TERMS OF BUSINESS

1. Introductory

1.1. These Terms of Business govern any action in respect of the execution of Customer instructions to open or close a position or place, delete or modify order level.

1.2. These Terms of Business specify:

a) principles of making deals under normal and abnormal market conditions;

b) Dealer's actions in respect of Customer open positions in case of margin insufficiency;

c) procedures of disputes resolution and the ways of communication between the Customer, the Dealer and Belvedere Inc.

1.3. Legal basis of margin trading are specified in the Agreements entered in between the Customer and the Dealer.

1.4. The defined terms used in these Terms of Business are set out in p.10 (Interpretation of Terms).

2. General terms

Execution of Customer requests and instructions

2.1. There are two quotation mechanisms, which are used in order to trade: «Customer price request» and «Instant Execution». Details of quotation mechanism for each instrument are specified in the contract specifications.

2.2. The procedure of handling Customer instructions and requests given via the client terminal:

a) the Customer prepares an instruction or a request and the client terminal checks if it's valid;

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

c) if the connection between the client terminal and the server is robust, the server receives the instruction or request and starts the process of verification;

d) Customer's valid request or instruction is queued up and sorted by the arrival time; order's status is displayed in the «Order» window: «Order is accepted»;

e) unoccupied dealer accepts the first request or instruction from the queue[1]; order status is displayed in the «Order» window: «Order is in process»;

f) the server receives from a dealer the result of Customer request or instruction execution process;

[1] Depending on the interim a dealer needs to handle Customer request or instruction there is a possibility that in the server log-file the recorded execution time of the first request or instruction in the queue will be later than the execution time of the request or instruction which followed after.

g) the server sends to the client terminal the result of Customer request or instruction execution process;

h) request or instruction is received by the client terminal if the connection between the client terminal and the server is robust.

2.3. The Customer has the right to cancel previously given request or instruction only if a request or an instruction has «Order is accepted» status. In order to cancel it the Customer should press the «Cancel order» button.

2.4. If an instruction or a request has been accepted by a dealer and marked as «Order is in process» the Customer has no right to cancel it.

2.5. Quotes the Customer receives via the client terminal for the instruments quoted by Customer price request are indicative so they may differ from the quotes actually offered by a dealer to Customer's request. The Dealer at its sole discretion will specify the market price level.

2.6. The interim a dealer needs to process an instruction or a request depends on the quality of connection between the client terminal and the server, as well as on the market conditions. Under normal market conditions Customer instructions or requests are usually executed within 5-15 seconds. Abnormal market conditions usually may cause delays in the process of execution up to 30-40 seconds. The standby time for each instruction or request which has been queued up has a limit of 2 minutes at the time of the release of this document. If during this interim a dealer shall not accept a request or an instruction it is automatically deleted from the queue as deemed to be irrelevant.

2.7. In such circumstances a dealer may decline Customer instruction or request:

a) if Customer instruction or request precedes the first quote in the trading platform on the market opening;

b) under abnormal market conditions;

c) if lately within due limits the Customer has made far less transaction in comparison with the number of the requests[2];

d) if Customer free margin is less than initial margin.

Therefore if it occurs the «Off quotes» message appears in the client terminal.

2.8. The Customer may give an instruction or a request via the client terminal. The Customer shall use Belvedere Inc. 's phone operator service only in case of any technical problems, which make it impossible to use the client terminal.

Transactions

2.9 The Ask price is used to make a Buy transaction. The Bid price is used to make a Sell transaction.

a) The Ask price is used in order to open a Buy position. The Bid price is used in order to open a Sell position.

b) The Bid price is used to close a Buy position (i.e. Sell). The Ask price is used to close a Sell position (i.e.

[2] More than 5 requests per one transaction.

Buy).

Spread

2.11. If there is no force majeure the Dealer maintains fixed spread specified in the contract specifications.

2.12. Spread may be widen:

a) for all the Customers under force majeure conditions (at most 5 times higher than the spread indicated in the contract specifications);

b) for any particular Customer if lately within due limits he/she has made far less transaction in comparison with the number of the requests[3] (at most 5 times higher than the spread indicated in the contract specifications);

c) for all Customers subject to prior 14 (fourteen) calendar days notice.

Quotes base synchronization

2.13. In case of unforeseen break in the quotes flow caused by software or hardware failure, Belvedere Inc. has the right to synchronize the quotes base on the server for real Customers with another sources. Such sources include:

a) quotes base on the demo-server;

b) quotes base on the contest server;

c) any other reliable sources[4].

In case of any disputes arises in respect of the break in quotes flow, all decisions are made in accordance with the synchronized quotes base.

3. Open a position

3.1. In order to give an instruction to open a position the Customer shall specify the following:

a) instrument name;

b) transaction size.

Instruments quoted by «Instant Execution»

3.2. In order to open a position via the client terminal without using advisor the Customer shall press the «Buy» or «Sell» button at the moment he/she is satisfied with the prices in the quotes flow.

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[3] More than 5 requests per one transaction.

[4] If necessary information is not available on the servers for demo-and contest accounts.

3.3. In order to open a position via the client terminal with using advisor an instruction is generated at the current quote.

Instruments quoted by Customer price request

3.4. In order to open a position via the client terminal without using advisor the Customer shall send a request. The Customer may open a position at the offered quote, once he/she has received it, within 3 seconds when the quote is still relevant by pressing the «Buy» or «Sell» button. Once the time has run out a dealer has the right to revoke the quote.

3.5. In order to open a position via the client terminal with using advisor, the advisor generates a request. If a dealer offers a quote, which differs from the advisor quote not more than the «slippage» value (advisor parameter which determines the acceptable range between advisor quote and quote offered by a dealer), advisor gives the instruction to the server to open a position at the price offered by a dealer.

Processing and execution of instruction to open a position

3.6. Once the server has received Customer instruction to open a position it automatically will check the equity for available free margin:

a) virtually a new position is added to the list of open positions;

b) cumulative customer position and new necessary margin size are calculated: for locked positions depending on the «hedged margin», for other positions depending on the size of «initial margin», which is calculated at average weighted price (in terms of volume) of all positions except the locked ones;

c) «virtual free margin»[5] is calculated thereby all floating losses/profits for all open positions are estimated at the current quotes;

d) if the above mentioned virtual procedures for a new position have been done and:

- «virtual free margin» more or equal to zero, the position is opened. The process of opening a position is followed by the relevant record in the server log-file;
- «virtual free margin» is less than zero, then a dealer has the right to decline the instruction to open a position; this process is also followed by the relevant record in the server log-file, giving the «No money» message.

3.7. Sometimes a quote changes while a dealer processes Customer instruction. If it happens a dealer has the right to requote. The Customer has 3 seconds to press the «Ok» button before the quote becomes invalid. Otherwise, it will be considered that the Customer refuses to make a deal.

3.8. Customer instruction to open a position shall be deemed executed and the position shall be deemed open once the relevant record appears in the server log-file. In the trading platform each open position has its ticker.

3.9. An instruction to open a position will be declined by a dealer if it precedes the first quote in the trading platform on the market opening. In this case the «Off quotes» message appears in the client terminal window. If a dealer executes Customer instruction to open a position at the closing price of the previous trading session by

[5] virtual free margin = balance – new margin + floating profit - floating loss

mistake, such transaction may be canceled by the Dealer. In this case the «Manifest Error» message will be sent via MetaTrader internal mail.

4. Close a position

4.1. In order to give an instruction to close a position the Customer shall specify the following:

a) position ticker;

b) transaction size.

Instruments quoted by «Instant Execution»

4.2. In order to close a position via the client terminal without using advisor the Customer shall press the «Close…» button at the moment when he/she is satisfied with the price in the quotes flow.

4.3. In order to close a position via the client terminal with using advisor the instruction to close a position is generated at the current quote.

Instruments quoted by Customer price request

4.4. In order to close a position via the client terminal without using advisor the Customer shall send a request. Once the Customer has received a quote and is satisfied with it he/she shall press the «Close…» button within 3 seconds when the quote is still valid. If during this period the Customer fails to give any instructions to the Dealer a dealer has the right to revoke the quote.

4.5. In order to close a position via the client terminal with using advisor, the advisor generates a request. If a dealer offers a quote which differs from the advisor quote not more than the slippage value (advisor parameter which determines the acceptable range between advisor quote and quote offered by a dealer), the advisor gives the instruction to the server to close a position at the price offered by a dealer.

Processing and execution of instruction to close a position

4.6. Sometimes a quote changes while a dealer is processing Customer instruction. If it happens a dealer has the right to requote. The Customer has 3 seconds to close a position by pressing the «Ok» button before the quote becomes invalid. Otherwise, it will be considered that the Customer refuses to make a deal.

4.7. If the list of open positions on a trading account contains two or more locked positions, then once an instruction or a request to close one of them has being generated in the drop down «Type» list the additional option «Close By» appears. If the Customer chooses this option a list of opposite open position(s) appears. Once the Customer selects the position it enables the «Close#…. by#» button. By pressing this button the Customer closes the opposite positions of one size or «reduces» two opposite positions of different size. The smaller position and symmetrical part of the bigger position are being closed, it generates a new open position with the same direction as the bigger position but with a new ticker.

4.8. If the list of open positions on a trading account contains two or more locked positions, then once an instruction or a request to close one of them has being generated in the drop down «Type» list the additional option «Multiple Close By» appears. Once the Customer selects this option the list of all open positions for the instrument appears and it enables the «Multiple Close By for….» button. Once the Customer presses it all locked positions for the instrument are being closed, generating a new open position(s) in the direction of the higher total volume and with a new ticker.

4.9. Customer instruction to close a position is deemed executed and the position is deemed to be close once it is has been recorded in the server log-file.

4.10. An instruction to close a position will be declined by a dealer if the instruction precedes the first quote on the market opening. In this case the «Off quotes» message appears in the client terminal window. If a dealer executes Customer instruction to close a position at the closing price of the previous trading session by mistake, such transaction may be canceled by the Dealer. In this case the «Manifest Error» message will be sent via MetaTrader internal mail.

4.11. An instruction to close a position will be declined by a dealer if it is made when «Stop Loss» or «Take Profit» order for this position is in the queue in order to be executed. In the client terminal window the «Off quotes» message appears.

5. Orders

Order types in the trading platform

5.1. In order to open a position the following orders (pending orders) may be used:

a) «Buy Stop» - an order to open a Buy position at the price higher than the price at the moment of placing the order;

b) «Sell Stop» -an order to open a Sell position at the price lower than the price at the moment of placing the order;

c) «Buy Limit» - an order to open a Buy position at the lower price than the price at the moment of placing the order;

d) «Sell Limit» - an order to open a Sell position at the price higher than the price at the moment of placing the order.

5.2. In order to close a position the following orders may be used:

a) «Stop Loss» - an order to close previously opened position at the price less profitable for the Customer than the price at the moment of placing the order;

b) «Take Profit» - an order to close previously opened position at the price more profitable for the Customer than the price at the moment of placing the order;

c) «If Done» - «Stop Loss» and/or «Take Profit» orders which are activated once the pending order they are related to has been executed.

The time of order’s placement and its lifetime

5.3. The Customer may place, modify or delete orders only within trading hours for the relevant instrument. The trading hours for each instrument are indicated in the contract specifications.

5.4. For the sessionally traded instruments all pending orders have the «Day Order» status and will be deleted at the end of a trading session.

5.5. Pending orders on the instruments, which are traded 24 hours a day, have GTC (Good Till Cancelled) status. The Customer may set the expiry date and time by himself in the «Expiry» field.

5.6. The «Stop Loss» and «Take Profit» orders for all instruments have the GTC status («Good Till Cancelled»).

The procedure of placing an order

5.7. In order to give the instruction to place a pending order the Customer shall specify the following required parameters:

a) instrument name;

b) transaction size;

c) order type («Buy Stop» , «Buy Limit», «Sell Stop» , «Sell Limit»);

d) order level.

In addition the Customer may indicate the following optional parameters:

a) level of «Stop Loss» order. “0.0000” means that «Stop Loss» is not placed (or is deleted if it has already been placed);

b) level of «Take Profit» order. “0.0000” means that «Take Profit» is not placed (or it is deleted if it has already been placed);

c) date and time when pending order expires.

The instruction will be declined if:

a) any of the required parameters is not specified or is incorrect;

b) any of the optional parameters is incorrect.

If the orders are placed via the client terminal without using advisor, the error message «Invalid S/L or T/P» will be sent.

5.8. If the Customer gives an instruction to place «Stop Loss» or «Take Profit» order on the open position he/she shall specify the following:

a) ticker for the open position he/she intends to place the orders on;

b) level of the «Stop Loss» order. “0.0000” means that «Stop Loss» is not placed (or is deleted if it has already been placed);

c) level of the «Take Profit» order. “0.0000” means that «Take Profit» is not placed (or it is deleted if it has already been placed);

If any of the indicated parameters is incorrect the instruction will be declined and the «Modify…» button will remain inactive.

5.9. If the Customer gives an instruction to place the «If Done» order on a pending order he/she shall specify the following:

a) ticker for a pending order he/she intends to place the orders on;

b) level of the «Stop Loss» order. “0.0000” means that «Stop Loss» is not placed (or is deleted if it has already been placed);

c) level of the «Take Profit» order. “0.0000” means that «Take Profit» is not placed (or it is deleted if it has already been placed);

If any of the indicated parameters is incorrect the instruction will be declined and the «Modify» button will remain inactive.

5.10. The levels of pending orders, as well as the levels of «Stop Loss» and «Take Profit» orders on the open position must be placed correctly to the current market price at the moment the instruction comes to the server and while a dealer processes it, taking into account the restrictions of p. 5.12:

a) for «Stop Loss» order on the short position current market price is the Ask price. The order must be placed higher than the current market price;

b) for «Take Profit» order on the short position current market price is the Ask price. The order must be placed lower than the current market price;

c) for «Stop Loss» order on the long position current market price is the Bid price. The order must be placed lower than the current market price;

d) for «Take Profit» order on the long position current market price is the Bid price. The order must be placed higher than the current market price;

e) for «Buy Limit» order current market price is the Ask price minus 1 point. The order must be placed lower than the current market price;

f) for «Buy Stop» order current market price is the Ask price plus 1 point. The order must be placed higher than the current market price;

g) for «Sell Limit» order current market price is the Bid price plus 1 point. The order must be placed higher than the current market price;

h) for «Sell Stop» order current market price is the Bid price minus 1 point. The order must be placed lower than the current market price.

5.11. The levels of the «If Done» orders must be placed correctly to the level of the pending order taking into account the restrictions of p. 5.12:

a) «Stop Loss» order on the «Buy Limit» or «Buy Stop» pending orders must be placed lower than the level of the pending order;

b) «Stop Loss» order on «Sell Limit» or «Sell Stop» pending orders must be placed higher than the level of the pending order.

c) «Take Profit» order on the «Buy Limit» or «Buy Stop» pending order must be placed higher than the level of the pending order;

d) «Take Profit» order on the «Sell Limit» or «Sell Stop» pending order must be placed lower than the level of the pending order.

5.12. All types of orders shall not be placed closer than predefined number of points to the current quote (p.5.10) or to the level of a pending order (p.5.11). Minimum number of points from the placed order to the current quote for each instrument is indicated in the contract specifications.

5.13. Customer instruction to place an order is deemed executed and the order is deemed to be placed once it has been recorded in the server log-file.

5.14. Each pending order has a ticker.

5.15. An instruction to place an order will be declined by a dealer if it precedes the first quote on the market opening. In this case the «Off quotes» message appears in the client terminal window. If a dealer executes Customer instruction to place an order before the first quote on the market opening by mistake such order may be deleted. In this case the «Manifest Error» message will be sent via MetaTrader internal mail.

5.16. The Dealer has the right to decline Customer instruction to place an order if while processing this instruction the current quote reaches the level at which 5.10, 5.11, 5.12 paragraphs of these Terms of Business are breached.

The procedure of modifying and deleting an order

5.17. If the Customer gives an instruction to modify pending order parameters (the level of the pending order, «Stop Loss» and «Take Profit» on this pending order) he/she must specify the following details:

a) ticker;

b) order level;

c) level of «Stop Loss» order. “0.0000” means that «Stop Loss» is not placed (or is deleted if it has already been placed);

d) level of «Take Profit» order. “0.0000” means that «Take Profit» is not placed (or it is deleted if it has already been placed).

If any of the indicated parameters is incorrect the instruction will be declined and the «Modify» button will remain inactive.

5.18. If the Customer gives an instruction to modify «Stop Loss» and «Take Profit» orders on the open position he/she must specify the following details:

a) ticker;

b) level of «Stop Loss» order. "0.0000" means that «Stop Loss» is not placed (or is deleted if it has already been placed);

c) level of «Take Profit» order. "0.0000" means that «Take Profit» is not placed (or it is deleted if it has already been placed).

If any of the indicated parameters is incorrect the instruction will be declined and the «Modify …» button will remain inactive.

5.19. When the Customer gives an instruction to delete a pending order he/she has to specify its ticker.

5.20. Customer instruction to modify or delete an order is deemed executed and order is deemed to be modified or deleted once it has been recorded in the server log-file.

5.21. An instruction to modify or delete an order will be declined by a dealer if it precedes the first quote on the market opening. In this case the «Off quotes» message appears in the client terminal window. If a dealer executes Customer instruction by mistake order's modification or deleting may be canceled. In this case the «Manifest Error» message will be sent via MetaTrader internal mail.

5.22. The Dealer has the right to decline an instruction to modify or delete an order if while it is being processed the current quote reaches order level or/and an order is being executed at this moment.

5.23. The Dealer has the right to cancel order level modification or order deleting if the instruction to modify or delete an order is executed after the order is queued up in order to be executed in accordance with p.5.26. In this case the «Manifest Error» message will be sent via MetaTrader internal mail.

The procedure of orders execution

5.24. An order will be queued up in order to be executed as follows[6]:

a) for «Take Profit» order on open Buy position if the Bid price in the quotes flow becomes equal or higher than order level;

b) for «Stop Loss» order on open Buy position if the Bid price in the quotes flow becomes equal or lower than order level;

c) for «Take Profit» order on open Sell position if the Ask price in the quotes flow becomes equal or lower than order level;

d) for «Stop Loss» order on open Sell position if the Ask price in the quotes flow becomes equal or higher than order level;

[6] An order will be queued up in order to be executed if in the quote flow at least one quote reaches order level. Notice that on the chart in the client terminal bar or candle high is the maximum Bid, and bar or candle low is the minimum Bid for this period of time. Minimum Ask for the specified period is the same as bar or candle low plus spread. Maximum Ask for the specified period is the same as bar or candle high plus spread.

e) for «Buy Limit» order if the Ask price in the quotes flow becomes equal or lower than order level;

f) for «Sell Limit» order if the Bid price in the quotes flow becomes equal or higher than order level;

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

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

5.25. Once the pending order is queued up in order to be executed the server automatically checks the equity for available free margin sufficient to open a position:

a) virtually a new position is added to the list of open positions;

b) cumulative Customer position and new necessary margin size are calculated: for locked positions depending on the «hedged margin», for other positions depending on the size of «initial margin», which is calculated at average weighted price (in terms of volume) of all positions except the locked ones;

c) «virtual free margin»[7] is calculated; if pending order's level is in the price gap the floating losses/profits for all open positions are estimated at the current quotes at the moment the order is being queued up to be executed;

d) if the above mentioned virtual procedures for a new position have been done and:

- «virtual free margin» more or equal to zero, the position is opened. The process of opening a position is followed by the relevant record in the server log-file and the position opened by this order has the same ticker as the pending order;

- «virtual free margin» is less than zero, then a dealer has the right to decline the instruction to open a position and delete the pending order; this process is also followed by the relevant record in the server log-file, giving the «No money» message.

5.26. Order is deemed to be executed once the relevant record appears in the server's log-file.

5.27. Under normal market conditions the Dealer executes an order at the price specified for this order, without any slippage.

5.28. When order level is in the price gap under abnormal market conditions or on the market opening, order may be executed at the first obtainable after the gap quote. «Buy Stop», «Sell Stop» or «Stop Loss» orders may be executed at the level less profitable for the Customer; «Buy Limit», «Sell Limit», «Take Profit» may be executed at the level more profitable for the Customer.

5.29. Under abnormal market conditions if the range between the level of an order on a currency pair, which is in the price gap in the quotes flow, and the first obtainable after the gap price (Bid or Ask depending on the order's details) is more than 15 pips then the order is executed at a price which is different from the price the Customer specifies.

5.30. If the range between the level of an order on a currency pair, which is in the price gap on the market opening,

[7] virtual free margin = balance – new margin + floating profit - floating loss

and the first obtainable after the gap price (Bid or Ask depending on the order's details) is more than 15 pips then the order is executed at a price which is different from the price the Customer specifies.

5.31. Under abnormal market conditions if the range between the level of an order on GOLD (Spot), which is in the price gap in the quotes flow, and the first obtainable after the gap price (Bid or Ask depending on the order's details) is more than 2 times higher than the spread indicated in the contract specifications then the order is executed at a price which is different from the price the Customer specifies.

5.32. If the range between the level of an order on GOLD (Spot), which is in the price gap on the market opening, and the first obtainable after the gap price (Bid or Ask depending on the order's details) is more than 2 times higher than the spread indicated in the contract specifications then the order is executed at a price which is different from the price the Customer specifies.

5.33. When several orders are in the price gap they are queued up in order to be executed in ascending order of their tickers. The instruction, which is received earlier than the others in the queue, is sent to an unoccupied dealer for execution[8].

5.34. If the level of an order on the Contract for Difference is in the price gap on the market opening, the order is executed in accordance with Clause 5.28.

6. Stop out

6.1. The Dealer is entitled to close Customer open positions without his/her consent or any prior notice if the equity is less than 20% of the necessary margin.

6.2. Margin level is tracked by the server and subject to p. 6.1 the server generates the instruction to close a position without prior consent, so called «stop out». «Stop out» is executed at the current quote following the priority of the queue. Once the position has been closed the relevant record appears in the server log-file with the «stop out» remark.

6.3. If the Customer has several open positions the first position which has to be closed is the one with the highest floating loss.

6.4. The Dealer ensures that once the last position has been closed trading account balance shall be within 0%-20% of the margin, which is required to maintain the compulsorily closed position.

6.5. If stop out execution has resulted in the negative balance of Customer trading account it will be compensated up to:

a) 20% of the necessary margin if stop out is executed under normal market conditions;

b) $0 if «stop out» is executed on the fast market or after the price gap on the market opening.

6.6. In respect of the Contracts for Differences on futures in approach of the expiry date of the underlying asset the transactions are executed in the "close only" way. The Dealer or/and Belvedere Inc. advise the Customer of the date when "close only" mode starts via internal mail notices or/and by displaying the information on the website.

[8] If there is more than one dealer, depending on the interim a dealer needs to proceed the Customer's request or instruction, there is a possibility that in the server log-file the recorded execution time of the first request or instruction in the queue will be later than the execution time of the request or instruction which followed after.

The Dealer compulsorily closes the positions which are open at the expiry date of the underlying of the future contract at the last quote of the last trading session for this contract for difference:

a) long positions at the Bid price;

b) short positions at the Ask price.

7. Communications

7.1. In order to communicate with the Customer the Dealer and Belvedere Inc. may use:

a) MetaTrader internal mail;

b) email;

c) facsimile transmission;

d) telephone;

e) post;

f) the «Company news» section at the Belvedere Inc.'s website.

The Dealer and Belvedere Inc. will use Customer contact details specified in the "Confidential Customer Information to open Personal/Corporate Account" form or updated in accordance with p. 7.3 of these Terms of Business. The Customer agrees to accept Dealer and Belvedere Inc.'s notices at any time.

7.2. Any communications sent to the Customer (documents, notices, confirmations, statements etc.) shall be deemed effective:

a) in an hour after emailing it;

b) once it has been sent by internal mail;

c) once it has been faxed;

d) once the telephone conversation has been finished;

e) in 7 calendar days after posting it;

f) once a notice has been displayed at the Belvedere Inc.'s website in the «Company new» section.

7.3. The Customer shall notify the Dealer and Belvedere Inc. immediately of any change in Customer contact details.

7.4. The Customer's transactions will be confirmed on the next business day after execution by email (confirmation). If the Customer has reason to believe that the confirmation is inconsistent or if the Customer does not receive any confirmation (though he/she has made a transaction) he/she must claim to the Compliance Department in accordance with p.8 of these Terms of Business.

7.5. On the first day of each month the Customer receives the confirmation of all transactions for the previous month, which is called a «statement».

7.6. The Dealer and Belvedere Inc. are authorized, without any additional agreements with the Customer, to act in accordance with facsimile instruction made by the Customer or on his behalf by the authorised person.

7.7. The following instructions are not accepted by fax:

a) to open/close a position;

b) to place, delete or modify an order.

7.8 The Customer acknowledges that the pages printed by Belvedere Inc. or Dealer's facsimile machines shall be conclusive evidence of such faxed instructions.

7.9. The Customer acknowledges that any telephone conversation between the Customer and Belvedere Inc. may be recorded magnetically or electronically. The Customer further agrees that such recordings shall be Belvedere Inc.'s sole property and constitute evidence of Customer's instructions.

8. The procedures of dispute resolution

Complaint procedure

8.1. If any dispute arises the Customer has the right to lodge a complaint with the Dealer within two business days of the day a grievance complained of arises.

8.2. A complaint shall be lodged to the Compliance Department by email at dealer@fxopen.com[9].
All the complaints lodges by another way (forum, by telephone etc.) are not considered.

8.3. A complaint shall include:

a) Customer name and surname (or company name);

b) login in the trading platform;

c) when the conflict first arises (date and time in the trading platform time zone);

d) position or pending order's ticker;

e) description of the conflict situation.

[9] Conflict situations for demo- and contest accounts are considered by the Technical Support (at support@fxopen.com or by any other way mentioned at the Belvedere Inc.'s webpage in the "Contacts" menu section).

8.4 Complaint shall not include:

a) affective appraisal of the conflict situation;

b) offensive language;

c) uncontrolled vocabulary.

8.5. Dealer has the right to refuse a complaint if pp.8.1, 8.3 and 8.4 have been breached.

Server log-file

8.6. Server log-file is the main information source in case of any dispute arises. Server log-file has the absolute priority against other arguments including client terminal log-file[10].

8.7. If server log-file has not recorded relevant information the Customer refers to, his/her argument based on this reference may not be considered.

Indemnification

8.8. If the claim is recognized as justified it is indemnified only in money, which is deposited to Customer trading account. The size and procedures are specified in p.9.

8.9. The Dealer shall not indemnify if the Customer by any reason received less profit than was due or had a loss as a result of uncompleted action he/she had intended to do.

8.10. The Dealer and Belvedere Inc. shall not indemnify the Customer in respect of any moral damage.

8.11. The Compliance Department shall consider any Customer complaint or dispute and endeavour to investigate any dispute or complaint as soon as reasonably practicable. Once the complaint has been received automatic mail tracking system generates a notice to the Customer in order to inform him/her that the complaint is taken to consideration. The maximum time a claim must be considered is two business days from the moment the claim has been received.

8.12. The Dealer indemnifies the Customer by depositing his/her trading account, in case of favourable decision, within one business day once such decision has been made.

Refusal to complaint

8.13. The complaints in respect of any unexecuted instructions which are given during routine construction on the server if the Customer have been notified in advance by internal mail or some other way, are not accepted. The fact that the Customer has not received a notice shall not constitute the reason to lodge a complaint.

8.14. Complaints in respect of transaction or order execution based on the difference in the prices for the Contract for Difference in the trading platform and for the underlying asset of the Contract for difference, are not accepted.

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[10] client terminal's log-file does not register every stage of the execution of customer instructions or requests.

8.15. The complaints in respect of time of order execution subject to p.5.24, notwithstanding the time period a dealer needed to execute an order as well as the time when server log-file recorded order's execution, are not accepted.

8.16. Any Customer references to the quotes of other companies or informational systems are not acceptable.

8.17. Disputes not mentioned in these Terms of Business are settled in accordance with common market practice and at the sole discretion of the Dealer and Belvedere Inc.

9. Typical disputes and the procedures of the resolutions

9.1. The difference in financial result between actual close price of the position and assumed close price of the position by the order is deposited/withdrawn by the Dealer if it accepts that the order to close the position («Stop Loss» and «Take Profit») should have been executed. The Dealer is entitled to close a position the dispute arises in respect of at the current quote.

If the Customer somehow modifies "Stop Loss" or "Take Profit" order once the conflict in respect of this order first arises (until the final decision is made), the Dealer has the right to dismiss such complaint.

9.2. If the Customer at any time believes that any pending order should have been executed but has not he/she shall do the following before lodging a complaint:

a) delete this pending order;

b) open a position of the same size and in the same direction at the current quote for the same instrument as the pending order the complaint lodged of;

c) indicate in the complaint the ticker for the open position and the pending order.

If the Customer fails to follow the above-mentioned steps the Dealer has the right to dismiss the complaint.

The difference in financial result between the actual open price of the position and assumed price of the order execution subject to no mistake has been made in respect of it, is deposited/withdrawn by the Dealer if the complaint is recognized as justified.

9.3. In order to execute an order a dealer needs reasonable period of time[11]. The Customer shall make sure that sufficient time to execute the order has run out before he/she decides to lodge a complaint in respect of the unexecuted order.

9.4. A dealer has the right to execute the «Sell Stop» or «Take Profit» order at the price which was before its modification or deleting if the order has been queued up in order to be executed, but a dealer by mistake confirmed its modification /deleting.

9.5. A dealer has the right to execute a pending order at the price, which was before its last modification even if order modification was confirmed after the pending order had been queued up in order to be executed.

9.6. If a dealer confirms an instruction to delete a pending order he/she has the right to delete it even if the order

[11] under normal market conditions usually less than 1 minute.

has been queued up in order to be executed.

9.7. The Dealer has the right to refuse one or more pending orders execution if the size of free margin[12] is insufficient. If there is more than one dealer, depending on the interim a dealer needs to proceed the Customer's request or instruction, there is a possibility that in the server log-file the recorded execution time of the first request or instruction in the queue will be later than the execution time of the request or instruction which followed after.

9.8. If a dealer executes Customer's «Stop Loss» or «Take Profit» order at spike, once the complaint has been recognized as justified:

a) Dealer shall compensate the difference in financial result between actual position closing and closing at the price prior to spike, if the current quote at the moment of decision-making in respect of the complaint is worse than the price prior to spike;

b) Dealer shall compensate the difference in financial result between actual position closing and closing at the current quote, if the current quote at the moment of decision-making in respect of the complaint is better than the price prior to spike.

9.9. If Customer pending order to open a position has been executed at the spike or the Customer opens a position at spike, the Dealer has the right to:

a) close such position at the current quote and cancel its financial result if the Customer keeps the position open;

b) cancel the financial result of the position if the Customer closes the position.

9.10. If a dealer executes «stop out» at spike once the complaint has been recognized as justified:

a) The Dealer compensates the difference in financial result between the actual position closing and closing at the price prior to spike, if the current quote at the moment of decision making in respect of the complaint is worse than the price prior to spike;

b) The Dealer compensates the difference in financial result between the actual position closing and close price prior to spike, if the current price at the moment of decision making in respect of the complaint is better than the price prior to spike.

9.11. If the Customer closes a position at spike the Dealer has the right to withdraw/deposit the difference in financial result between actual position closing and closing at the price prior to spike.

9.12. If the instruction to open a position is received prior to the first quote in the trading platform on the market opening, and a dealer erroneously executes such instruction at the close price of the previous trading session, the Dealer has the right to:

a) close such position at the current price and cancel its financial result if the Customer keeps the position open;

b) cancel the financial result of the position if the Customer closes the position.

[12] necessary margin for the open positions is calculated at the current quotes (in accordance with p. 5.25 "c").

9.13. The Dealer has the right to withdraw/deposit the difference in financial result between actual position closing and assumed closing at the first quote on market opening if the instruction to close a position precedes the first quote in the trading platform on market opening, but a dealer executes the instruction at the closing price of the previous trading session by mistake.

9.14. The consequences of dealer's manifest error during the process of position opening is compensated as follows:

a) open position is closed at the current quote and the Dealer cancel its financial result if the Customer keeps the position open;

b) the financial result of the position is canceled if the Customer closes the position.

9.15. The consequences of dealer's manifest error during the process of position closing are compensated by withdrawal/deposit the difference in financial result between actual position closing and assumed closing at the close price of the last minute bar prior to manifest error. If there is a break in quotes flow the valid quotes are those, which were synchronized in accordance with p.2.13 of this Terms of Business.

10. Interpretation of Terms

«Quotes base» shall mean quotes flow information stored on the server.

«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.

«Bar (candle)» shall mean a chart's element, which shows open and close prices, as well as lowest and highest prices for the definite period of time (minute, 5 minutes, a day, a week etc.).

«Fast market» shall mean rapid movements in a market for the short period of time often causing price gaps. Generally it may occur immediately before or after any important event such as:

a) reports of main economic indicators for the G7 countries, which have great impact on the financial market;

b) central banks decisions on interest rates;

c) press conferences and speeches of the central banks heads, financial ministers and executives of G7;

d) interventions;

e) terror attacks;

f) natural disasters or other "Acts of God" which cause the announcement of the state of emergency (or other restrictive measures) on the affected territories;

g) war or any other military actions;

h) political force majeure: dismissal or appointment (including election results) of the government executives;

i) any other similar events which influence price movements.

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

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

«Platform time zone» shall mean the time zone in which log file records any event. At the time of the release of this document the platform time zone is Moscow time less 2 hours.

«Chart» shall mean the quotes flow in the form of a chart. Bar/candle high is the maximum Bid price for the definite period, low is the minimum Bid price, the close price is the last bar/candle Bid, the open price is the first bar/candle Bid.

«Dealer, The» shall mean the company the Customer enters the Agreements into in respect of the legal basis of margin trading;

«Dealer, a» shall mean company's employee who processes Customer instructions, executes orders and stop out.

«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.

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

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

«Account History» shall mean all completed transactions and depositing/withdrawal operations on the trading account.

«Customer» shall mean a legal entity or an individual being a party to the Agreements with the Dealer in respect of making transactions subject to margin trading and with Belvedere Inc. to use the client terminal.

«Client Terminal» shall mean the MetaTrader program of version 4.xx, which is used by the Customer in order to obtain information of financial markets (which content is defined by Belvedere Inc.) in real-time, to make technical analysis of the markets, make transactions, place/modify/delete orders, as well as to receive notices from the Dealer and Belvedere Inc. The program can be downloaded at the Belvedere Inc. web page (www.fxopen.com) free of charge.

«Contract for Difference» 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.).

«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.

«Quoting» shall mean the process of providing the Customer with the quotes in order to make a transaction.

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

«Leverage» shall mean 1:20, 1:40, 1:50, 1:100 ratio in respect of transaction size and margin. 1:100 ratio means that in order to make a deal the required amount on the trading account is hundred times less than transaction size.

«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.

«Client log-file» shall mean the file, which is created by the client terminal in order to record all Customer requests and instructions to the Dealer with accuracy to a second.

«Server log-file» shall mean the file created by the server, which records accurate to a second all requests and instructions, sent by the Customer to the Dealer as well as the results of their execution.

«Locked positions» shall mean long and short positions of the same size opened on the trading account for the same instrument[13].

«Lot» shall mean an abstract notion of the number of shares, base currency, or other underlying asset in the trading platform.

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

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

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

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

a) a significant price gap; and

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

[13] For example, if the Customer opens two buy lots, and three sell lots for the same instrument, then two buy lots and two sell lots are identified as locked positions, and one buy lot is identified as non-locked position.

c) before it appears there is no rapid price movements; and

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

Belvedere Inc. has the right to delete spikes from the quote base of the server.

«Normal market conditions» shall mean the market where:

a) there is no considerable breaks in the quotes flow in the trading platform; and

b) there is no fast price movement; and

c) there is no large price gaps.

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

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

«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 necessary margin.

«Market opening» shall mean the time when the market opens after weekends, holidays or trading sessions time gaps.

«Pending order» shall mean Customer's instruction to the Dealer to open a position once the price has reached the level of the order.

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

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

«Quotes flow» shall mean the stream of prices in the trading platform for each instrument.

«Instant execution» shall mean the mechanism of providing quotes to the Customer without price request. The Customer may make a transaction anytime as he/she sees the quotes flow in real-time.

«Point» / «pips» shall mean the numerical value of the last, or right-most, digit of a quote.

«Lot size» shall mean the number of shares, underlying asset, base currency in one lot defined in the contract specifications.

«Developer» shall mean the «MetaQuotes Software Corp.» company, the developer of the trading platform.

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

«Abnormal market conditions» shall mean «thin market» or «fast market».

«Belvedere Inc. web-page» shall mean Belvedere Inc. webpage at http://www.fxopen.com

«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.

«Server» shall mean the MetaTrader Server program of version 4.xx. The program is used to execute Customer instructions or requests, to provide trading information in real-time mode (the content is defined by Belvedere Inc.), in consideration of the mutual liabilities between the Customer and the Dealer, subject to terms of these Terms of Business.

«Advisor» shall mean an algorithm in the form of a program based on MetaQuotes Language 4, which is used to control a trading account and give instructions and requests to the server via the client terminal.

«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.fxopen.com

«Dispute» shall mean 1) the conflict situation when the Customer believes that the Dealer as a result of any action or failure to act breaches one or more terms of these Terms of Business; 2) the conflict situation when the Dealer believes that the Customer as a result of any action or failure to act breaches one or more terms of these Terms of Business.

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

«Ticker» shall mean the unique identity number assigned for each open position or pending order in the trading platform.

«Thin market» shall mean a market in which the quotes in the trading platform are rare as opposed to the normal market conditions. Such conditions are usual for Christmas, national holidays in G7, from 23:00 till 3:00 Moscow time etc.

«Trading platform MetaTrader » or **«Trading platform»** shall mean all programs and technical facilities which provide information of trading on the financial markets in the real time, allow to make transactions, define all mutual obligations between the Customer and the Dealer, as well as compliance of all terms and conditions. Simply, for these Terms of Business, the trading platform includes «Server» and «Client Terminal».

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

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

«Price prior to spike» shall mean the close price of the minute bar prior to the minute bar with spike.

«Price gap» shall mean the following:

a) current quote Bid is higher than Ask of the previous quote; or

b) current quote Ask is lower than Bid of the previous quote.

«Price gap on the market opening» shall mean the following:

a) the first Bid of the trading session is higher than the last Ask price of the previous session;

b) the first Ask of the trading session is lower than the last Bid of the previous session.

«Manifest error» shall mean an error of a dealer who opens/closes a position or executes an order at the price which significantly differs from the price for this instrument in the quotes flow at the moment of taking this action, or any other dealer's action in respect of the prices which are significantly differ from the market prices.

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

«Bid» shall mean the lower price in the quote. The price the Customer may sell at.

«CFD» shall mean a Contract for Difference.

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

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

«Margin Level» shall mean the percentage equity to necessary margin ratio. It is calculated as (equity/margin)*100%.

«Stop out» shall mean the instruction to close Customer open position without his/her consent or any prior notice in case of insufficient funds required for maintaining open positions.

«Trailing Stop» shall mean 1) a trailing stop value set by the Customer; 2) the algorithm of managing Stop Loss orders:

a) if open position's profit is less than Trailing Stop value no action shall be taken;

b) once the profit (in points) of the open position has exceeded Trailing Stop value the client terminal gives an instruction to place Stop Loss order at the level which is at the same range from the current price as the Trailing Stop value;

c) once a new quote has been received and the range between Stop Loss order level and current price has become higher than the Trailing Stop value, the client terminal sends the instruction to the server to modify Stop Loss order at the level which is at the same range from the current price as the Trailing Stop value.

Trailing Stop is executed only when the client terminal is on-line, having been successfully authorized.

Belvedere Inc.