Introduction

Regulations determine rules of marginal trading. According to these rules Client authorization (identification), reception and execution of orders, recording of current transactions/orders on the Clients account are carried out.

Legal basis of transactions are defined by the agreements between Client and the Company.

The main purpose of these Regulations is to prevent any disputes between the Client and the Company.

The Client acknowledges that he/she read, understood and accepted these Regulations in addition to any information contained within the Company's website including but not limited to the legal documentation available online.

Margin trading

The Company provides the leverage to the Client. Leverage depends on the financial instrument and is specified in the section "Trading Conditions" on the Company's website.

Company reserves the right to change Leverage, by giving prior notice to the Client.

In order to open a position the client is required to deposit funds ("Initial Margin"). Information about the amount of the Initial Margin for each instrument can be found on the Company's website.

A free margin can be withdrawn by the Client at any time or it can be used to open new positions.

While the Client is holding open Positions, the size of an Equity can decrease or increase because of the relevant market price movements. Thus, the Company requires that the Equity shall not be less than 10% of the Margin. This size is called the Required Margin.

The Required Margin can not be withdrawn from the Client's Account or used to increase the total Open Position. If the Equity falls below 10% of the Margin, the Company has the right to completely or partially close the Open Position without giving any

prior notice to the Client. The forced Close of the Position depends on the possibility to efficiently execute position at the Market Price and it doesn't depend on the amount of profits/losses of such Open Position or any other factors.

Quotes

Quotes published on the Company's website and transmitted to the Terminal are Indicative.

Spread

Depending on the chosen by the Client account type, Company provides 2 spread types: fixed and floating spread – is not fixed and may widen during low liquidity, high volatility and due other reasons. Minimum spread size is indicated on the Company`s website. Company reserves the right to change spread any time, by giving prior notice to the Client.

Charges

Client undertakes to cover commission and other charges arising during marginal trading in full, as per indicated on the website values.

Order types

The Market order is the order given to the Dealer to buy or sell a certain amount of the lots, specified by the Client at the current Market price.

The Pending order is the order given to the Dealer to buy or sell a certain amount of the lots in the future, when and if the Market price will reach the price specified in the Order.

Any of these types of Orders (Market or Pending Order) shall always be the Order to buy or sell Instrument. Buy shall always be executed at the Ask price, and sell at the Bid price according to the current Market price.

Regardless of the Order type, it is accepted only during the company's working hours. Orders are executed only during the trade session of any particular market. Please refer to the section "Trading Conditions" in the Company's website.

In case of quotes flow failure due to technical reasons the Company will have the right to revoke any results achieved under any kind of orders during quotes failure. The Company will not refund any profits obtained in such situations. Any reference to any other source of quotes rather than the one of the Company's Trading Server will not be taken into consideration.

Market orders

Market Orders may be carried out either by "Instant Execution" or by "Market Execution" according to the account type chosen by the Client.

According to the **"Instant Execution"** method the Client immediately sends the instruction either to open the Position in accordance with the specified particular Instrument and amount by pressing the (Buy/Sell) button of Trading Terminal or to Close the whole or a part of the Position by pressing the (Close …) button at the price specified in the Market Order Window.

In case during Order execution price has changed, the Company has the right to offer new price (re-quote), which Client may agree or decline.

As provided by the "At Request" Market Order the Client specifies a number of lots and the Instrument under which the Order shall be executed. Upon the receipt of the Clients Market Order, search of opportunity will start with the declared Instrument in accordance with the specified amount. Once the Market price is obtained – Bid and Ask will be exposed to the Client on the Company's terminal. In general, the quotation of the Market price takes a few seconds. The Company makes the best efforts to speed up the process of the quotation.

The company undertakes to make an effort to maintain its servers and terminals. However, the Client understands that there is no software which can be absolutely reliable. In case it is impossible to send the order through the terminal, it is recommended for the Client to use telephone services (cl. 6 of this Regulations).

The Client acknowledges that obtaining of the Market price at the real market can take some time, depending on the volatility, current size of transactions, total number of orders in queue for execution at any given moment. As a result of the Extreme Market Situation, there can be delays of different duration. The Company undertakes to make the best efforts to minimize such delays. However, it is not possible to completely avoid them under the conditions of the real market.

If the client has confirmed the Order, the buy/sell operation is carried out at the price, confirmed by the client. Hereby the Order is executed at the "Market Price".

If the Client has received Bid/Ask prices at request, pressed the Transaction (buy/sell) button or if the Client has every ground to think that he has pressed the confirmation button, but there are no applicable changes in the terminal, the Client is bound to contact the Company in order to find out the case.

According to the "**Market Execution"** method, the Client sends the instruction either to open the Position in accordance with the

specified particular Instrument and amount by pressing the (Buy/Sell) button of Trading Terminal or to Close the whole or a part of the Position by pressing the (Close …) button. The Client's order to open a position with "Market Execution" technology may be executed at a different price to the quoted price specified in the Clients Market Order Window. The result of execution depends on situation on the market and current liquidity.

In case of absence of the required liquidity the Client's order may be declined or the execution time may be increased.

The Company does not allow Arbitrage trading strategies. In case the Client performs Arbitrage, obviously or not, the Company has the right to cancel Client's trades, by providing the basis for cancellation of Arbitrage trades.

Pending orders

In order to place the Pending Order, the Client specifies the Instrument, a number of lots, a type of the Order and the price, the level of which assigns the start of the execution of the Order. The client bears full responsibility for accuracy of the transferred information indicated in the Order.

All pending orders may be placed not closer than Limit or Stop Order Level from the current Market Price. In exceptional cases, such as the Extreme Market Situation, the deviation from this rule

can take place. In such cases Pending orders shall be placed at the best possible price at the market suitable for the Client.

Pending orders are GTC (Good Till Cancelled) orders, until they are cancelled by the Client, or not executed, or removed due to insufficient margin. Pending orders presented for execution, but not complied with the margin requirements, shall be cancelled immediately without the Client's consent.

Cancellation and modification of Pending Orders

For "Instant Execution" technology any Pending orders may be cancelled or changed by the Client during the Company's operational hours if the price specified in the order differs from the current Market price for not less than order freeze level.

For "Market Execution" technology any Pending orders may be cancelled or changed by the Client during the Company's operational hours in case the Pending order was not yet passed for execution (activation) – there is no order freeze level.

Any Pending order change is equated to a new market order and carried out according to the rules described above.

In case if an order is placed incorrectly the notice "Invalid Price" will be exposed to the Client.

According to the Terminal Manual:

Buy Limit – buy provided the future "ASK" price is equal to the pre-defined value. The current price level is higher than the value

of the placed order. Orders of this type are usually placed in anticipation of that the security price, having fallen to a certain level, will increase;

Buy Stop – buy provided the future "ASK" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on increasing;

Sell Limit – sell provided the future "BID" price is equal to the pre-defined value. The current price level is lower than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having increased to a certain level, will fall;

Sell Stop – sell provided the future "BID" price is equal to the pre-defined value. The current price level is higher than the value of the placed order. Orders of this type are usually placed in anticipation of that the security price, having reached a certain level, will keep on falling;

Buy Stop Limit – this type is the combination of the two first types being a stop order for placing Buy Limit. As soon as the future Ask price reaches the value indicated in the order, a Buy Limit order will be placed at the level, specified in the order. The current price

is lower than that, reaching which the pending order will be placed;

Sell Stop Limit – this type is a stop order for placing Sell Limit. As soon as the future Bid price reaches the value indicated in the order, a Sell Limit order will be placed at the level, specified in the order. The current price is higher than that, reaching which the pending order will be placed. The pending order price is higher than the price of its placing.

The Pending orders to Close any position always are adhered to the position or the Pending order. All the Pending orders to Close at once also are cancelled without the Client's consent if and as soon as the corresponding Position has been closed, or the corresponding Pending Order has been canceled.

Stop Loss This order is used for minimizing of losses if the security price has started to move in an unprofitable direction. If the security price reaches this level, the position will be closed automatically. Such orders are always connected to an open position or a pending order. The brokerage company can place them only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions, and it does with ASK price for short positions.

To automate Stop Loss order following the price, one can use

Trailing Stop.

Take Profit Take Profit order is intended for gaining the profit when the security price has reached a certain level. Execution of this order results in closing of the position. It is always connected to an open position or a pending order. The order can be requested only together with a market or a pending order. Terminal checks long positions with BID price for meeting of this order provisions, and it does with ASK price for short positions.

Execution of any Pending order is carried out when (and if) the market price is equal to or crosses the price specified in the Order.

Accuracy of execution

For Instant execution technology Pending orders usually are executed at a price indicated in the order. Indicative price change (if it differs from the market price) can not initiate Pending orders execution. For Market execution technology pending orders are executed at a market price at the moment of Order execution.

During the Extreme Market Situation the quotation becomes complicated due to the significant price change and in the some (exclusively seldom) cases in general becomes impossible for several minutes. In this case, once there is any availability to obtain the Market price, the Order shall be executed at such price. The given price can differ from the one originally placed in the

order.

During the market closing (a break "for the night" on a session markets and in the round-the-clock markets – in the days off) execution of Pending orders is not possible.

A Pending Order that is an open order at the close of the trading session shall remain valid also in the next session.

Execution of orders in case of price gaps:

Stop Loss which price is within the price gap will be executed at the next available price after price gap, with an order comment [sl/gap];

Buy Stop/Sell Stop are executed at the next available price after price gap, with a comment [started/gap];

Buy Limit/Sell Limits are executed at the indicated price, with a comment [started/gap];

Take Profit is executed at the indicated price.

In some cases, for instance in small price gaps, orders may be executed also at indicated price.

Submitting orders by the phone

Order can be submitted via telephone services provided for this purpose. The Client should undergo an authorization procedure. The Account number (which has the same number as the contract) and the login (login into trading terminal) are required

for this purpose. After authorization is confirmed the Client can submit Orders, change and delete Orders etc.

The phone to submit orders is as follows: +44 870 182 8593

The Sample of telephone transaction between the Client and the dealing desk of the Company is presented on the following pages.

Sample of telephone transaction

The client is responsible for the accuracy of the transmitted instructions through telephone service. All instructions sent by phone have the same force as the Orders transmitted through the trading Terminal by means of the Internet and are carried out by the same rules.

Sample of telephone transaction:

Authorization
(Account number and login)

Order (opening position)

Client

1. Position 234564, EUR/USD, 1 lot,
2. Close
3. Ok

Operator

1. 1.2990
2. position 234564, EUR/USD, 1 lot, close for 1.2990, ok?
3. Closed

Order (position closing)
<number> <instrument> <volume>

Client

1. receive please, buy stop EUR/USD, 1 lot for 1.2975
2. ok

Operator

1. buy stop, EUR/USD 1 lot for 1.2975. ok?
2. Order 274421

Limited order
<type of order> <instrument> <volume> <bid/offer> <price>

Client

1. order 274421 buy stop EUR/USD 1 lot for 1.2975, change open price on 1.2965
2. ok

Operator

1. order 274421 buy stop EUR/USD 1 lot for 1.2975, change open price on 1.2965, ok?
2. Changed

Change or removal Limited order
order <order number > change price on <price> *or* order <order number > cancel

Client

1) order 274421 buy stop EUR/USD, 1 lot, price 1,2975 change open price on 1,2965

2) Ок

Operator

1. order 274421 buy stop EUR/USD, 1 lot, change open price on 1,2965. Ок?
2. Changed

TeleTrade

Authorization/recording

The Client shall use the login and passwords (master and investor password) which the Client received from the Company to login into the trading terminal. After the registration of the Trading account, before the funds are deposited, the Client is obliged to immediately change both master and the investor passwords. In case if the Client did not change the master password and the investor password immediately after the registration of the Trading account, the Company is not liable for the unauthorized withdrawal of the funds from the Trading Account and/or unauthorized Trading Operations. To authorize by telephone the Client uses a login or an account number.

The procedure of password recovery

It is necessary to choose a trading account.

It is necessary to send an SMS code for restoration (the SMS code will be sent to the telephone number that is registered in the personal data)

It is necessary to fill in the SMS code and a new password to the trading account twice, (the new password should be entered for each of the passwords - trader and investor passwords - twice)

You should receive an SMS that confirms your successful password recovery (in case of receiving an error message, please

create a question in your personal page section "supportquestion")

Attention

This function is available only for the accounts that have been registered since 15.05.2014.

This function will be activated only when opening an account, in case you disable this service (password recovery by means of an SMS code) the reactivation of the service will be impossible.

The recovery of trading passwords via the email:

In case of recovery through the email it is necessary to send an email to the address support@teletrade-dj.com specifying "Password recovery" in the theme of the email. A scanned request written in free form signed by the client and also a scanned copy of ID or passport should be attached to the email.

In case the Client transferred his identification information (account number, passwords, login, etc.) to the third person, the responsibility for transactions' execution on behalf of the Client and all financial results of these Transactions lays down on the Client.

The Trading Terminal provides the recording mechanism of the Client and the Company actions („Journal" tab in the Trading Terminal). During the telecommunication process the negotiations between the Client and the operator are saved on the magnetic carrier. The given recording mechanism gives an opportunity to solve disputable situations in case of their occurrence

Account archive

The trading accounts with inactive authorization for consequent 90 calendar days are subject to archivation with funds saving.

The client acknowledges and confirms that any inactive account(s) will be subject to archiving which means that no trading terminal authorization, trading or balance viewing operations will be available to the client.

Restoration of archived accounts is not carried out. History of archived trading account is available in the Personal Page. If the account had positive balance when it was archived Client has to open a new account via his Personal Page and submit a request for funds transfer from archived account to the new via "Support-Questions" section.

Bonuses

In order to withdraw the Bonus amount a client must provide the required amount of traded lots after receiving the Bonus in the trading account within the specified time period, which will be stated in the specific Bonus offer which the client agrees to.

If the required amount of traded lots is not achieved within the specified time period the Bonus will automatically expire and be removed from the Client's trading account.

Non-trading operations

Non-trading operation is any Client's transaction for funds deposit/withdrawal, as well as internal funds transfer.

Any non-trading operation is carried out only through Personal Page.

The list of available funds deposit/withdrawal options, commission size, as well as other conditions are available in the Client's Personal Page.

All withdrawal requests, regardless of the method and amount are considered within 7 business days. The Company reserves the right to extend this term, by giving prior notice to the Client, in cases which include, but are not limited to, the following: the Company has grounds to think that the transaction is suspicious

and/or has no obvious economic substance; information provided by the Client to the Company is incorrect; the Client cannot be reached via his registered contact details ; for the Company to fix any technical errors, non-market quotes and finally for the Company to carry out an investigation with respect to the Client's trading activity concerning breach of any Company Regulations.

The Company reserves the right to request additional documents for deposit/withdrawal of funds, as well as set available withdrawal options at its own discretion, including to decline specific option and provide another one by giving notice to the Client.

In case of breach of these Regulations, Client Agreement or any other regulating document, the Company has the right to restrict funds withdrawal and return deposited funds to their original source.

The Company shall proceed with withdrawal of Client funds at Client demand by using the following formulas:

1)   If there are no open positions on the Client's trading account, than the amount of funds available for withdrawal will be calculated as: Equity – Credit

2)   If there are open positions, on the Client's trading account, than the amount of funds available for withdrawal will be calculated as: Equity - Margin - Credit.

Depost/withdrawal of funds to/from the Client's account is carried out exclusively in the Trading Account currency. In case transaction currency differs from Trading Account currency the amount will be converted at the Company's exchange rate (current exchange rates are available in the Personal Page).

Client acknowledges that in case of request to provide additional documents with respect to the executed transaction, as well as return of funds sent to the Client for reason of wrong details provided by the Client, all possible charges are covered at the expense of the Client.

Disputes

Complaint procedure:

Each Client has right to submit a complaint in case Client thinks that breach of the Regulations took place.

Only complaints which comply with the following conditions and submitted via Support-Questions section of Personal Page will be considered:

Necessary information

1. Name

2. trading account number

3. date of the case of complaint

4. tickers of all disputed transactions and/or pending orders

Complaints term

Complaint are accepted during 90 days period since the dispute case happened.

In case complaint does not satisfy one or more of these conditions the Company has the right to decline such a complaint.

Maximal term for complaint consideration is 7 business days. In some case this period may be extended.

Split

In case of the Open Position under the CFD-contract on shares, with the split made on the Client account the changes pass automatically to the terminal.

For example: the client buys AAA shares:

16.10.2004 – 1000 AAA shares were bought at 75.02

23.10.2004 – split procedure with coefficient 1.70. The latest quote on 23.10.2004 – 76.07. After the split: 16.10.2004 1700 shares of 44.13. 75.02/1.70=44.13 and 1000*1.70 = 1700 are bought. Thus, the amount of the margin does not change as well as the amount of the Equity and the income from the Transaction.

While Split there can be situations (as in the example) in which Open Position size won't be multiplied to one lot.

Such Position is served according to the Regulations, but can be closed only so that the Closed part of the Position was not less than one lot and (simultaneously) the remained part was multiplied to one lot. If it is not possible, the Position can be closed only entirely.

Futures

While trading CFD on futures contracts you should remember that futures have their expiry dates. Trading is possible only with the nearest term futures contracts. At the expiry of the contract, all open positions in CFD on futures, if not been closed by the Client before, go to the next term of the contract. Trading with CFD on futures contracts goes according to the rules described above.

Open position overnight rollower to the next business day

In case the Client has left Open Position overnight to the next trading day on any currency pair overnight swap will be charged or added from/to trading Account after trading session closing. Size of swaps is set according to Trading conditions.

In case the Client has left Open Position overnight to the next trading day on stocks or futures commission fee or dividend adjustment will be charged or added from/to trading Account after CFD session closing. Size of commission fee or dividend adjustment is set according to the Trading conditions.

The process of rolling over open trading positions to the next business day takes place within a time interval from 23:55 to 00:00 of Terminal time.

Changes

The Company has the right to amend/change these Regulations at any given moment without any prior notice. The Client is advised to visit the Company's website on a regular basis and monitor possible amendments to any of regulating documents. The Client acknowledges that all changes come into effect since they are published in the Company's website.

Bonuses

In order to withdraw the Bonus amount a client must provide the required amount of traded lots after receiving the Bonus in the trading account within the specified time period, which will be stated in the specific Bonus offer which the client agrees to.

If the required amount of traded lots is not achieved within the specified time period the Bonus will automatically expire and be removed from the Client's trading account.

Split

In case of Open Position under the CFD-contract on shares, with the split made, on the Client account the changes pass automatically to the terminal.

For example: the client buys AAA shares (the following is written on the terminal):

16.10.2004 – 1000 AAA shares were bought for 75,02.

23.0.2004 – 0 split is appointed.

Last quotation on 23.0.2004 – 6,0.

After the split the Client's terminal will show: 16.10.2004 1700 shares of 44,13.75,02/1,70=44,13 and 1000*1,70 = 1700 are bought.

Thus, margin requirements is unchanged the same as Variation margin and the income from Transaction.

While Split or integration there can be situations (as in an example) in which on the Client's Account Open Position size won't be multiple to one lot.

Such Position is served according to the Regulations, but can be closed only so that the Closed part of the Position was not less than one lot and (simultaneously) remained part was multiple to one lot. If it is not possible, the Position can be closed only entirely.

Futures

While trading with CFD on futures contracts you should remember that futures have their expiry dates. The trading is possible only with the nearest term futures contracts. At the expiry of the contract, all open positions in CFD on futures, if not been closed by the Client before, will be closed by the Company without notice at the last market price of the trading session. Trading with CFD on futures contracts goes according to the rules described above.

Open position overnight rollover to the next day

In case the Client has left Open Position overnight to the next trading day on any currency pair overnight swap will be charged or added from/to trading Account after trading session closing. Size of swaps is set according to Trading conditions.

In case the Client has left Open Position overnight to the next trading day on stocks or futures commission fee or dividend adjustment will be charged or added from/to trading Account after

CFD session closing. Size of commission fee or dividend adjustment is set according to Trading conditions.

Changes

Modification and additions in the present Regulations the Company makes unilaterally.

Client is recommended to visit on a regular basis the Company's Official website.

The Company has the right at any time to amend or modify these Rules, including any and all annexes, as well as change the condition and working order by posting such amendments or changes on its Official website. The Customer agrees that such amendments or changes shall take effect upon posting on the Official website of the Company.

Glossary

Authorization in the trading terminal – The identification process, completed through the trading terminal successfully, by using a login and (trader's or investor's) password.

Ask – The price for buying a specific financial instrument.

Balance – the value of Client's account without Open positions.

Bid – the price for selling specific financial instrument.

Variation Margin – Trading account Margin which includes current Losses on all opened positions calculated at current market prices.

Closed Position – Exposures in Foreign Currencies that no longer exist. The process to close a position is to sell or buy a certain amount of currency to offset an equal amount of the open position.

Order – An instruction to execute a trade at specified rate.

Indicative prices (quote) – the prices, delivered to the Client through the terminal or by means of telecommunication, and employees for informing on a current condition of the market. Indicative prices are the prices on which transactions have already been lead by market participants, and also the prices declared by such participants. It is important not to confuse them

with the Market price. Change of the price (in case if it does not coincide with the Market price) cannot initiate Limit orders execution.

Instant Execution – executing Market orders without initial request for quotes by direct Client instruction to Buy/Sell instrument at the price specified in the Market Order Window.

Instrument – currency pairs, CFD–contracts or other assets.

Client – a person which signed a contract with the Company on a service requirements receiving while trade.

Company - Company Teletrade D.J. LTD

Personal page - web-interface allowing to use services provided by Company, as well as a source of notices. A Personal page contains personal confidential information that is available only for individual user and protected by authentication settings (login and password). Personal page is located at: https://my.teletrade-dj.com as well as accessed through website of Company.

Lot –means standard amount of Instrument which can be purchased/sold according to instructions.

Margin/marginal requirements/cover – The required equity that an investor must deposit to collateralize a position.

Initial Margin – The minimum funds necessary to open Position.

Necessary Margin – funds necessary to maintain the total Open Position.

Unable to quote – please try later – a terminal window message telling Client's order was rejected. The order can be rejected in case of it's submission without carrying out of transactions.

Requirement – look margin requirement.

Official website of the Company – means the web address http://teletrade-dj.com/

Open Position – means aggregate risk disclosure, arising from purchase or sell of lots in accordance with Client instructions pending for subsequent counter-transaction to close/settle such market trades/disclosures. An active trade with corresponding unrealized P&L, which has not been offset by an equal and opposite deal.

Limit order – An order with restrictions on the maximum price to be paid or the minimum price to be received.

Limit and Stop orders Level - minimum distance between the current price and the level of the pending order (Limit or Stop orders) in a quiet market, expressed in points.

Freeze Level - The price level at which prohibits modification, removal or closure orders, close to execution.

Leverage – Ratio of the value of transaction and Initial Margin, required for the transaction.

Margin Call – A request from a broker or dealer for additional funds or other collateral to guarantee performance on a position that has moved against the customer.

Cover – look margin.

Compulsory closing – closing of the Position without coordination with the Client, owing to reduction of marginal requirements below the value of supporting margin.

Slippage – a situation at which the Limit order is executed at the price distinct from price specified by the Client in the Order.

Regulations – given rules.

Market price – means quotation o the Spot Currency bid and ask prices given to Teletrade by a Broker at the current/given moment of time. A price which is used fox expiration of client's order.

Pips – The smallest unit of price for any foreign currency.

Available Funds/Equity – means any cash in the Account which is not subject to any liens or actual liabilities, less the necessary margin and gross floating loss calculated on the Client's prevailing position at the current spot market price.

Deal/Trade operation – bid or offer placed by a Client.

System time – time in a trade terminal.

Spread – The difference between the bid and offer prices. It can change depending on the market situation and is fixed by a Company.

Account – Clients transaction account with a margin Leverage.

Terminal – a program, trade terminal presented by a Company. The terminal is used by the Client for placing Orders with the purpose of fulfillment of Transactions, for realization of the analysis of a situation in the market, and also for recording operations.

Price Changed – a message in a terminal window telling the operation can be executed in a view of Market conditions. Such situation takes place very seldom for example when it's an extreme situation on a market.

Extreme situation – a situation when it's hard to catch a price. It can be: moderate trade, low liquidity, central banks intervention, pivotal data issue, ets. Which can lead to a pivotal and sharp moves on a charts.