

## **CUSTOMER AGREEMENT**

### **1. Introduction**

1.1. This Customer Agreement (hereinafter called the "Agreement") is entered by and between Phenix International Business Corporation. (hereinafter called the "Company"), whose registered office is in the Mill Mall Tower, 2nd Floor, Wickhams Cay 1, P.O. Box 4406, Road Town, Tortola, VG1110, British Virgin Islands and the registration number is 1500314, and each of those who provided the "Confidential Customer Information to open Personal/Corporate Account" form (hereinafter called the "Customer") as of the date this Agreement is accepted by the Company.

1.2. This Agreement sets out the terms upon which the Company will deal with the Customer in respect of foreign exchange transactions and contracts for difference (CFDs).

1.3. This Agreement, Terms of Business and Risk Disclosure Statements shall govern all Customer transactions and should be read carefully by the Customer.

1.4. Once the Customer has provided the "Confidential Customer Information to open Personal/Corporate Account" form each transaction the Customer makes shall be subject to the terms of this Agreement, the Terms of Business and Risk Disclosure Statements.

1.5. In relation to any Customer transaction the Company acts as principal to principal and not as agent on the Customer's behalf. This means that unless otherwise agreed, the Company will treat the Customer as a client for all purposes and the Customer shall be directly and fully responsible for performing the obligations under each transaction made by the Customer. If the Customer acts in relation with or on behalf of someone else, whether or not the Customer identifies that person, the Company shall not accept that person as an indirect client and shall accept no obligation to that person, unless otherwise specifically agreed.

1.6. The defined terms used in this Agreement are set out in Clause 21 ("Interpretation of Terms").

### **2. Services**

2.1. Subject to the Customer fulfilling the obligations under this Agreement, the Company may enter into transactions with the Customer in the instruments specified in the contract specifications.

2.2. The Company shall carry out all transactions with the Customer on an execution-only basis. The Company is entitled to execute Customer transaction notwithstanding that a transaction may be not suitable for the Customer. The Company is under no obligation, unless otherwise agreed in this Agreement and the Terms of Business, to monitor or advise the Customer on the status of any transaction; to make margin calls; to close out any of Customer's open positions. Unless otherwise specifically agreed, the Company does not owe a duty of best execution.

2.3. The Customer shall not be entitled to ask the Company to provide investment advice or to make any statements of opinion to encourage the Customer to make any particular transaction.

2.4. In the event the Company may provide advice, information or recommendations to the Customer the Company shall not be responsible for the profitability of such advice, information or recommendations. The Customer shall acknowledge that the Company shall not, in the absence of its fraud, wilful default or gross negligence, be liable for any losses, costs, expenses or damages suffered by the Customer arising from any inaccuracy or mistake in any information given to the Customer including, without limitation, information relating to any Customer transactions. Subject to the Company's right to void or close any transaction in the specific circumstances set out in this Agreement or the Terms of Business, any Customer transaction following such inaccuracy or mistake shall nonetheless remain valid and binding in all respects on both the Company and the Customer.

2.5. The Company shall not provide physical delivery in relation to any transaction. Profit or loss in dollars is deposited on/withdrawn from trading account once the transaction is closed.

2.6. When the Company deals with or for the Customer, the Company, an associate or some other person connected with the Company, may have an interest, relationship or arrangement that is material in relation to the transaction concerned or that conflicts with the Customer's interest. By way of example only, when the Company deals with a transaction for or on behalf of a Customer the Company may be:

a. dealing in the instrument concerned as principal for the Company's own account by selling to or buying the instrument from the Customer;

b. matching the Customer's transaction with that of another Customer by acting on such other customer's behalf as well as on the Customer's behalf;

c. dealing in the instrument which the Company recommends to the Customer (including holding a long or short position); or

d. advising and providing other services to associates or other customers of the Company who may have interests in investments or underlying assets which conflict with the Customer's interests.

The Customer consents to and authorizes the Company to deal with or for the Customer in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a transaction, without prior reference to the Customer. The Company's employees are required to comply with a policy of independence and to disregard any such material interest or conflict of interest when advising the Customer.

### **3. Commissions, Charges and other Costs**

3.1. The Customer shall be obliged to pay the Company the commissions, charges and other costs set out in the contract specifications. The Company will display all current commissions, charges and other costs on its website.

3.2. The Company may vary commissions, charges and other costs from time to time without prior written notice to the Customer. All changes in commissions, charges and other costs are displayed on the Company's website on the "Company's news" web-page.

3.3. Subject to complying with all applicable rules and regulations, the Company will not be under any obligation to disclose to, or to account to the Customer for, any profit or benefit, profit, commission or other remuneration made or received by the Company by reason of any transaction, unless otherwise agreed in this Agreement or the Terms of Business.

3.4. The Company may from time to time deal on a Customer's behalf with persons whom the Company has a soft commission agreement which permits the Company (or another member of the Company's group) to receive goods or services in return for transacting investment business with such persons or others. It is the Company's policy in relation to such agreements to ensure that such arrangements operate in the best interest of Customers so far as practicable, for example because the arrangements allow access to information or other benefits which would not otherwise be available.

#### **4. Providing quotes**

4.1. The Company provides quotes to the Customer with accordance to the Terms of Business.

4.2. The Company shall not be obliged to, but may, at its absolute discretion, execute Customer requests and instructions in respect of any instrument out of normal trading hours specified in the contract specifications for this particular instrument.

4.3. The Company specifies spread for each instrument in the contract specifications. The Company is entitled to change spread without prior written notice to the Customer subject to the Terms of Business. Otherwise, the Company shall notify the Customer not less than 14 calendar days prior to any changes in spread.

4.4. Quotes displayed on the Company's website are only indicative.

4.5 Whilst the Company does not ensure that CFDs quotes which it provides are within any specific percentage of the underlying asset price the Company does take into account the underlying asset price. When the underlying market is closed the quotes provided by the Company will reflect what the Company believes to be the "Ask" price and the "Bid" price of the relevant security in the underlying market at that time. The Customer shall acknowledge that such quotes will be set by the Company in its absolute discretion.

#### **5. Customer requests and instructions**

5.1. The Company processes and executes Customer requests and instructions with accordance to the Terms of Business.

5.2. The Company is entitled to decline Customer request or instruction if any of the conditions set out in the Terms of Business or in Clause 5.3 of this Agreement are breached before the request or instruction is processed by the Company. However, the Company may, in its absolute discretion, accept and execute Customer request or instruction, notwithstanding that the conditions in the Terms of Business or in Clause 5.3 of this Agreement are breached.

If the Company executes Customer request or instruction and becomes aware of any breach of the conditions set out conditions in the Terms of Business or in Clause 5.3 of this Agreement the Company may act in accordance with the Terms of Business.

5.3. The conditions referred to in Term 5.2 are as follows:

- a. a quote must be obtained from the Company;
- b. a quote must not be "indicative";
- c. if a quote is provided to the Customer via the client terminal or the telephone, the Customer instruction must be given whilst the quote is valid;
- d. the Company receives and accepts Customer instruction before the telephone conversation or internet connection is terminated as a result of circumstances beyond Company's reasonable control;
- e. a quote must not be manifestly erroneous;

f. a quote must not be a spike;

g. the transaction size must not be less than the minimum transaction size for this instrument indicated in the contract specifications;

h. a Force Majeure Event must not have occurred;

i. when the Customer gives request or instruction to the Company an Event of Default must not have occurred in respect of the Customer; and

j. when the Customer opens a position the Customer shall have sufficient free margin to cover initial margin requirement in respect of that open position.

5.4. Terms defined in this Agreement and in the Terms of Business are subject to transaction size within normal market size for the specified instrument. The Company may, in its absolute discretion, change these terms if the Customer wishes to make a transaction larger than normal market size for specified instrument. The Company shall inform the Customer of the normal market size for a particular instrument on request.

## **6. Netting**

6.1. The amounts are payable under this Agreement or the Terms of Business are automatically converted by the Company into US dollars at the relevant exchange rate for spot dealings in the foreign exchange market.

6.2. If the aggregate amount payable under this Agreement or the Terms of Business by the Customer equals to the aggregate amount payable under this Agreement or the Terms of Business by the Company, then, the obligations to make payment of any such amount will be automatically satisfied and discharged.

6.3. If the aggregate amount payable under this Agreement or the Terms of Business by one party of this Agreement exceeds the aggregate amount payable under this Agreement or the Terms of Business by the other party of this Agreement, 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.

6.4. Customer's obligations to pay any due amount shall include all commissions, charges and other costs determined by the Company.

6.5 The Customer may not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer the Customer's rights or obligations under this Agreement or the Terms of Business without the Company's prior written consent and any purported assignment, charge or transfer in violation of this term shall be void.

## **7. Margin requirements**

7.1. The Customer shall provide to and maintain initial and/or hedged margin in such limits as the Company, in its sole discretion, may require from time to time under this Agreement and the Terms of Business. Such sums of money shall only be paid in the form of cleared funds (on Company's bank account).

7.2. The Customer shall pay initial and/or hedged margin at the moment of opening a position. The amount of initial and hedged margin for each instrument is defined in the contracts specification.

7.3. The Company is entitled to change margin requirements giving to the Customer 5 business days written notice prior to these amendments.

7.4. The Company is entitled to change margin requirements without prior written notice in case of force majeure.

7.5. The Company is entitled to apply Clauses 7.3 and 7.4 to the new positions and to the positions which have already been opened.

7.6. The Company is entitled to close Customer's open positions without his/her/its consent or any prior written notice if the equity is less than 20% of the necessary margin.

7.7. For the purposes of determining whether the Customer has breached Clause 7.6 above, any sums referred to therein which are not denominated in US dollars shall be treated as if they were denominated in US dollars by converting them into US dollars at the relevant exchange rate for spot dealings in the foreign exchange market.

## **8. Adjustments**

8.1. If any security becomes subject to possible adjustment as the result of any of the events set out in Clause 8.2 below (hereinafter called a "Corporate Event"), the Company will determine the appropriate adjustment, if any, to be made to the size, value and/or number of the related transaction (and or to the level and size of any order) to:

a. account for the diluting or concentrating effect necessary to preserve the economic equivalent of the rights and obligations of the parties under that transaction immediately prior to that Corporate Event; and/or

b. replicate the effect of the Corporate Event upon someone with an interest in the relevant underlying security, to be effective from the date determined by the Company.

8.2. The events to which Clause 8.1 refers are the declaration by the issuer of a security of the terms of any of the following:

a. a subdivision, consolidation or reclassification of shares, a share buy-back or cancellation, or a free distribution of shares to existing shareholders by way of a bonus, capitalization or similar issue;

b. a distribution to existing holders of the underlying shares of additional shares, other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the issuer equally proportionately with such payments to holders of the underlying shares, or securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares, in any case for payment (in cash or otherwise) at less than the prevailing market price per share as determined by the Company;

c. any other event in respect of the shares analogous to any of the above events or otherwise having a diluting or concentrating effect on the market value of the shares; or

d. any event analogous to any of the foregoing events or otherwise having a diluting or concentrating effect on the market value of any Security not based on shares.

8.3. Determination of any adjustment or amendment of the size, value and/or number of the transaction (and/or of the level and size of any order) shall be at Company's absolute discretion and shall be conclusive and binding upon the Customer. The Company shall inform the Customer of any adjustment or amendment under this Agreement or the Terms of Business as soon as reasonably practicable.

8.4. If at any time a take-over offer is made in respect of a company, then at any time prior to the closing date of such offer the Company may give written notice to the Customer of its intention to close a transaction in respect of that security. This notice will include the closing date and the closing price.

8.5 Where applicable (e.g. where a security is based on shares in respect of which the issuer pays dividends) a dividend adjustment will be calculated in respect of open positions held on the ex-dividend day for the relevant underlying security. Dividend adjustment will be credited to Customer's trading account if the Customer buys, i.e. opens a long position, and debited if the Customer sells, i.e. opens a short position.

## **9. Payments**

9.1. The Customer may deposit the trading account at any time.

9.2. The Customer may withdraw funds from the trading account at any time in accordance with the Clause 9.3.

9.3. If the Customer gives an instruction to withdraw funds from the trading account the Company shall pay the specified amount within 2 business days once the instruction has been accepted, if the following requirements are met:

a. the withdrawal instruction includes all necessary information;

b. at the moment of payment Customer's free margin exceeds the amount specified in the withdrawal instruction including all payment charges.

The Company shall debit Customer trading account for all payment charges.

9.4. If the Customer has the obligation to pay any amount to the Company which exceeds the trading account equity the Customer shall pay the amount of excess within 2 business days once the obligation has arisen.

9.5. All payments subject to the terms of Clause 9 are made by bank transfer or by transfer to/from the trading account of another Company's customer. If the Company accepts any payments to be made by credit card it reserves the right to levy a transfer charge.

9.6. If the Customer makes a bank transfer the Company shall deposit Customer trading account within 1 business day once the amount has been deposited to the bank account of the Company.

9.7. The Customer shall acknowledge and agree that (without prejudice to any of Company's other rights under this Agreement or the Terms of Business to close out Customer open positions and exercise other default remedies against the Customer) where a sum is due and payable to the Company in accordance with this Agreement or the Terms of Business and sufficient cleared funds have not yet been credited to the Customer trading account, the Company shall be entitled to treat

the Customer as having failed to make a payment to the Company and to exercise our rights under this Agreement and/or the Terms of Business.

9.8. The Customer shall make any margin payments or other payments due in US dollars or Euros. The bank of the Company will convert payment amount into US dollars at the rate determined by the bank of the Company.

9.9 Any amount which is not paid in accordance with Clauses 9.3, 9.4 and 9.6 on the due date therefore shall bear interest at the Federal Reserve rate plus 1% per annum, for each day for which such amount remains unpaid.

#### **10. Customer's Money and Interest**

10.1. The Company will hold Customer's money as trustee in its bank accounts.

10.2. The Company will not pay interest to the Customer on any funds which the Company holds. The Customer shall waive all rights to interest.

#### **11. Complaints and Disputes**

11.1. The complaints and disputes procedures are set out in the Terms of Business.

#### **12. Communications**

12.1. The rules of communication between the Customer and the Company are set out in the Terms of Business.

12.2. The Customer shall give instructions and requests only via the client terminal or by phone.

#### **13. Time of Essence**

13.1 Time shall be of the essence in this Agreement, the Terms of Business and Risk Disclosure Statements.

#### **14. Default**

14.1. Each of the following constitutes an "Event of Default":

a. Customer's failure to provide any initial and/or hedged margin, or other amount due under this Agreement or the Terms of Business;

b. Customer's failure to perform any obligation due to the Company;

c. any breach of Clause 7 by the Customer;

d. the initiation by a third party of proceedings for Customer's bankruptcy (if the Customer is an individual) or for Customer's winding-up or for the appointment of an administrator or receiver in respect of the Customer or any of Customer's assets (if the Customer is a company) or (in both cases) if the Customer makes an arrangement or composition with his/her/its creditors or any procedure which is similar or analogous to any of the above is commenced in respect of the Customer;

e. where any representation or warranty made by the Customer in Clause 15 is or becomes untrue;

f. the Customer is unable to pay the debts when they fall due;

g. if the Customer dies or becomes of unsound mind; and

h. any other circumstance where the Company reasonably believes that it is necessary or desirable to take any action set out in Clause 14.2.

14.2. If an Event of Default occurs in relation to Customer's trading account(s) the Company may, in its absolute discretion, at any time and without prior written notice, take one or more of the following steps:

a. close out all or any of Customer's open positions at the current quote;

b. debit Customer's trading account for the amounts which are due to the Company;

c. close any or all Customer's trading accounts held with the Company;

d. refuse to open new trading accounts by the Customer.

## **15. Representations and Warranties**

15.1. The Customer shall represent and warrant to the Company, and agree that each such representation and warranty is deemed repeated each time the Customer gives an instruction or request by reference to the circumstances prevailing at such time, that:

a. the essential, upon this Agreement, the Terms of Business and "Confidential Customer Information to open Personal Account" or "Confidential Customer Information to open Corporate Account" form, information provided by the Customer to the Company at any time thereafter is true, accurate and complete in all material respects;

b. the Customer is duly authorised to enter into this Agreement, to give instructions and requests and to perform his/her/its obligations hereunder and thereunder;

c. the Customer acts as principal;

d. the Customer is an individual who has provided "Confidential Customer Information to open Personal Account" form or if the Customer is a company the person who has provided the "Confidential Customer Information to open Corporate Account" form on Customer's behalf is duly authorised to do so; and

e. all actions performed under this Agreement and the Terms of Business will not violate any law, ordinance, charter, by-law or rule applicable to the Customer or to the jurisdiction in which the Customer is resident, or any agreement by which the Customer is bound or by which any of Customer's assets are affected.

15.2. The Company has the right to render any position voidable or to close out any or all positions at the current price at any time, in its absolute discretion, if the Customer breaches Clause 15.1.

## **16. Governing Law and Jurisdiction**

16.1 This Agreement shall be governed by, and construed in accordance with the laws of the British Virgin Islands.

16.2 With respect to any proceedings, the Customer irrevocably:

a. agrees that the courts of the British Virgin Islands shall have exclusive jurisdiction to determine any proceedings,

b. submits to the jurisdiction of the British Virgin Islands courts,

c. waives any objection which the Customer may have at any time to the bringing of any proceedings in any such court, and

d. agrees not to claim that such proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over the Customer.

16.3 The Customer irrevocably waives to the fullest extent permitted by applicable law, with respect to the Customer and the Customer's revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (a) suit, (b) jurisdiction of any courts, (c) relief by way of injunction, order for specific performance or for recovery of property, (d) attachment of its assets (whether before or after judgement) and (e) execution or enforcement of any judgement to which the Customer or the Customer's revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction and irrevocably agrees to the extent permitted by applicable law that the Customer will not claim any such immunity in any proceedings. The Customer consents generally in respect of any proceedings to the giving of any relief or the issue of any process in connection with such proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgement which may be made or given in such proceedings.

16.4. Where this Agreement is issued in a language other than English, the English language version shall take precedence in the event of any conflict.

## **17. Limitations of Liability**

17.1. The Customer will indemnify the Company and keep the Company indemnified on demand in respect of all liabilities, costs, claims, demands and expenses of any nature whatsoever which the Company suffers or incurs as a direct or indirect result of any failure by the Customer to perform any of the obligations under this Agreement and the Terms of Business.

17.2. The Company shall in no circumstances be liable to the Customer for any consequential special or indirect losses, loss of profits, loss of opportunity (including in relation to subsequent market movements), costs, expenses or damages the Customer may suffer in relation to this Agreement, unless otherwise agreed in the Terms of Business.

## **18. Force Majeure**

18.1. The Company may, in its reasonable opinion, determine that a Force Majeure event exists, in which case the Company will, in due course, take reasonable steps to inform the Customer. A Force Majeure Event includes without limitation:

a. any act, event or occurrence (including, without limitation, any strike, riot or civil commotion, terrorism, war, act of God, accident, fire, flood, storm, interruption of power supply, electronic, communication equipment or supplier failure, civil unrest, statutory provisions, lock-outs) which, in Company's reasonable opinion, prevents the Company from maintaining an orderly market in one or more of the instruments;

b. the suspension, liquidation or closure of any market or the abandonment or failure of any event to which the Company relates its quotes, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event.

18.2. If the Company determines in its reasonable opinion that a Force Majeure event exists (without prejudice to any other rights under this Agreement and the Terms of Business) the Company may without prior written notice and at any time take any of the following steps:

a. increase margin requirements;

b. close out any or all open positions at such price as the Company considers in good faith to be appropriate;

c. suspend or modify the application of any or all terms of this Agreement and/or the Terms of Business to the extent that the Force Majeure event makes it impossible or impractical for the Company to comply with them; or

d. take or omit to take all such other actions as the Company deems to be reasonably appropriate in the circumstances with regard to the position of the Company, the Customer and other customers.

## **19. Miscellaneous**

19.1. The Company has the right to suspend Customer's trading account at any time for any good reason (and with or without written notice to the Customer).

19.2. In the event that a situation arises that is not covered under this Agreement and the Terms of Business, the Company will resolve the matter on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice.

19.3. No single or partial exercise of, or failure or delay in exercising any right, power or remedy (under these terms or at law) by the Company shall constitute a waiver by the Company of, or impair or preclude any exercise or further exercise of, that or any other right, power or remedy arising under this Agreement and/or the Terms of Business or at law.

19.4. Any liability of the Customer to the Company under this Agreement and/or the Terms of Business may in a whole or in part be released, compounded, compromised or postponed by the Company in its absolute discretion without affecting any rights in respect of that or any liability not so waived, released, compounded, compromised or postponed. A waiver by the Company of a breach of any of the terms of this Agreement and/or the Terms of Business or of a default under these terms does not constitute a waiver of any other breach or default and shall not affect the other terms. A waiver by the Company of a breach of any of the terms of this Agreement and/or the Terms of Business or a default under these terms will not prevent the Company from subsequently requiring compliance with the waived obligation.

19.5. The rights and remedies provided to the Company under this Agreement and the Terms of Business are cumulative and are not exclusive of any rights or remedies provided by law.

19.6. The Company may assign the benefit and burden of this Agreement and the Terms of Business to a third party in whole or in part, provided that such assignee agrees to abide by the terms of this Agreement and the Terms of Business. Such assignment shall come into effect 10 business days following the day the Customer is deemed to have received notice of the assignment in accordance with the Terms of Business.

19.7. If any term of this Agreement or the Terms of Business (or any part of any term) shall be held by a court of competent jurisdiction to be unenforceable for any reason then such term shall, to that extent, be deemed severable and not form part of this Agreement or the Terms of Business, but the enforceability of the remainder of this Agreement or the Terms of Business shall not be affected.

## **20. Amendment and Termination**

20.1. The Customer shall acknowledge that the Company has the right to modify the terms of this Agreement, the Terms of Business or Risk Disclosure Statements at any time giving to the Customer 10 business days written notice prior to such changes. Any such amendments will become effective on the date specified in the notice and will also apply to positions opened prior to such date.

20.2. The Customer may suspend or terminate this Agreement immediately without prior written notice to the Company.

20.3. The Company may suspend or terminate this Agreement immediately by giving written notice to the Customer.

20.4. Any such termination will not affect any obligation which has already been incurred by either the Customer or the Company in respect of any outstanding transaction or any legal rights or obligations which may already have arisen under the Agreement and the Terms of Business or any transactions and deposit/withdrawal operations made there under.

20.5. Upon termination of this Agreement, all amounts payable by the Customer to the Company will become immediately due and payable including (but without limitation):

- a. all outstanding fees, charges and commissions;
- b. any dealing expenses incurred by terminating this Agreement and charges for

transferring Customer's investments to another investment firm; and

c. any losses and expenses realised in closing out any transactions or settling or concluding outstanding obligations incurred by the Company on the Customer's behalf.

## 21. Interpretation of Terms

In this Agreement:

«**Ask**» shall mean the higher price in the quote. The price the Customer may buy at.

«**Base currency**» shall mean the first currency in the currency pair against which the Customer buys or sells the quote currency.

«**Balance**» shall mean the total financial result of all completed transactions and depositing/withdrawal operations on the trading account.

«**Client Terminal**» shall mean the Phenix Trader Advance or MetaTrader program of version 4.xx, which is used by the Customer in order to obtain information of financial markets in real-time, to make technical analysis of the markets, make transactions, place/modify/delete orders, as well as to receive notices from the Company. The program can be downloaded at the webpage free of charge.

«**Contract for Difference**» («**CFD**») shall mean a contract, which is a contract for difference by reference to fluctuation in the price of the underlying asset (shares, futures, metals, indices etc.)

«**Contract Specification**» shall mean principal trading terms (spread, lot size, initial margin size, margin for the locked positions etc.) for each instrument. At the time of the release of this document the information is displayed at <http://www.phenixforex.com>

«**Currency pair**» shall mean the object of transaction based on the change in the value of one currency against the other.

«**Equity**» shall mean: balance + floating profit - floating loss.

«**Floating profit/loss**» shall mean profit/loss on open positions at the current prices.

«**Free margin**» shall mean funds on the trading account, which may be used to open a position. It is calculated as equity less necessary margin.

«**Hedged margin**» shall mean the required by the Company amount sufficient to open and maintain locked positions. The details for each instrument are in the contract specifications.

«**Indicative quote**» – the quote at which the Company shall not accept any instruction.

«**Initial margin**» shall mean the margin required by the Company to cover open positions. The details for each instrument are in the contract specifications.

«**Instruction**» shall mean Customer's order to the Company to open/close a position or to place/modify/delete an order.

«**Instrument**» shall mean any currency pair or Contract for Difference.

«**Locked positions**» shall mean long and short positions of the same size opened on the trading account for the same instrument.<sup>1</sup>

«**Long position**» shall mean a Buy position that appreciates in value if market prices increase. In respect of currency pairs: buying the base currency against the quote currency.

«**Lot**» shall mean an abstract notion of the number of securities or base currency in the trading platform.

«**Lot size**» shall mean the number of securities or base currency in one lot defined in the contract specifications.

«**Margin Trading**» shall mean leverage trading when the Customer may make transactions having far less funds on his trading account.

«**Necessary margin**» shall mean the margin required by the Company to maintain open positions. The details for each instrument are specified in the contract specifications.

«**Normal Market Size**» shall mean the maximum number of stocks, shares, contracts or other units that the Company reasonably believes the Underlying Market to be good in at the relevant time.

«**Open position**» shall mean the result of the first part of the completed transaction. In this case the Customer shall be obliged to:

- a. make counter transaction of the same volume;
- b. maintain equity not lower than 20% of the margin.

«**Order**» shall mean Customer's instruction to the Company to open or close a position when the price reaches order's level.

«**Order level**» shall mean the price indicated in the order.

«**Quote**» shall mean the information of the current price for specific instrument, in the form of the Bid and Ask price.

«**Quote currency**» the second currency in the currency pair which can be bought or sold by the Customer for the base currency.

«**Rate**» shall mean 1) for the currency pair: the value of the base currency in the terms of the quote currency; 2) for the Contract for Difference: the value of one unit of the underlying asset in terms of money.

«**Request**» shall mean Customer's order to the Company given to obtain a quote. Such request shall not constitute an obligation to make a transaction.

«**Security**» shall mean any share, future, forward or option contract, commodity, precious metal, interest rate, debt instrument or stock index.

«**Short position**» shall mean a Sell position for any instrument in expectation of a price fall. For currency pairs: selling the base currency against the quote currency.

«**Spike**» shall mean an error quote with the following characteristics:

- a. a significant price gap;

b. in a short period of time the price rebounds with a price gap;

c. before it appears there is no rapid price movements;

d. before it appears there is no important macroeconomic indicators and/or corporate reports.

«**Spread**» shall mean the difference Ask and Bid prices.

«**Trading account**» shall mean the unique personified registration system of all completed transactions, open positions, orders and deposit/withdrawal transactions in the trading platform.

«**Transaction**» shall mean two counter deals of the same size (open and close a position): buy in order to sell and vice versa.

«**Transaction size**» shall mean lot size multiplied by number of lots.

«**Underlying market**» shall mean the market where the underlying asset for CFD is traded.

«**Written notice**» shall mean hard or electronic copy of any document (including faxes, e-mails, internal client terminal mails etc.).

**Phenix International Business Corporation.**