

Regulation on Rules of trading operations

1. Preliminary remarks

1.1. The regulation of trade, hereinafter referred to as «the Rules» is an integral part of the Client Agreement, and determines the order of processing of Business and requirements, principles of opening / closing, as well as the placement, modification, deletion and execution of orders by ForexOptimumGroup LTD (hereinafter – «Company»)

1.2. This Regulation has versions in English and Russian, but the priority is the English version.

1.3. Regulation on Rules of trading operations, as well as other information relating to the Company, addressed to any legal entities and individuals, and is freely available on the internet at the official website of the Company at the address: www.forexoptimum.com

1.4. Mode of operation of the Company, during which the quotations appear in accordance with this Agreement:

– Around the clock with 22.00.01 (twenty-two hours zero minutes one second) GMT Sunday to 22.00.00 (twentytwo hours zero minutes, zero seconds) GMT Friday.

– Non-working gap is: the period from 22.00.01 (twenty-two hours a zero minutes one second) GMT Friday until 22.00.00 (twenty-two hours zero minutes zero seconds) GMT Sunday.

– in the schedule of trading sessions adjustments may be made.

2. General terms and conditions

2.1. The Processing of instructions of the Client

2.1.1. In case of trading operations, the mechanism of quotation «Instant Execution» («Instant Execution») is used.

2.1.2. The Processing of client requests and instructions issued by means of the client terminal, goes through the following stages:

a) The client makes a request or an order that runs validation check on the client terminal;

b) the client terminal sends the request or order to the server;

c) in case of a stable connection between the client terminal and the server request or the Client order arrives to the server and is tested for correctness;

d) the correct order or request of the Client is queued, sorted by time of the request or order has come to the server, while in the «Order» window of the client terminal reflects the current processing status of the request or order:

«Order is accepted»;

f) the result of the processing by the Company of a client request or order is received by the server;

g) the server sends the result of the processing of the client request or order by the company to the client terminal;

h) in case of a stable connection between the client terminal and the server, the client terminal receives the result of the Company's processing of the client request or order.

2.1.3. The Client can cancel the previously sent request or order while the order or request are still in the queue and have the status of «Order is accepted». To cancel them the Client should press the button «Cancel order». The Client cannot cancel the request or instruction sent by his Client Adviser.**2.1.4.** The Client may not cancel the order or request sent earlier, if the request or order are

now being processed by the Company and have the status of «Order is in process» **2.1.5.** All issues related to the definition of the current level of prices in the market are in the sole

competence of the Company.

2.1.6. In respect to trading operations of the client, the Company carries out only execution without providing asset management and giving recommendations.

2.1.7. The Company has the right to deny the request or instruction of the Client in the following cases:

- a) at the opening of the market, if the Client makes a request or sends an order before the first quote coming to the trading platform;
- b) when for the opening position of the requested volume the Client has not enough free margin;
- d) when market conditions are different from normal;

In these cases, the window of the terminal will run one of the messages: «Off quotes» / «No pricing»; «Cancelled by dealer» / «Declined by dealer»; «Not enough money» / «not enough money»; «Trade is disabled» / «Trade is not allowed».

2.2. Trading operations

2.2.1. Opening a transaction to buy (long position) is conducted at a price Ask. Opening of trading on the sale (short position) comes at a price Bid. Closing a long position (i.e. sale) comes at a price Bid. Closing a short position (i.e. purchase) is conducted at Ask price.

2.2.2. The Company has the right to cancel or revise the results of client transaction in the following cases:

- a) in the case of software failure on the server;
- b) the transaction was executed by Spike;
- c) in case if the time between the opening and the closing of the order is less than 5 minutes;
- d) in case if the time between opening of the deal and opening of the deal opposite to it passed less than 5 minutes.

2.3. Position carried for the next day (swap)

2.3.1. The process of rolling over positions to the next day starts at 23:59:45 on the server time and, without fail, is carried out on all positions on everything that remained open during the period from 23:59:45 to 23:59:59 of the server time. For rolling over the open position overnight charge is taken called storage.

2.3.2. For all types of accounts «swap-free» option can be connected through the Personal Cabinet. This option is available to avoid the violation of religious canons, as well as to increase the mathematic expectation of a trading strategy.

2.3.3. In case of misuse detected from the Client side the Company may at any time suspend the operation of swap-free option for each individual account.

2.4. Spread

2.4.1. Spread is indicated on the Company's website in the section «Trading instruments».

2.4.2. The company has the right to change spreads due to:

- a) market conditions different from normal;
- b) an emergency;
- c) the occurrence of force majeure.

2.5. Leverage

2.5.1. Leverage is indicated on the Company's website in the section «the terms of trade».

2.5.2. The Company has the right to change the leverage due to:

- a) market conditions different from normal;

- b) an emergency;
- c) the occurrence of force majeure.

2.5.3. Change in leverage can be applied both to already open positions, as well as to the newly opened positions.

2.5.4. The company has the right to change the leverage of individual client at any time and at its sole discretion, notifying the Client either orally or in writing.

2.6. Synchronization database of quotations

2.6.1. In the event of an unplanned interruption in the flow of quotes of the server caused by some hardware or software failure, the Company has the right to synchronize base quotations on the server that serves the real clients, with other sources. These sources are:

- a) quotes database of the server servicing a demo account;
- b) any other sources of quotations.

In the event of occurrence of any disputed situations related to failure in flow of quotations, all decisions are made in accordance with synchronized database of quotations.

2.7. Placement of inactive trading accounts in the archive

2.7.1. If the client's account has not been doing trades for 3 months, the company will automatically wrap the client's account to place it in an archive.

2.7.2. In the event of a transfer of the inactive trading account in the archive:

- a) The Client agrees that the Company has the right to place inactive trading accounts in the archive. Inactive trading account is removed from the base of the terminal to the archive database, as a result of which the client access is blocked and to any operation on the account, and the whole history of the account is maintained;
- b) to restore the trading account from the archive the client needs to contact the technical support of the company.

2.8 Margin

2.8.1. Customer agrees to deposit and maintain initial margin and / or margin for locked positions in the amount established by the Company. The amount of initial margin and / or margin for locked positions is listed on the Company's website in the section «Margins». The Company is not responsible for the occurrence of «Stop Out» on the account as a result of delays in timely replenishment of funds to the Client account.

2.8.2. The client pays the initial margin and / or margin for locked positions in the opening position.

2.8.3. The Company has the right to change the level of the required margin or margin for locked positions due to:

- a) market conditions different from normal;
- b) an emergency;
- c) the occurrence of force majeure.

2.8.4. The Client undertakes to monitor the level of required margin on the trading account by himself.

2.8.5. The Company has the right to apply section 2.8.5, both with respect to the already open positions as well as to the newly opened positions.

3. The opening of the position

3.1. When submitting orders to open the client's position the Client has to indicate the following required parameters:

- a) a name of the instrument;

b) the volume of trade.

3.1.1. In addition, the Client in the order may indicate the following optional parameters:

- a) the level of «Stop Loss» of the pending order. 0.0000 means that the «Stop Loss» is not placed (or deleted if it had already been placed earlier);
- b) the level of «Take Profit» of the pending order. 0.0000 means that «Take Profit» is not placed (or deleted if it had already been placed earlier.)

3.2. To open a position via the client terminal without using the Client Advisor, click the button «Buy» or «Sell» at a time when streaming prices of the Company suit the Client.

3.3. To open a position via the client terminal with the use of the Client advisor an instruction is generated to execute an order to commit a transaction at the current quote.

3.4. On admission of the Client instruction to the server to open a position automatic check of the status of the trading account for the presence of the free margin to open the position is done:

- a) a new position is conditionally added to a list of open positions;
- b) a new level of required margin for the total client's position is defined at current market prices at the time of the check, including the new conditionally added position,
- c) floating profit / loss are calculated at current market prices on all open positions, including the new conditionally added position;
- d) the new size of the free margin is calculated;
- e) If the free margin is greater than or equal to zero and the total client positions including the new conditionally added position does not exceed the limit for this type of account, the position is opened. The opening position is also recorded in the log file of the server;

3.5. If at the time of processing of the Client's instruction by the Company the current quotation on an instrument has changed at a greater number of points than the figure that was specified in the «maximum deviation of the order» when sending the order, the Client is offered a new price. In this case a window «Requote» appears. The Client wishing to open a position on the newly proposed price has 3 seconds to confirm the new price, while the quote is relevant. In this case, the order goes back to the server and passes all the stages and checks. If within a period of time until quotation is relevant the Customer does not accept the new price, this amounts to a refusal to make a deal.

3.6. The Client's instruction to open a position is considered processed, and the position is open after the relevant record appears in the server log file.

3.7. Each open position in the trading platform is given a ticket.

4. The closure of the Position

4.1. When submitting the order to close the position the Client must specify the following required parameters:

- a) the ticket of the closed position;
- b) the volume of trading operation\instruments quoted by the «Instant Execution» technology.

4.2. To close a position via the client terminal without using the Client Advisor, the Client should click the button «Close ...» at a time when streaming prices of the company suit him.

4.3. To close a position via the client terminal with the use of the Client advisor order to close the position should be given at the current quote.

Processing orders to close positions

4.4. If at the time of the processing of the Client instruction by the Company the current quotation on an instrument has changed at a greater number of points than the figure that

was specified in the window «maximum deviation of the order» when sending the order, the Company has the right to offer a new price (Bid/Ask). In this case a window «Requote» appears. The Client wishing to close the position on the newly proposed price has 3 seconds to confirm the new price. In this case, the order goes back to the server and passes checks. If within a period of time until quotation is relevant the Customer does not accept the new price, this amounts to a refusal to make a deal.

4.5. If the list of open positions in the trading account contains two or more locked positions, then the formation of a request or order to close any of them in the drop down list «Type» additional option «Close By» / «Close the counter order» appears after selecting which one or more open positions of opposite direction appear. After highlighting the appropriate position in the list button «Close # ... by # ... » is activated, when clicking the button the Client closes locked positions of one volume or partly closes two locked positions of different volumes. At that moment the smaller position and symmetric part of the larger position are closed while a new position in the direction of the larger one from the two remains open to which a new ticket is given.

4.6. If the list of open positions in the trading account contains two or more locked positions, then during the formation of a request or order to close any of them in the drop down «Type» list additional option «Multiple Close By» / «Close covered with orders» appears selecting which Button «Multiple Close By» / «Close covered with orders» is activated. When the Client clicks the button the Client closes all locked positions on the instrument. A new position in the direction of the larger total volume is left open which gets a new ticket.

4.7. The Instruction to close a position is considered processed, and the position closed after the corresponding entry in the server log file.

4.8. The Order to close a position would be rejected by the Company if it entered the processing before the appearance of the first quote on an instrument in the trading platform at the opening of the market. In the window of the terminal inscription «Off quotes» / «No pricing» would appear.

4.9. Order to close a position would be rejected by the Company if it entered the processing at the time when the order to close the position («Stop Loss» and «Take Profit») had been in the queue for execution. In the window of the Client terminal inscription «Off quotes» / «There is no price» would appear.

5. Types of pending orders in the trading platform

5.1. The trading platform can accommodate the following types of orders to open a position (pending orders):

- a) «Buy Stop» – involves opening of a long position at a price higher than the current price at the time of placing the order;
- b) «Sell Stop» – involves opening of a short position at a price lower than the current price at the time of placing the order;
- c) «Buy Limit» – involves opening of a long position at a price lower than the current price at the time of placing the order;
- d) «Sell Limit» – involves opening of a short position at a price higher than the current price at the time of placing the order.

5.2. To close a position the following orders can be used:

- a) «Stop Loss» order involves closure of the previously opened position at a price which is less favorable to the client than the current price at the time of placing the order;
- b) «Take Profit» – Order to close the previously opened position at a price which is more favorable to the client than the current price at the time of placing the order;

5.3. Orders can be placed, modified or deleted only by the Client and only at the time when

trading on the instrument is allowed. Trading hours for each instrument are specified in the contract specifications.

5.4. For instruments, pending orders on which have the status of GTC («Good Till Cancelled» / «Till Cancelled»), the client can limit the duration of the order, having set in the «Expiry» / «Expiration» field a specific date and time, otherwise the order is accepted indefinitely. Status of the order of each instrument is specified in the contract specifications.

5.5. For all instruments, pending orders for the closure of the position which have the status of DO («Day order»), orders are only accepted within the current trading session and are deleted by the Company on end of the trading day. Status of the order of each instrument is specified in the contract specifications.

5.6. For all instruments orders to close a position like «Stop Loss» and / or «Take Profit» have the status of GTC («Good Till Cancelled» – Till Cancelled) and are accepted indefinitely.

5.7. When the Client submits an instruction for placing pending orders the following required parameters must include:

- a) the instrument;
- b) the volume;
- c) the type of order («Buy Stop», «Buy Limit», «Sell Stop», «Sell Limit»);
- d) the order level.

In addition, the instruction of the Client may contain the following optional parameters:

- a) the level of «Stop Loss» pending order. 0.0000 means that the «Stop Loss» is not placed (or deleted if it had already been placed earlier);
- b) the level of «Take Profit» pending order. 0.0000 means that the «Take Profit» is not placed (or deleted if it had already been placed earlier.)
- c) the date and time to which the action pending order is relevant.

The order will be rejected:

- a) in the absence or availability of incorrect value of one or more of the required parameters and \ or incorrect value of one or more of the optional parameters, while in case of placing a pending order by the client via the Client terminal without using the Client Adviser an error message would appear: «Invalid S / L or T / P».

5.8. When the Client submits an instruction for placing «Stop Loss» and «Take Profit» orders in the open position the following parameters should be indicated:

- a) the ticket of the open position for which the orders are set;
- b) the level of «Stop Loss» order. 0.0000 means that the «Stop Loss» is not placed (or deleted if it had already been placed earlier);
- c) the level of «Take Profit» order. 0.0000 means that «Take Profit» is not placed (or deleted if it had already been placed earlier.) With availability of the wrong value of one or more parameters in case of placing a pending order via the client terminal without using the Client Adviser an instruction would be rejected and the button «Modify ...» / «Change» would remain inactive.

5.9. When submitting an instruction for placement of «Stop Loss» and / or «Take Profit» order in an open position or a pending order distance in points between the level of the order being placed and the current market price must not be less than the «Limit & Stop Levels» parameter, indicated in the contract specifications for the instrument, and thus the following conditions should be satisfied:

- a) for the «Stop Loss» order on a short position: the current market price is Ask, and the order should not be placed lower than the Ask price plus the value of «Limit & Stop Levels» for the instrument;
- b) for the «Take Profit» order on a short position: the current market price is Ask., and the order should not be placed higher than the Ask price minus the «Limit & Stop Levels» for of

the instrument;

c) for the «Stop Loss» order on a long position: the current market price is Bid, and the order should not be placed higher than the Bid price minus the «Limit & Stop Levels» for the instrument;d) for the «Take Profit» order on a long position: the current market price is Bid, and the order should not be placed lower than the Bid price plus the value of «Limit & Stop Levels» for the instrument;

e) for the «Buy Limit» order current market price is Ask, and the order should not be placed higher than the Ask price minus the «Limit & Stop Levels» for the instrument;

f) for the «Buy Stop» order: the current market price is Ask, and the order should not be placed lower than the Ask price plus the value of «Limit & Stop Levels» for the instrument;

g) for the «Sell Limit» order: the current market price is Bid, and the order should not be placed lower than the Bid price plus the value of «Limit & Stop Levels» for the instrument;

h) for the «Sell Stop» order: the current market price is Bid, and the order should not be placed higher than the Bid price minus the «Limit & Stop Levels» for the instrument;

5.10. «Limit & Stop Level» is shown on the Company's website in the section «Margins».

5.11. «Limit & Stop Level» can be changed due to:

a) market conditions different from normal;

b) an emergency;

c) the occurrence of force majeure.

Modification or deletion of orders

5.12. When the Client submits an instruction for modification of parameters of pending orders the following information should be indicated:

a) the ticket;

b) the level of a pending order;

c) the level of «Stop Loss» order. 0.0000 means that the «Stop Loss» is not placed (or deleted if it had already been placed earlier);d) the level of «Take Profit» order. 0.0000 means that «Take Profit» is not placed (or deleted if it had already been placed earlier.)

At the wrong value of one or more parameters in case of accommodation / modification / deletion of a pending order by the client terminal without using the Client Adviser order would be rejected and the button «Modify ...» / «Change ...» would remain inactive.

5.13. When submitting an instruction for the deletion of the pending order by the Client the ticket of the cancelled orders must be specified.

Rules of execution of orders

5.14. An order is placed in the queue for execution in the following cases:

a) a «Take Profit» order on the open long position is placed in the queue for execution if the Bid price in the flow of quotes becomes equal or higher than the order level;

b) a «Stop Loss» order on the open long position is placed in the queue for execution if the Bid price in the flow of quotes becomes equal or lower than the order level;

c) a «Take Profit» order on the open short position is placed in the queue for execution if the Ask price in the flow of quotes becomes equal or lower than the order level;

d) a «Stop Loss» order on the short position is placed in the queue for execution if the Ask price in the flow of quotes becomes equal or higher than the order level;

e) a «Buy Limit» order is placed in queue for execution if the Ask price in the quotes flow becomes equal or higher than the order level;

f) a «Sell Limit» order is placed in a queue for execution if the Bid price in the quotes flow

g) a «Buy Stop» order is placed in a queue for execution if the Ask price in the quotes flow becomes equal or higher than the order level;

h) a «Sell Stop» order is placed in queue for execution if the Bid price in the quotes flow becomes equal or lower than the order level.

5.15. On admission to the execution of a pending order on the server automatical check of the state of the trading account for the presence of the free margin to open the position is done:

a) a list of open positions conditionally adds a new position that will open by this pending order;

b) a new size of the required margin for the total client's position is defined, including the new conditionally added position, at current market prices at the time of the check;

c) floating profit / loss at current market prices on all open positions is calculated including the new conditionally added position;

d) the new size of the free margin is calculated;

e) If the free margin is greater than or equal to zero, the order is executed and the position is opened. Order execution is also appropriately recorded in the log file of the server, and the position opened by the execution of a pending order, reserves the ticket of the pending order;

5.16. A warrant is executed once the relevant record appears in the server log file.

5.17. All pending orders are executed by the Company at the stated price or at a price available at the time of execution, and the price of the execution may be different from the order level.

5.18. If the pending order level falls into the price gap at the market opening or in the quotes flow, orders are executed by the Company at the stated price or at a price available at the time of execution. The price of execution may be different from the order level.

6. The Stop Out

6.1. The company has a right to close the open positions of the Client without notifying him, if the current state of the trading account the «Margin Level» is less than 100% of the necessary margin to maintain open positions (the so-called «Margin Call» situation).

6.2. The company, certainly, must start closing unprofitable transactions provided if the current status of the trading account «Margin Level» is less than the required Margin to maintain open positions (the so-called «Stop Out» situation). The level of the required margin is indicated in the section 'Types of trading accounts' of the Company's website.

6.3. Stop Out level is shown on the Company's website in the section «Trading conditions».

6.4. Margin levels are controlled by the server, which, in case of occurrence of conditions of paragraph 6.2, generates the instruction for involuntary closing position (Stop Out). Stop Out is executed at market quotation on a first-come first-served basis with the client's order. The Client agrees that the price of execution may differ from quote, when Stop Out order was generated. The involuntary closure of the position is also recorded in the log files with a comment «Stop Out».

6.5. If the Client has several open positions the first placed in the queue for the forced closure is the position with the highest floating loss.

6.6. The company guarantees that the forced closure of the final position, in accordance with paragraphs 6.2–6.3, will not lead to the negative state of the account.

6.7. If forced closure led to a negative state of the trading account, the Client's trading account accrued compensation, through which funds (equity) in the account are brought down to zero.

6.8. If forced closure led to a negative state of the trading account, and the account has

credit facilities, the Company has the right to bring a negative balance to zero by borrowing.

6.9. The company has a right to close any open positions of the Client without the consent and prior notice in the process of settlement of a disputed situation.

7. Settlement of disputes Making a complaint

7.1. In the event of a situation where the client believes that the Company as a result of any action or non-action on its part violates one or more items of the Regulation, the Client has the right to present a complaint to the Company. Complaints are accepted for consideration within two working days after the grounds for their presentation.

7.2. For a complaint for each disputed situation, the client must send Email to cs@forexoptimum.com. All complaints filed in any other way will not be accepted for consideration.

7.3. The complaint must contain:

- a) Client's name (or company name, if the Client is a legal entity);
- b) Client's Login in the trading platform;
- c) the date and time of occurrence of the problem situation (at the time of the trading platform);
- d) tickets of all contested positions and / or pending orders;
- e) a description of the essence of the disputed situation with reference to the item / items of this Regulation, which in the opinion of the Client, have been violated.

7.4. The complaint must not contain:

- a) emotional assessment of disputed situation;
- b) abusive statements;
- c) offensive language.

7.5. When considering a disputed situation the main source of information is the server log file. And the information from the server log file has unconditional priority over other arguments for considering a conflict, including with respect to the information from the log file of the client terminal.

7.6. The absence of the corresponding record in the server log file, confirming client's intention, is a ground for annulment of the argument, which was built on the fact of the existence of such an intention.

7.7. Settlement of the dispute situation may be carried out by the company:

- a) as a compensatory adjustment of interest on the trading account or debited from the client's account;
- b) by restoring mistakenly closed positions;
- c) by deleting erroneously opened positions or placed orders.

In the event of occurrence of the disputed situation not prescribed in this Regulation, the final decision is made by the Company on the basis of generally accepted market practices and its perceptions of a just settlement of the disputed situation.

In case of the technological gap in the quotes flow, caused by either hardware and / or software failure, in the settlement of disputed situation quotes are taken into account, synchronized in accordance with paragraph 2.6.1 of this Regulation.

7.8. If the client had the intention to perform some action, but did not do it for some reason, the Company would not reimburse the Client as a result of the half-received profit or incurred losses.

7.9. The company does not reimburse the Client indirect or immaterial damages (including moral damage, etc.).