5** The Client acknowledges, that the Company bears no responsibility, if unauthorized third persons gain access to information, including electronic addresses, electronic communication, personal data, Access Data and Client Account number when the above are transmitted between the parties

or any other party, using the internet or other network communication facilities, post, telephone, or any other electronic means.

**8.6** If the Company is informed from a reliable source, that the Access Data or Client`s Account number of the Client, may have been received by unauthorised third parties, the Company may, at its discretion without having an obligation to the Client, deactivate the Client`s Account.

## ***9. Safeguarding of client assets***

The Company hold the funds of its Clients in a segregated bank accounts in authorized banking institutions under the name “Clients` account” and takes all necessary steps, to ensure the Client`s proprietary rights and the maximum protection and safeguard of their Financial Instruments and funds.

**9.1** To ensure the safeguarding of Clients` rights, with respect to their Financial Instruments and assets, the Company adhere to the following measures:

- a) Keep all necessary records and accounts, in order to be in the position, at any given time
- b) and with no delay, to distinguish the assets, which are kept on behalf of the Client from those, which are kept on behalf of any other Client, as well as from the Company`s assets.
- c) Keep its records and accounts in order and ensure its update, when/if necessary, as well as way, that they correspond to the Financial Instruments kept on behalf of its Clients.
- d) Apply all necessary organizational measures, with the aim to minimize the risk of loss or reduction of Client`s assets or rights, in regard to these assets, due to asset misappropriation, fraud or negligence.

**9.2** The Company do not accept any liability towards its Clients in the event if any of the following cases occur:

- a) The inefficient fulfilment and/or non-fulfilment of the banking institution`s obligations.
- b) The solvency and generally the fulfilment of the obligations of the banking institution/s, in which the Clients` assets are kept. It is presumed, that the Company will not be held liable for any errors or omissions, committed by the banking institution/s.

Unless instructed otherwise by a Client, the Company shall not dispose of, charge, manage or use in a different way the Financial Instruments kept on behalf of the Client.

## ***10.Placement and Execution of Orders***

**10.1** The Client may place Orders on the Platform(s) by using his Access Data, issued by the Company for that purpose, or by telephone call, by providing the following information to the Company, in order to be able to proceed with the submission of the Order:

- a) Client`s full name.
- b) Authorized Person`s full name (if any).
- c) Client`s Account number.
- d) Password or other identification data, agreed between the Company and the Client within the terms of the Agreement, if applicable.

**10.2** The Company will be entitled to rely and act on any Order given, by using the Access Data on the Platform(s), without any further enquiry to the Client and any such Orders will be binding upon the Client.

**10.3** Orders are executed, according to the Summary of Best Execution Policy, which are binding on the Client.

**10.4** The Company will use reasonable efforts to execute an Order, but it is agreed and understood, that despite the Company's reasonable efforts, transmission or execution may not always be achieved at all for reasons beyond the control of the Company.

**10.5** If an Order/Instruction contains corrections and/or omissions, and therefore can't be unambiguously construed and executed, The Company will immediately contact the Client and request necessary clarifications. The Client shall promptly draft and deliver to the Company a new Order/Instruction, containing supplements and/or amendments required.

**10.6** The Company shall not be liable for any loss, expense, cost or liability (including consequential loss) suffered or incurred by the Client, as a result of Instructions or Orders being given, or any other communications being made via the internet or other electronic media

**10.7** Orders placed via phone, will be placed by the Company on the Electronic Trading System of the Company. The Client agrees, that any telephone conversation between him and the Company may be recorded. Such records should ensure, that there is evidence to prove the terms of any orders given by the Client and its correspondence with transactions executed by the Company. Any recording will be the Company's sole property. In addition:

- a) the Company may act upon telephone instructions before receipt of any written ones
- b) confirmations and any recording will be conclusive evidence of the relevant;
- c) conversations (including any Instruction communicated during the conversation) or the terms of any Transaction verbally agreed on;
- d) the period for which any recording is retained, shall be five years, and where requested by CySEC or any other Competent Authority, for the purposes of any investigation - for a period of up to seven years;
- e) the Company may provide a copy of any recording or any transcript of any recording, as required or requested under any applicable Law or as required or requested by any governmental or regulatory authority or by the Client;

**10.8** Where orders are communicated by the Client through other channels than by telephone, such communications should be made in a durable medium such as mails, faxes, emails, documentation of Client's orders made at meetings.

**10.9** In the event of a face-to-face meeting with the Client, all conversations with the Client will be recorded by using written minutes or notes. Such orders should be considered to be equivalent to orders received by telephone.

## ***11. Decline of Client's Orders***

**11.1** Without prejudice to any other provisions herein, the Company may, acting reasonably, at any time and at its discretion, without giving any notice or explanation to the Client to restrict the Client's trading activity, to cancel Orders, to decline or refuse to transmit or execute any Order of the Client, and the Client has no right to claim any damages, specific performance or compensation whatsoever from the Company, in any of the following cases:

- (a) Internet connection or communications are disrupted.

- (b) In consequence of request of regulatory or supervisory authorities of Cyprus or a court order or antifraud or anti-money laundering authorities.
- (c) Where the legality or genuineness of the Order is under doubt
- (d) A Force Majeure Event has occurred.
- (e) In an Event of Default of the Client.
- (f) The Company has sent a notice of Termination of the Agreement to the Client.
- (g) The system of the Company rejects the Order due to trading limits imposed.
- (h) Under abnormal market conditions.
- (i) The Client does not hold adequate funds in his Balance for the specific Order.
- (j) The Client`s instructions do not contain the essential details, sufficient for the unambiguous interpretation and execution of the respective Order.

Furthermore, the Company may delay, block or refuse to make any payment or to provide any service, if we believe on reasonable grounds, that to do so may breach AML Laws or any other applicable Law in Cyprus or any other country, and we will incur no liability to you if we do so.

**11.2** Internet, connectivity delays, and price feed errors sometimes create a situation, where there is price latency on the Electronic Systems, such that there is a disparity between the Company`s quoted prices and current market prices for short periods. Client expressly acknowledges and agrees, that it shall not execute Transactions with the Company, which rely on price latency arbitrage opportunities, either by using additional functionalities/plugin-ins (i.e. Expert Adviser, etc.) or by any other means. If the Client acts in contravention of this clause, the Company reserves the right to:

- a) make corrections or adjustments to the relevant Transaction execution prices, to reflect what would have occurred, had there been no price latency arbitrage; and/or
- b) cancel all the relevant Transactions; and/or
- c) terminate without notice the Client`s Account with the Company and/or
- d) charge an administration fee equal to 10% of the deposited funds, with the maximum charge set at \$200 or deposit currency equivalent. The company at its discretion may not apply its rights under this clause, provided that the client informs the Company in advance of his/her linked trading accounts with the Company, which are going to be used for a hedging strategy within those accounts (i.e. mirror accounts), in that event hedging activity in those mirror accounts might not be considered by the Company as an abusive trading strategy.

**11.3** The Company reserves the right to reverse any cumulative profits derived from the said trading at any given time. This can occur at times, where there is suspicion of swap abuse aiming at generating riskless profit, whereby the Client abuses the Company`s trading conditions/systems or if the trading strategy of the Client imposes a threat to the Company`s trading facility or where the Company deems necessary, in order to protect the smooth operation of its trading facility.

## ***12. Client Accounts***

**12.1** It is agreed and understood, that the types of the different Clients` Accounts offered by the Company and the characteristics of such Client Accounts are found on the Website.

**12.2** The Client Account shall be activated upon the Client depositing the minimum initial deposit, as determined and amended by the Company in its discretion from time to time. The minimum initial deposit may vary, according to the type of Clients` Account offered to the Client and/or type of Financial Instrument, being traded under that Client Account.

### ***13. Dormant and Low Activity Client Accounts***

**13.1.** If a Client's Account is inactive – dormant, i.e. there is no trading activity (please refer to Section 4. Interpretation of Terms), it will be charged a monthly fee. The applicable fees, once applied, can be found on the Company's Website.

**13.2.** The Client will be accordingly informed, of the fact, that his account became dormant and that the relevant fee will be deducted from the remaining balance of the trading account.

**13.3.** If a Client's Account is dormant (inactive) for two (2) months or more, the account will be charged with one off fee of €20 (or equivalent) and there after for each following month of inactivity - €10(or equivalent) per month. The fee includes the maintenance of the trading platform, as well as the maintenance of the CRM.

**13.4.** If a client had more than 1 trading account and at least one of his trading accounts are active, then no inactivity fee would be deducted, even where one or more of the client's trading accounts was deemed inactive.

**13.5.** In the event, that a Client's account is inactive/becomes dormant, depositing or/and withdrawing funds without placing any order, will not change the account status and the account will still be considered as dormant/inactive and therefore the fees mentioned in point **13.3.** above would be deducted.

**13.6.** If the Client's Account is inactive for two (2) years or more, and after notifying the Client, the Company reserves the right to close the Client's Account and consider it dormant. Money in the dormant account shall remain owing to the Client and the Company shall make and retain records and return such funds upon request by the Client at any time thereafter.

### ***14. Portfolio Management services***

When providing Portfolio Management services, the Company obtains the necessary information regarding the Client's or potential Client's knowledge and experience in the investment field, financial situation including his ability to bear losses, and his investment objectives including his risk tolerance, so as to enable the Company to recommend to the client or potential client the financial instruments, which are suitable for him and are in accordance with his risk tolerance and ability to bear losses.

The Company focuses on providing a personalized service with sound investment strategies and risk management techniques, based on its Clients' profiles. The Company's priority is to develop a clear understanding of each Client's unique investment needs, in order to formulate a personalized investment plan, which would best suit the Client's current financial position, investment objectives, risk tolerance as well as future income needs.

The portfolio management includes the establishment of the investment objectives, qualitative and quantitative screening of securities, selection and allocation of securities, if in line with the predefined strategies, monitoring and rebalancing according to market conditions.

It is understood and agreed, that for the provision of portfolio management services, which involve switching investments, either by selling an instrument and buying another, or by exercising a right

to make a change in regard to an existing instrument, the Company shall collect the necessary information of the client on its existing investments and on the recommended new investments.

Furthermore, the Company do not delegate the management of the Clients` funds by any means. The company`s Portfolio Management department has the technical skills and ability to invest all Clients` funds in a proprietary way, as it has access to all necessary financial markets, as well as knowledge of/access to all clients` KYC and consented agreements.

Moreover, all final investment decisions taken within the Clients` portfolios, are made by the Board of Directors in cooperation with the Head of Portfolio Management department.

#### **14.1. Types of financial instruments and transactions carried out**

To structure the Clients` portfolios, the Company transacts in exchange-traded products (futures, ETFs, futures options) on equity indices, commodities, bonds, as well as in foreign exchange. The portfolio manager can use both long and short positions in the aforementioned financial instruments and also keep liquidity in order to exploit emerging market opportunities and meet exchange-imposed position maintenance fund requirements. Leverage is used to the extent, that exchange margin requirements are met. Stop-loss orders and drawdown limits are used in a way suspending unprofitable trading activity.

Moreover, the Company trades in regulated markets (derivatives and cash), with the exception of forex, which is an interbank market. All trading is conducted in the most liquid markets (US stock indices, European indices, gold, crude oil, silver, highest-volume ETFs, major forex pairs, government bonds, blue-chip stocks etc.). Even with no use of leverage, volatility is unavoidable, which depends on the market developments. Furthermore, the volatility of returns will increase by the use of leverage. There is no trading in illiquid markets or gray, over-the-counter markets. The Company performs short sales in all traded instruments, as the portfolios are not long-only. Deposits of collateral will be used for margin. Considering the FX risk, the Company will invest in USD-denominated assets (for example ETFs) and in forex pairs.

#### **14.2. Method and frequency for evaluation**

The Company establishes and provides the Client with an appropriate method of evaluation and comparison based on the investment objectives of the Client and the types of Financial Instruments included in the Client`s portfolio, so as to enable the Client, for whom the service is provided to assess the performance.

The method and frequency of the calculations and valuation depend on the financial instruments and the strategy used. If the strategy is a long-term strategy, then the rebalance is performed every 6 months maximum.

If it is a high yield strategy, the financial instruments are being checked every` day, however the rebalance is done in general once per week.

Furthermore, where a Client requests to receive information about the executed transactions on a transaction-by-transaction basis, the Portfolio Management department will provide these promptly to the Client, on the execution of a transaction by the portfolio manager, the essential information concerning that transaction in a durable medium.

All financial instruments included in the Company's managed portfolios are exchange-traded with the exception of forex, which is an interbank market. The valuation of all instruments is based on publicly available information, such as bid, ask and last trade. Valuation prices are taken directly from the relevant exchange through the Interactive Brokers trading platform, which provides direct market access. Prices can be double-checked via other market data vendors (stock market websites, reuters, bloomberg, investing.com etc.) at any time. Valuation of each trading position is updated on constant basis and any valuation changes happen, whenever new market prices are available. The same holds true for the consolidated portfolio, which effectively is a sum of individual trading positions. The constant feed of updated valuation prices makes portfolio valuation extremely transparent and convenient. Moreover, the instruments traded are some of the most liquid ones in the financial markets and their price cannot be manipulated by any single market participant. The portfolio manager, therefore, cannot influence the effective, marking-to-market valuation of the portfolios as a whole and its individual positions by any means.

Furthermore, the Company is performing a comprehensive research and invest only if all criteria are met, checking quality of financial statements and ratios for any inappropriate entries, such as Price Over Earnings, Full Balance Sheet and Income Statement Check, Free Cash Flow check, Price over Sales.

Moreover, the Company provide each such client with a periodic statement in a durable medium of the portfolio management activities carried out on behalf of that Client.

The periodic statement will provide a fair and balanced review of the activities undertaken and of the performance of the portfolio during the reporting period

The periodic statement will be provided once every three months, except in the cases where the agreement between the Company and the Client for a portfolio management service authorises a leveraged portfolio, then the periodic statement will be provided at least once a month, unless otherwise requested by the Client.

The Company will inform the Client where the overall value of the portfolio, as evaluated at the beginning of each reporting period, depreciates by 10% and thereafter at multiples of 10%, no later than the end of the business day, in which the threshold is exceeded or, in a case where the threshold is exceeded on a non-business day, the close of the next business day.

### **14.3. Past performance**

It is noted and understood, that where there is information, which contains an indication of past performance of a financial instrument, a financial index or an investment service, that indication is not the most prominent feature of the communication.

The figures refer to simulated past performance and that past performance is not a reliable indicator of future results.

The performance of client portfolios is compared to pre-set profit targets agreed with the clients, according to the portfolio profile (conservative, balanced, growth, aggressive, etc.) and based on their financial objectives, risk tolerance, financial circumstances, etc. Based on a) performance and b) performance vs. targets, the Company may apply performance fees on the portfolios.

Moreover, it is accepted and acknowledged, that there is a possibility, that the return may increase or decrease, as a result of currency fluctuations.

#### **14.4. Future Performance**

Such forecasts are not a reliable indicator of future performance. The figures refer to simulated past performance and that past performance is not a reliable indicator of future performance.

#### **14.5. Management objectives**

Following its thorough fundamental and technical market analysis, the Portfolio Management department first and foremost aims to balance reward and risk in every individual position, as well as on a portfolio basis, in line with the Client's agreed portfolio profile directions. The Portfolio Management department tries to exploit market opportunities in a wide spectrum of publicly-traded financial products, in order to achieve alpha returns, which will potentially and over the agreed-upon fund management time horizon, lead to positive risk-adjusted returns.

### ***15. Netting and Set-Off***

- 15.1** If the aggregate amount payable by the Client is equal to the aggregate amount payable by the Company, then automatically the mutual obligations to make payment are set-off and cancel each other.
- 15.2** If the aggregate amount payable by one party, exceeds the aggregate amount payable by the other party, then the party with the larger aggregate amount shall pay the excess to the other party and all obligations to make payment will be automatically satisfied and discharged.
- 15.3** The Company has the right to combine all or any Client's Accounts opened in the Client's name and to consolidate the Balances in such accounts and to set-off such Balances in the event of Termination of the Agreement.
- 15.4** All payments by you under this Agreement are to be made without any set-off by you, counter claim or condition made by you and without you making any deduction or withholding for any Tax or any other reason, unless the deduction or withholding is required by applicable law or the set-off arises by express application of this Agreement;
- 15.5** With out prejudice to the Company's right to require payment from you in accordance with this Agreement, we have the right (at any time) to set-off any losses incurred or any amounts you owe in respect of your Transactions or any debit balances in any Account. If any loss or debit balance exceeds all amounts held you must immediately pay us any excess whether demanded or not.

### ***16. Deposits and withdrawals***

The Company will charge 0.0% fee on deposits and withdrawals made by wire transfer, however it does not bear any responsibility on other fees, which may be applied by the Banks or the card processing company. It is understood, that bank fees may vary from one transaction to another, depending on the amount of the transfer, currency (currency conversion fees may apply), country or origin, etc.



## 16.1 Deposits

Deposits will be accepted by bank transfer, debit/credit card or any other method of electronic money transfer/electronic wallets (where the originator is the Client). Further information regarding the alternative methods of deposit, deposit and withdrawal processing time and fees, is available on the Company's Website.

Any payment(s) made by debit/credit card(s), will bear the Client's name and will be credited into the Client's account(s), held with the Company. It is assumed, that the name on the debit/credit card must be the same as the name of the Client and subsequently the name of the account, held with the Company. Any deposits, which are not in alignment with the above requirements, will be rejected. All applicable fees will be charged to the sender.

The full amount of the first deposit will be returned by the Company to the Client, upon a withdrawal request, to the same bank account, credit card and/or electronic wallet account, which the Client used for his first deposit.

In the event, that the Company identify or suspect, that an incoming payment/deposit is fraudulent, the Company will refund the amount back to the same account (no matter of the method of depositing), where the funds were sent from.

If the funds are sent by an already existing Client of the Company, the Company will close any trading account/s of the said Client.

## 16.2 Withdrawals

The Company will execute Clients' withdrawal requests either upon receipt of a form bearing the signature of the Client or upon a request for withdrawal, made via the Client's member's area.

Once the Company receive the Client's request for a withdrawal and the cash balance of his/her real trading account is positive, the Company will aim to process the client's request to withdraw funds on the same day, when the request was made, or the next working day, if the Client's request is received outside of the usual normal business hours, if the following requirements are met:

- (a) The withdrawal instruction includes all necessary information;
- (b) The withdrawal instructions stipulate the same bank account, which the funds have been initially sent from;
- (c) At the moment of payment, the client's free margin exceeds the amount specified in the withdrawal instruction, including all payment charges.

It is understood, that withdrawal instructions for a bank transfer wire to the account of the client might take up to 5 working days.

The Company has the right in its absolute discretion, not to execute withdrawals, if any of the following situations occur:

- a) to any third party or anonymous person/s;
- b) when such a request is send by a different account name, other than the one used by the Client for his last deposit;
- c) the Client asking for a specific transfer method, different from the method, which was used for the initial deposit. In such event, the Company has the right to suggest an alternative, depending on the current circumstance;

It is agreed and understood, that when making a deposit of a certain amount through a specific bank account and/or card and/or electronic wallet, the Client will be obliged to withdraw (upon withdrawal request) the full amount of that specific deposit from that specific bank account, card and/or electronic wallet, before using any another withdrawal method.

It is possible, that delays may occur for deposits and withdrawals requests to be processed, if the Company and/or any other bank and/or card processor and/or electronic wallets service provider, are unable to verify the information provided by the Client.

The Company has the right to charge the Client any service fee, including deposit and withdrawal fees, charged by any bank and/or card processor and/or electronic wallets service provider, at any time and at the Company's sole discretion and without the consent of the client.

The Client is fully responsible for the payment details provided to the Company and the Company bare no responsibility for the Client's funds, if the bank account details provided are incorrect

## ***17. Fees***

**17.1** The provision of the Services by the Company is subject to payment of fees such as brokerage fees, commissions, transaction fees, inactivity fees and other applicable fees, found on the Company's fee schedule on the Company's Website.

**17.2** The Client agrees, that any payments made to his trading Account in a currency, which is not the base currency of the Account, will be liable for any resulting losses, fees, or currency conversion fluctuations or other applicable charges

**17.3** Certain withdrawal fees, maintenance of Client's Account fees may apply. The applicable fees may be found on the Company's Website.

**17.4** If the Client has any obligation to pay any amount to the Company, which exceeds the Equity in the his/her account, the Client shall pay the excess amount immediately, once the obligation arise.

**17.5** The payment amount will be converted into the Currency of the Client Account at the rate determined by the bank of the Company, hence conversion fees may apply.

## ***18. Disclosure of Client Information***

The Company has the right to disclose Client information (including recordings and documents of a confidential nature, card details) in the following circumstances:

- (a) Where required by law or a court order by a competent Court.
- (b) Where requested by CySEC or any other regulatory authority, having control or jurisdiction over the Company or the Client or their associates or in whose territory the Company has Clients.
- (c) To relevant authorities to investigate or prevent fraud, money laundering or other illegal activity.
- (d) To such an extent, as reasonably required, so as to execute Orders and for purposes ancillary to the provision of the Services.

- (e) To credit reference and fraud prevention agencies, third authentication service providers, banks and other financial institutions for credit checking, fraud prevention, anti-money laundering purposes, identification or due diligence checks of the Client. To do so they may check the details the Client supplied, against any particulars on any database (public or otherwise), to which they have access. They may also use Client`s details in the future to assist other companies for verification purposes. A record of the search will be retained by the Company.
- (f) To the Company`s professional advisors, provided that in each case, the relevant professional shall be informed about the confidential nature of such information and commit to the confidentiality herein obligations as well.
- (g) To other service providers who create, maintain or process databases (whether electronic or not), offer record keeping services, email transmission services, messaging services or similar services which aim to assist the Company collect, storage, process and use Client information or get in touch with the Client or improve the provision of the Services under this Agreement.
- (h) To a Trade Repository or similar under the Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties (CCPs) and trade repositories (TRs) (EMIR).
- (i) To a Trade Repository or similar under the Regulation (EU) No 600/2014 - of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (MiFIR)
- (j) To other service providers for statistical purposes, in order to improve the Company`s marketing, in such a case the data will be provided in an aggregate form.
- (k) To market research call centres, that provide telephone or email surveys with the purpose to improve the services of the Company, in such a case only the contact details data will be provided.
- (l) Where necessary, in order for the Company to defend or exercise its legal rights to any court or tribunal or arbitrator or Ombudsman or governmental authority.
- (m) At the Client`s request or with the Client`s consent.
- (n) Client`s Information is disclosed in relation to US taxpayers to the Inland Revenue in Cyprus, which will in turn report this information to the IRS of the US according to the Foreign Account Tax Compliance Act (FATCA) of the USA and the relevant intergovernmental agreement between Cyprus and the US.

## ***19. Inducements***

The Company does not receive any inducements from third parties, in relation to the provision of the investment and ancillary services and does not have any fee arrangements, further to those agreed to be charged to the Client directly. The Company may receive some minor benefits or non-monetary benefits and where the receipt of those benefits will not impair the Company's ability to act in the best interests of the Client.

## ***20. Changing the Terms of the Agreement***

The Company may also change any terms of the Agreement (which includes this Client`s Agreement and its Appendices and Terms of Business, Client Categorisation Policy, Investor Compensation Fund, Summary of Conflicts of Interest Policy, Summary Best Execution Policy, Risk Disclosure and Warnings Notice, Complaints Procedure for Clients) for the following reasons:

- (a) Where the Company reasonably considers that:
  - the change would make the terms of the Agreement easier to understand; or

- the change would not be to the disadvantage of the Client.
- (b) To cover:
  - the involvement of any service or facility the Company offers to the Client; or
  - the introduction of a new service or facility; or
  - the replacement of an existing service or facility with a new one; or
  - the withdrawal of a service or facility which has become obsolete, or has ceased to be widely used, or has not been used by the Client at any time in the previous year, or it has become very expensive for the Company to offer.
- (c) To enable the Company to make reasonable changes to the services offered to the Client as a result of changes in:
  - the banking, investment or financial system; or
  - technology; or
  - the systems or Platform used by the Company to run its business or offer the Services hereunder.
- (d) As a result of a request of CySEC or of any other authority or as a result of change or expected change in Applicable Regulations.
- (e) Where the Company finds, that any term in the Agreement is inconsistent with Applicable Regulations. In such a case, it will not rely on that term, but treat it as if it did reflect the relevant Applicable Regulations and shall update the Agreement to reflect the Applicable Regulations.

## ***21. Termination Process***

**21.1** Once notice of termination of this Agreement is sent and before the termination date:

- (a) the Client will have an obligation to close all his Open Positions. If he fails to do so, upon termination, the Company will close any Open Positions;
- (b) the Company will be entitled to cease to grant the Client access to the Platform(s) or may limit the functionalities the Client is allowed to use on the Platform(s);
- (c) the Company will be entitled to refuse to accept new Orders from the Client;
- (d) the Company will be entitled to refuse the Client to withdraw money from the Client's Account and the Company reserves the right to keep Client's funds as necessary, to close positions, which have already been opened and/or pay any pending obligations of the Client under the Agreement, before releasing any remaining funds.

**21.2** Upon Termination, any or all the following may apply:

- (a) The Company has the right to combine any Client Accounts of the Client, to consolidate the Balances in such Client Accounts and to set off those Balances.
- (b) The Company has the right to close the Client's Account(s).
- (c) The Company has the right to convert any currency.
- (d) The Company has the right to close out the Client's Open Positions.
- (e) In absence of illegal activity or suspected illegal activity or fraud of the Client or instructions from the relevant authorities, if there is Balance in the Client's favour, the Company will (after withholding such amounts, that in the Company's absolute discretion considers appropriate, in respect of future liabilities) pay such Balance to the Client, as soon as reasonably practicable and supply him with a statement, showing how that Balance was arrived at and, where appropriate, instruct any Nominee or/and any Custodian to also pay any applicable amounts. Such funds shall be delivered in accordance to the Client's Instructions to the Client. It is

understood, that the Company will affect payments only to an account in the name of the Client. The Company has the right to refuse, at its discretion, to effect third party payments.

## ***22. Idemnity and Specification of Liability***

**22.1** The Company will not be held liable for any loss or damage or expense or loss incurred by the Client in relation to, or directly or indirectly arising from, but not limited to following situation/circumstances:

- (a) Any error or failure or interruption or disconnection in the operation of the Platform(s), or any delay, caused by the Client`s Terminal or Transactions made via the Client`s Terminal, any technical problems, system failures and malfunctions, communication line failures, equipment or software failures or malfunctions, system access issues, system capacity issues, high internet traffic demand, security breaches and unauthorized access, and other similar computer problems and defects.
- (b) Any failure by the Company to perform any of its obligations under the Agreement, as a result of Force Majeure Event or any other cause beyond its control.
- (c) The acts, omissions or negligence of any third party.
- (d) Any person obtaining the Client`s Access Data, that the Company has issued to the Client prior to the Client`s reporting to the Company of the misuse of his Access Data.
- (e) Unauthorized third persons, having access to information, including electronic addresses, electronic communication, personal data and Access Data, when the above are transmitted between the Parties or any other party, using the internet or other network communication facilities, post, telephone, or any other electronic means.
- (f) Any of the risks of the Risks Disclosure and Warnings Notice.
- (g) Currency risk.
- (h) Any changes in the rates of tax.
- (i) The occurrence of Slippage.
- (j) The Client relying on functions such as Trailing Stop, Expert Advisor and Stop Loss Orders.
- (k) Under abnormal Market Conditions.
- (l) Any actions or representations of the Introducer.
- (m) Any acts or omissions (including negligence and fraud) of the Client and/or his Authorized Representative.
- (n) For the Client`s or his Authorized Representative`s trading decisions.
- (o) All Orders given through and under the Client`s Access Data.
- (p) The contents, correctness, accuracy and completeness of any communication spread by the use of the Platform(s).
- (q) The solvency, acts or omissions of any third party

**22.2** Subject to the Governing Legislation, the Client will indemnify the Company, and keep it indemnified on demand, in respect of all liabilities, losses or costs of any kind or nature whatsoever, which may be incurred by the Company as a direct or indirect result of any failure by the Client to perform any of his obligations under this Agreement, in relation to any Transaction or in relation to any false information or declaration made, either to the Company or to any third party, in particular to any Exchange. The Client acknowledges, that this indemnity extends to our legal and administrative costs and expenses incurred in respect of preparing for and taking any legal or investigatory action against the Client, or instructing any debt collection agency, to recover monies owed by the Client to the Company.

**22.3** To the extent permitted by law, the Client will indemnify, protect and hold the Company harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages or costs resulting from or arising out of any act or omission by any person obtaining access to the Client's Account whether or not he authorised such access.

**22.4** The Company excludes all liability in contract, offence or otherwise relating to or resulting from use of any services it provides under this Agreement and for any loss incurred by the Client directly or indirectly, including without limitation as a result of or arising out of:

- (a) the Client's use of an Electronic Trading Service;
- (b) any inaccuracy, error or delay in or omission from any information provided to the Client under this Agreement including the Electronic Trading Service;
- (c) any delays or failures or inaccuracies, or loss of access to, the provision of a service to the Client including, without limitation, any delay, failure or inaccuracy in, or the loss of access to, the Electronic Trading Service or in respect of the transmission of Orders or any other information;
- (d) any misinterpretation of the Client's Orders or instructions, which are unclear, ambiguous, or not specific;
- (e) any inability by the Client to open or Close Out a Transaction;
- (f) anything which is beyond the Company's control and the effect of which is beyond the Company's control to avoid it; and
- (g) any governmental restriction, Exchange or market rulings, suspension of trading, computer or telephone failure, unlawful access to the Company's Electronic Trading Service, theft, sabotage, war, earthquakes, strike, Force Majeure Event and, without limitation, any other conditions beyond the control of the Company.