

APPENDIX No. 5:
Synchronous Trading Service
Regulations

1. Terms and Definitions

Settlement shall mean the procedure of distributing the commission accrued by the trader between the Investor Account and Trader Account.

Commission Return to Investor shall mean depositing a part of the commission accrued by the trader into the Investor Account during the settlement procedure.

Trader's Reward shall mean the part of the commission accrued by the trader is deposited in the Trader Account during the settlement procedure.

Investor shall mean the Client of the Company that has registered its trading account in the Synchronous Trading service as an Investor's account.

Trader's Commission shall mean the commission set by the Trader during the registration of their Trader Account, according to which settlement between the Trader and Investors as well as commission will be calculated for profitable replicated trades.

Trader's Contract shall mean a Trader's unique personified code in the Synchronous Trading service, which includes the Trader Agreement.

Coefficient of Replicated Trades (Ratio) shall mean the coefficient of copying trading operations from the Trader Account to the Investor Account, which is set by the Investor while connecting the Investor Account to the Trader Account.

Non-Public Trader's Account shall mean the Trader's account that is not published on the Company websites.

Trader Agreement shall mean an offer to potential Investors to connect their trading accounts to the Trader Account under certain conditions.

Trader shall mean the Client of the Company that has registered its trading account in the Synchronous Trading service as a Trader's account.

Accounting Period shall mean a period of time (since the start of collaboration between the Investor and Trader or since the last settlement between the Investor and Trader) after which settlement takes place between the Investor and Trader.

Provider of Trading Operations shall mean a trading account from which trading operations are replicated (copied) to other trading accounts connected to this trading account via Synchronous Trading.

Public Trader Account shall mean a Trader Account, which is added to the Traders' Rankings and available to view for all clients of the company on the company's websites.

Replication of Trading Operations shall mean copying of trading operations from the Trader Account to a corresponding trading account of the Investor according to clause 5.6 of these Regulations.

Synchronous Trading shall mean a service provided by TeleTrade D.J. Limited, which offers Clients who registered their trading accounts as Investor Accounts to copy trading operations to their trading accounts from Trader Accounts.

Investor's Account shall mean a trading account with an "Investor" status.

Trader's Account shall mean a trading account with a "Trader" status.

Investor Status shall mean the status of a trading account registered under the Synchronous Trading service, to which trading operations can be copied from Trader Accounts.

Trader Status shall mean the status of a trading account registered under the Synchronous Trading service, which can be a provider of trading operations for Investor Accounts.

2. General provisions

2.1. These Regulations set out the conditions according to which TeleTrade D.J. Limited ("Company" hereinafter) provides its Clients with the Synchronous Trading service.

2.2. The Trader Account is a provider of trading operations in regard to the Investor Account. The Trader is not involved in funds management for any Investor.

2.3. The following may be executed by the Investor only: register a trading account as an Investor Account, cancel the Investor Status of a trading account, connect to a Trader Account, individually manage replicated trades and orders, and execute non-trading operations of deposit/withdrawal in/from a trading account.

2.4. All calculations for Trader Accounts and Investor Accounts, deposits of all types of the Trader's reward and transfers of commission returns to Investors are carried out by the Company.

2.5. The Regulations for Provision of the Synchronous Trading Service, the Agreement and the Regulations set out the conditions under which:

- the Trader and Investor execute trading operations;
- trading operations are replicated onto the Investor Account from the Trader Account;
- Traders and Investors execute non-trading operations.

3. Trader Account

3.1. A trading account can be registered as a Trader Account via the Client Login, provided that there are no open positions on the this account.

3.2. Trading instruments available for the performance of trading operations on the Trader Account shall be defined by settings of the Company's trading servers.

4. Trader's Contract. Trader's Agreement.

4.1. When registering a trading account as a Trader Account, the Client shall specify the size of the Trader's commission, which may be from 1% to 50%.

4.2. As a result of registering a trading account as a Trader Account, the Trader Account is assigned a Trader's Contract, and the Trader Agreement is automatically generated for the Account and a personal page (Trader's profile) is automatically created.

4.3. An Investor is getting connected to the Trader Account via the Client Login by specifying the code of the Trader's Contract, to which the Investor is willing to connect his/her account.

4.4. During the process of connecting the Investor, the Trader Agreement is published, to which the Investor may agree.

4.5. The Trader Agreement shall mean an offer to Investors to connect their trading accounts to the Trader Account under the following conditions:

- the Trader's commission;
- settlement between the Investor and Trader is made every last Sunday of the month.

4.6. The parameters in the Agreement determine the conditions for collaboration between the Investor and Trader and are used by the Company for calculating the commission for profitable replicated trades, and lay out the settlement conditions.

4.7. The trader has no right to impair the commission on the offer if there is at least one attached Investor account.

4.8. Agreeing to the Trader Agreement by the Investor is not contractually binding for the Trader and Investor and does not lead to entering into an agreement under any circumstances.

4.9. The Company has the right to limit the maximum number of Investor Accounts which can be connected to one Trader Account.

4.10. The Company has the right to disable a certain Trader to get connected to Investors in case:

- a fraud attempt is suspected;
- the Company's requirements to change information in the Trader's profile, which contains strong language or offends the social, racial, national or religious identity of the Company's Clients, have not been fulfilled;
- repeated or additional verification procedures are being performed in regard to the Client;
- the Trader has violated his/her obligations specified in clause 9;
- due to other reasons, including without prior notice and without giving any reasons.

4.11. In case the Trader is willing to make their account public, the Trader shall fill out the Trader's profile.

4.12. When filling out the profile, the Trader must follow the following requirements set for the name and description of their Account.

The following is not allowed:

- use of strong language;
- offense in any form, including but not limited to the social, racial, national, linguistic or religious identity;
- promises of yield and guarantees;
- promotion of competing companies and any implication of them;
- names of governmental bodies;
- resource locators, including but not limited to links to other Trader Accounts;
- any names and titles which are not deemed acceptable in the description of the Trader's profile at the discretion of the Company's employees.

The following is allowed:

- a description of the trading strategy;
- the name of an Expert Advisor and indicators used;
- any description which does not contradict the above requirements.

The Company reserves the right to change the name of any Trader Account in a unilateral manner without giving any reasons.

5. Investor's Account

5.1. A trading account can be registered as an Investor Account via the Client Login, only provided that there are no open positions on such account.

5.2. Connecting the Investor Account to a Trader Account may be carried out in the Client Login by specifying the Trader Contract Number after the Investor agrees to the Trader Agreement.

5.3. Connecting the Investor Account to the Trader Account is only available within one account type (or identical account types in terms of trading conditions).

5.4. One Investor Account may simultaneously operate with one Trader Account only.

5.5. The Company has the right to automatically revoke the Investor Status on the Account in case of multiple failed attempts to replicate a trading operation from the Trader Account due to insufficient funds on the account.

6. Replication of Trading Operations

6.1. The replication of trading operations represents proportional copying of trading operations from the Trader Account to the Investor Account taking into consideration the replication coefficient set by the Investor during the connection process to the Trader Account.

6.2. By default, the replication coefficient of trading operations is 100%.

6.3. During the process of connecting the Investor Account to the Trader Account, the Investor can change the replication coefficient of the Trader's trades. The availability for the functional to change the replication coefficient may be restricted by the Company.

6.4. In the process of attaching of the Investor's account to the Trader's account, the Investor can use the copy function of all open positions in the Trader's account. The position is copied sequentially at the current market prices in accordance with the formula for calculating the volume of the replicated transaction (6.6.).

6.5. If, at the moment of replication of the Trader's position, trading in the relevant instrument is interrupted in the auction, an order for delayed replication is automatically created. The corresponding position will be replicated in accordance with the formula 6.6. at the market price, available after the start of trading on the relevant instrument.

6.6. The formula for calculating the volume of replicated trades is as follows:

$$V_{calc} = \frac{Equity_{inv}}{Equity_{trader}} \times V_{trader}$$

Where

V_{calc} - the calculated volume of trading operation to the Investor Account. The calculated volume of a replicated trading operation is rounded to two decimal places. If the calculated volume of a replicated trade is less than 0.01 lot, then $V_{calc} = 0.01$;

V_{trader} - the volume of a trading operation on the Trader Account;

$Equity_{inv}$ - the amount of equity on the Investor Account at the moment of replicating a trading operation;

$Equity_{trader}$ - the amount of equity on the Trader Account at the moment of replicating a trading operation;

$$V_{inv} = Ratio(\%) \times V_{calc}$$

Where

$Ratio(\%)$ - the replication coefficient;

V_{inv} - the volume of a replicated trading operation to the Investor Account considering replication coefficient.

6.7. If the amount of equity does not allow to replicate a trading operation in full, then the volume of the order being copied is corrected according to the available equity in order to execute this trading operation.

6.8. When trading operations are being executed by the Trader, a notification message about all replicated orders on all the Investor Accounts connected is sent to the Trader's trading platform. Also, the Investor is sent a notification message to his/her trading platform about a replicated trading operation being executed.

6.9. Every replicated trading order is connected with (managed by) a corresponding order on the Trader Account. While copying from an order on the Investor Account, a comment appears as follows: "-> Trader's contract # order's ticket on the Trader Account".

6.10. A replicated trading order is connected with (managed by) a corresponding order of the Trader unless the Investor changes any of its parameters:

- change the TakeProfit level;
- change the StopLoss level.

6.11. Any change to any of the parameters of a replicated order automatically makes this order subject to be managed by the Investor. The Trader and Investor are sent respective notices to their trading platforms.

6.12. Replicated trading orders, the parameters of which have not been changed whatsoever, remain connected with (managed by) corresponding trading orders on the Trader Account, and no disconnection of the Investor Account from the Trader Account takes place.

6.13. If the Investor decides to detach itself from the Trader's account, all the replicated open positions and pending orders pass under the Investor's control. Relevant letters are sent to the Trader's and Investor's trading terminals.

6.14. Restoring the connection between the order on the Trader Account and the replicated order on the Investor Account is not possible.

7. Trader's Fee. Mutual Settlement.

7.1. For every closed profitable trade, commission is charged from the Investor Account:

$$Comm = Profit * Fee(\%)$$

Where

Comm - the size of commission for the trade;

Profit - the profit made on the closed trade;

Fee(%) - the commission fee set in the Trader Agreement.

7.2. The commission for a trade is calculated based on the financial result of the trade, regardless who was managing the order upon its closing.

7.3. The commission is withdrawn from the Investor Account by executing an operation, with a comment as follows: "cmsn lock for rep. #Investor order ticket".

7.4. Under the service, the commission is accrued for closed profitable trades until settlement is made between the Investor Account and the Trader Account.

7.5. Settlement implies the distribution of commission accrued within the accounting period between the Investor Account and Trader Account.

7.6. Settlement is made between the Investor Account and Trader Account if at the moment of settlement all positions replicated from the corresponding Trader Account are closed on the Investor Account.

7.7. Settlement is made between the Investor Account and the Trader Account for the last accounting period or since the moment the Investor Account has been connected to the Trader Account.

7.8. Periodic settlement is made on every last Sunday of the month, starting at 00:00 and till 23:59 by the server's time.

7.9. In case the Investor Account is disconnected from the Trader Account, settlement will be made only after all corresponding replicated positions are closed on the Investor Account.

7.10. The distribution of the accrued commission is carried out between the Investor Account and the Trader Account according the following formulae:

If the Investor Account received a profit from all trading operations replicated from the Trader Account for the accounting period:

$$\begin{aligned}Reward_{trader} &= Fee(\%) \times Profit_{period} \\Return_{investor} &= Buffer_{period} - Reward_{trader}\end{aligned}$$

Where

$Reward_{trader}$ - the Trader's reward;

$Return_{investor}$ - the cashback to the Investor;

$Buffer_{period}$ - the total of accrued commission for the accounting period;

$Profit_{period}$ - the profit made from corresponding replicated trading operations;

$Fee(\%)$ - the commission fee set in the Trader Agreement.

If the Investor Account suffered losses from all trading operations replicated from the Trader Account for the accounting period:

$$Return_{investor} = Buffer_{period}$$

7.11. The Company may set the commission for using the service, which will be charged from the trader's reward. The commission is 40% of the total trader's reward.

7.12. The trader's reward, including the company's commission, is deposited in the Trader Account via a transaction with a comment as follows: "cmsn from Investor Account Number".

7.13. The cashback to the Investor is deposited to the Investor Account via a transaction with a comment as follows: "cmsn return from Trader Account Number".

8. Trader's Account Closing

8.1. Closing of the Trader Account leads to automatic disconnection from all Investor Accounts connected to it, blocking the Account from being able to connect to Investors, blocking the Account from executing trading operations, removing the Account from the Traders' Rankings.

8.2. To close the Trader's account, the Client shall make a request on the Client's Personal Page. At the moment of request filing, all trading positions must be closed and all pending orders must be deleted on the Trader's account.

8.3. The Company has the right to initiate closing of any Trader Account at its discretion in case:

- low performance, the yield is below the level of minus 80% on the account within 30 days;
- the lack of trading activity within 90 consecutive trading days;
- a fraud attempt is suspected;
- the Company's requirements to change information in the Trader's profile, which contains strong language or offends the social, racial, national or religious identity of the Company's Clients, have not been fulfilled;

- repeated or additional verification procedures are being performed in regard to the Client;
- the Trader has violated his/her obligations specified in clause 9;
- due to other reasons, including without prior notice and without giving any reasons.

8.4. The remaining balance on the Trader Account can be withdrawn from the trading account.

9. Obligations of Trader and Investor. Guarantees. Confidentiality. Trader's liability.

9.1. The Trader and Investor are obliged to comply with the provisions (including but not limited to) of the currency, tax and other laws in the country of domicile.

9.1.1. In case the Trader violates any of the provisions set out in clause 9.1. of these Regulations, the Trader is obliged to resolve disputes and settle third-party claims/demands by its own efforts and expenses.

9.2. The Trader and Investor are obliged not to transfer any confidential information to third parties, which is protected by authorization parameters (the login and password to the trading platform and/or Client Login) and are obliged to ensure their safekeeping and confidentiality.

9.3. All actions connected with the compliance of these Regulations and/or with the use of the login and password for the trading platform and Client Login are deemed as performed by the Investor and Trader.

9.4. In case of non-authorized use of the login and password for the trading platform and/or Client Login by any third party, the Company may not be hold responsible.

9.5. The Trader and Investor shall not enter into binding relationship on behalf of the Company or create any binding relationship for the Company (contracts, etc.).

9.6. The warranties by the Investor and Trader ("Warranty" hereinafter):

9.6.1. The Investor and Trader warrant that all the information provided by them when registering as a Company's Client is true.

9.6.2. The Investor and Trader warrant that while registering documents envisaged by the Regulations all the details they provided are true.

9.6.3. The Investor and Trader have fully read the contents and conditions of all the documents governing the Company's activities, and the scope and subject of these documents is clear to them.

9.6.4. The Investor and Trader fully understand the consequences of their actions/lack of action in regard to the compliance and/or default of these Regulations.

9.6.5. The Trader and Investor are not authorized to warrant any payments on behalf of the Company or by using the Company's brand name and/or trademark.

9.6.6. The Trader and Investor are not entitled to use the Company's brand name and/or trademark.

9.6.7. In case of breach of at least one of the provisions of the Warranty stipulated by clauses 9.6.1., 9.6.2., 9.6.3., 9.6.4., 9.6.5., 9.6.6., the Trader is obliged to settle disputes and third-party claims/demands by its own efforts and expenses.

Confidentiality

9.7. The Trader and Investor are obliged not to post in the media any kind of information without written permission from the Company and not to disseminate any kind of information about the Company's activities by any means, no matter what form it may take (an article, note, etc.) in the media, in blog(s), on the Internet.

Responsibility

9.8. In case of breach of any of the provisions of these Regulations by the Trader, the Company becomes a defendant before the court or receives a claim, the Trader is obliged to reimburse all losses suffered by the Company.

10. Risks

Features of the Service

10.1. The Trader and Investor are aware that due to the specific characteristics of the replication of trading operations from the Trader Account and the option for the Investor to manage any replicated orders, the performance of the Investor Account may vary from the performance of the Trader Account.

10.2. The Trader and Investor accept any possible financial losses in the form of direct losses and loss of profit resulting from the following actions of the Trader and Investor:

- executing balance transactions on the Investor Account or Trader Account;
- individual trading on the Investor Account;
- individual management of replicated orders;
- setting the coefficient (Ratio) other than 100% for replicating trading orders

10.3. The Company does not warrant any profit. Past positive results are no indicator of future positive results.

10.4. The Trader and Investor accept any possible financial losses in the form of direct losses or loss of profit resulting from the following risks:

- the risk of the Trader lacking the qualification and knowledge necessary for executing trading operations;
- the risk of the Trader losing control over the Trader Account;
- the risk of any third party accessing the Trader Account for its management;
- the risk of misunderstanding or misinterpreting these Regulations by the Investor and/or Trader;
- the risk of undue submission of any claim by the Trader to the Company in regard to any replicated trading operation on the Investor Account.

- the risk of unforeseen delays while transferring funds between the accounts or non-timely execution of deposit/ withdrawal requests or closing/ liquidating the Investor Account;
- the risk of closing the Trader Account.

10.5. The Company shall not be held responsible under any circumstances for occurring of the above risks and their consequences.

11. Miscellaneous

11.1. The Client acknowledges that the Company has the right to change and/or amend these Regulations at any time by giving prior 7-calendar-day notice. Such changes and/or amendments shall enter into effect and be binding upon the Client starting the date specified in the respective notice.

11.2. If one or more provisions of these Regulations is determined to be invalid, any remaining provisions of these Regulations shall remain valid.

11.3. These Regulations shall constitute an integral part of the Client Agreement with Teletrade D.J. Limited (individual and corporate accounts).