

# **TERMS AND CONDITIONS FOR TRADING ON A REGULATED MARKET**

**TeleTrade - DJ International Consulting Ltd**

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## Introduction

TeleTrade-DJ International Consulting Ltd (hereinafter called “Company”) is an Investment Firm regulated by the Cyprus Securities and Exchange Commission with license №158/11 and operates under Markets in Financial Instruments Directive (MiFID).

The Terms and Conditions for Trading on a Regulated Market (Hereinafter “Terms and Conditions”) determine the rules of trading instruments and platforms on a regulated market which is not covered by the general Terms and Conditions and all actions regarding the execution of Client’s Orders. According to these Terms and Conditions the Company performs:

- client authorization (identification);
- reception and execution of orders;
- recording of current transactions/orders on the Clients account
- safekeeping and administration of financial instruments, including custodianship and related services

The main purpose of these Terms and Conditions is to prevent any disputes between the Client and the Company. As these Terms and Conditions, as a part of the Operative Agreement, is a distance contract, it is amongst others governed by the Distance Marketing of Consumer Financial Services Law N.242(I)/2004 implementing the EU Directive 2002/65/EC, under which signing the Agreement is not required and the Agreement has the same legal effect and rights as a signed one.

## Acknowledgement

The Client acknowledges that he/she read, understood and accepted these Terms and Conditions in addition to any information contained within the Company’s website including but not limited to the "Legal Documentation" available online.

## Authorization (identification)/recording

The Client shall use the login and password which the Client himself sets up to login into the Trading Platform. The password (personal key) will have a public and a private part, the former to be registered with the Company as a unique identifier of Client’s Trading Platform on the Company’s side, and the latter serving as Client’s personal password to access the Trading Platform. The Company is not liable for the unauthorized withdrawal of the funds from the Trading Account and/or unauthorized Trading Operations resulting from the Client’s failure to maintain the private part of his personal key strictly confidential. Client acknowledges that by

the nature of the password setup process, the Company will not have access to, and will not store the Client's personal key, and that the safeguarding of the latter will be the Client's sole responsibility.

To authorize a transaction by telephone, the Client uses a login or an account number, and a code word specifically designated for telephone contact verification. In case the Client passes his identification information (account number, passwords, login, code word etc.) to the third person, the responsibility for transaction execution on behalf of the Client and also all financial results of these Transactions shall be taken by the Client.

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

### **General terms of Client's order placement and execution**

The Company handles transactions with Securities and other financial instruments traded on a regulated market on the basis of one-time client orders, in accordance with these Terms & Conditions, unless otherwise provided by an additional agreement, regulation or law. The Company, in fulfilling its obligations for executing clients' orders, and subject to the clients' instructions, shall take all reasonable steps to obtain the best possible result for clients when transmit their orders to the Warsaw Stock Exchange (or any other Regulated Market) for execution. Any resulting trades will be done at the Client's expense but in the name of the Company.

The Company shall execute orders requested by clients via the means of the Trading Platform or the phone. Any order submitted by a Client via the phone is assumed to be received and valid only after the relevant instruction is recorded as executed by the Company and relevant confirmation is provided to the Client. The Company recommends that Clients use the Trading Platform for the purpose of ensuring that they are quickly identified and that their order is executed correctly. The Company reserves the right to record telephone conversations. These tape recordings may serve as evidence of agreements. When the Company has received a client order, it is binding for the client. The Client acknowledges that in case the Company receives the Order in any other way than through its Trading System, it will still transmit the Order and process it as if it was received through its Trading System.

The standard procedure for handling the Client's Order instructions via Client Terminal is as follows:

- the Client sends the instruction through the Client Terminal;
- the Client Terminal sends the instruction to the Company's server;
- the valid/verified Client's instruction is placed in the market queue;
- the Company's server receives the result of the execution process;

- the Company's server sends the execution information to the Client Terminal;
- the execution information is shown to the Client.
- the execution information is also shown in the broker's report submitted to the Client in the durable medium.

The Client accepts that the Company bears no responsibility for any instructions that may be misinterpreted due to a technical or other error, and that once the Client's order is executed by the Exchange, such order cannot be cancelled, modified or deleted.

Client's orders will be executed in accordance with the Rules and regulations of the relevant Market or Exchange and all such steps may be taken as may be required or permitted by such rules and regulations and/or by appropriate market practice. Clients' orders will ordinarily be executed during the official operating hours of the relevant market. Clients' orders may be split or aggregated with other orders and may therefore be traded at different prices, as Market rules and regulations might warrant. Such aggregation may on some occasions operate to the Client's advantage and on others to the Clients disadvantage in relation to a particular order.

The Company will pass all eligible Client's orders to Exchange, but the latter may not be able to execute some of such orders because of prevailing market conditions (e.g. volatility, trading volumes, illiquid nature of trading instruments or other factors beyond its control). Also, depending on the depth of trading interest in a particular financial instrument, and concurrent trading activities by other participants, there may be a significant difference between the price quoted at the time of placing Client's order and the price at which that order is subsequently executed.

Client acknowledges that his Orders could be subject to pre-trade and post-trade monitoring, as required by Applicable Legislation with respect to measures to cope with excessive flooding of the order book, to prevent Trading System's capacity limits from being breached, to constrain or halt trading to maintain an orderly market (to the extent that such volatility, volume, or price threshold interruptions or automated rejections could be warranted and fostered by the rules of the respective Exchange). Client also acknowledges that the Company shall have right to automatically block or cancel orders pertaining to Financial Instrument that a Client does not have permission to trade, or in cases of potential Market Manipulation that the Company may have regulatory obligations to prevent and/or report. The Client acknowledges that the Company is required by Applicable Regulations to monitor the activities of individuals/algorithms trading, taking account of orders submitted, modified and cancelled as well as transactions executed, and flag any behaviour likely to give rise to suspicions of market abuse (in particular market manipulation).

## **Order placement via Trading Platform**

By the nature of the Services offered by the Company, the Client is granted Direct Market Access within the Trading Limits established by the Company, based on the available cash balances in the Client's Trading Account, and Schedule of Trading Fees and Conditions

applicable for particular financial instruments that the Client is authorized to trade in. The Client thereby decides which financial instruments to buy or to sell at the exchange himself. Buying and selling actions are carried out via the Trading System by sending to the Company's server an order, which constitutes the Client's consent to buy/sell the securities under the conditions specified in the order. Where a Client uses the Trading System provided by the Company, and selects the parameters of the orders, including price, timing, size, triggers etc, then such Client will be regarded as providing specific instructions to the Company in relation to the execution of their order. In such situations, the Company, while acting on the Client's behalf in providing the service of direct access to the market via the Trading System, will be deemed to have satisfied its Best Execution obligations and the Client will be deemed to have given a specific instruction for the whole order by means of the Trading System.

Clients can submit the following Order Types with respect to Securities admitted to Regulated Market, which will be directly routed to such market via the Trading System:

- **market orders** to buy / sell securities or other financial instruments at best (minimum / maximum) price;
- **limit orders** to buy / sell other financial instruments quoting a price beyond which the order may not be executed, such price being the maximum bid price for buy orders or the minimum offer price for sell orders;
- **stop (contingent) orders** to buy / sell - orders to buy / sell securities or other financial instruments at a time when the price for such security, or any other security admitted in the market, reaches a specified value of the Client, in the following variations:
  - a **stop-limit order** - a stop-order, which generates a limit order after the execution, used to limit the loss when transaction prices move in the opposite direction to the expected;
  - a **stop-price** for other instrument - is a stop-limit order, where stop-price condition is checked for one instrument, but the limit order which is actually executed relates to another instrument.
  - a **stop-order with a linked order** - a combination of two orders for the same instrument, of the same direction, and of the same volume, designed to close the position while limiting the loss. The first order is a stop-limit order; the second one is a limit-order; the stop-order is used to limit the loss, and the limit-order is used to close positions as it was planned.
  - a **take-profit order** - an order that is to be executed on the condition of price approaching a defined threshold by a given amount of points.
  - an **"if done" stop-order** - a contingent order, which is activated only if another specified active order (if-order) is executed first.

The allowed types of orders delivered via the Trading Platform, whereby the Client should indicate instrument, trade account, transaction's direction (Buy / Sell), price, quantity, total value and execution type of his Order in the Trading Platform, as well as other applicable detail depending on the type of the Order, based on the Order completion rules that are determined in the user manuals of the Trading Platform.

Orders submitted by the Client are accepted by the Company's server, verified automatically and/or manually, and are passed onto the Trading System of the respective Exchange for execution.

## Submitting Orders by the phone

Orders can be submitted via telephone services provided for this purpose. The Client should undergo an authorization procedure, and confirm his account number. After authorization is confirmed the Client can submit Orders, change and delete Orders etc.

An order submitted to the Company by the Client over the phone should include the following information, clearly and unequivocally communicated by the Client:

- 1) name or code of the financial instrument concerned by the order,
- 2) type of order (buy/sell),
- 3) quantity of financial instruments concerned by the trade;
- 4) limit price or instructions to execute the order without a limit price,
- 5) order validity designation, if applicable.

The Company's office accepting the Order will reiterate the above information and ask for a Clients express approval of the order conditions as restated by the Officer, including optional parameters such as order validity designation that could have some default values not know, and not pronounced by the Client. Orders will be forwarded for execution only after having been expressly confirmed by the Client in the form stated by the Company's officer. Below table contains all essential elements of order information that the Client has to communicate to the Company when placing, or identifying for subsequent amendment, a certain type of an Order.

	Comment	Market Order	Limit Order	Stop Orders				
				stop-limit order	stop-price	stop-order with a linked order	take-profit order	"if done" stop-order
Financial instrument concerned by the Order	Name, Ticker or ISIN	√	√	√	√	√	√	√
Type of order	BUY or SELL	√	√	√	√	√	√	√
Quantity of financial instruments concerned by the trade	# of securities	√	√	√	√	√	√	√
Limit Price, or instructions to execute the order at Market Price		Instruction to execute at Market Price	√	√	√	√	√	√
Order validity designation, if applicable	"Day", "Fill-or-Kill" or "Fill-and-Kill", "Good Till Day", "Good Till Cancel", "Good Till Time"		√ (only "Day", "FoK" or "FaK")	√	√	√	√	√

Stop Price, if applicable	Only for Stop Orders			√	√	√	√	√
Reference Instrument, if applicable	Only for Stop-Price order				√			
Price threshold, if applicable	Only for for Take-Profit/Stop-Loss orders						√	
Reference Order, if applicable	Existing order number, or a description of the order that allows to identify it (financial instrument, type of order, trade quantity, execution price)							√

The Sample of telephone transactions between the Client and the dealing desk of the Company are as follows:

### Sample of telephone transaction

#### Authorization

(Name, Code Word, Account number)

#### Order

**Client** – Buy MSZ – Mostostal, 100 shares at 2 EUR max

**Dealing Desk** – confirm account number XXXX, a Limit Order to buy, ticker MSZ, ISIN PLMSTZB00018, quantity 100 shares, limit price 2 EUR, order date XX.XX.XXXX, order number XXXX. What's your order validity condition - "Day", "Fill-or-Kill" or "Fill-and-Kill"?

**Client** - Buy all available shares at my limit price till the end of day.

**Dealing Desk** – confirm order validity 'Day'

**Dealing Desk** – execute as pronounced?

**Client** - Yes

**Dealing Desk** – Submitted, account number XXXX, order date XX.XX.XXXX, order number XXXX. Thank you, you will receive transaction confirmation by the Day's close in case the order is filled.

#### Order

**Client** – I would like to amend my standing order. Limit order to sell MSZ – Mostostal, 100 shares at 2 EUR min, I'd like to change it into a Stop Loss order.

**Dealing Desk** – Don't see a Limit Order to sell 100 shares of MSZ in your account. I see a Stop Limit order for 100 shares of MSZ with stop price of EUR 2.05 and limit price of EUR 2, "Good Till Cancel". Order number XXXXX. Is this the order you would like to amend?

**Client** – Yes.

**Dealing Desk** – Any other changes except for the order type?

**Client** – No.

**Dealing Desk** - Confirm changing order number XXXXX into Stop Loss sell order, account number XXXX, ticker MSZ, ISIN PLMSTZB00018, quantity 100 shares, stop price EUR 2.05, no Limit Price, "Good Till Cancel".

**Dealing Desk** – execute as pronounced?

**Client** - Yes

**Dealing Desk** – Submitted, account number XXXX, order number XXXX, change order date XX.XX.XXXX. Thank you, you will receive transaction confirmation by the Day's close in case the order is filled.

## Order

**Client** – I would like to cancel my standing order. Stop Loss sell order, ticker MSZ, 100 shares.

**Dealing Desk** – Confirm canceling order number XXXXX, Stop Loss sell order, ticker MSZ, ISIN PLMSTZB00018, quantity 100 shares, stop price EUR 2.05, "Good Till Cancel".

**Dealing Desk** – execute as pronounced?

**Client** - Yes

**Dealing Desk** – Submitted, account number XXXX, order number XXXX, cancel order date XX.XX.XXXX. Thank you.

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

## Execution of Orders

After a Client's order has been placed, the assets necessary for its execution are blocked on the Client's account. As a rule, a transaction is executed automatically when there are opposite



orders (to buy and to sell) in the Trading system, and their conditions match mutually. Stop-orders are executed when the stop-price condition is matched, and the corresponding limit-order is sent to the trading system of the Exchange.

Orders are executed in the Exchange according to the priority of price and time of acceptance for/disclosure in the order book. Market orders have priority of execution over Limit orders irrespective of the time of their acceptance for the order book. In case of limit orders, buy orders with a higher limit price and sell orders with a lower limit price have priority of execution. Orders with the same limit price are accepted for the order book and then executed according to the priority of time of acceptance so that orders accepted/disclosed first are executed first.

Market orders are executed at the best possible prices of opposite orders awaiting execution in the order book. An unexecuted part of a market order remains in the order book. When a market order is accepted, if the only order opposite to the market order in the order book is another market order, the market order is executed at a price equal to the price of the last trade made on that day and if there is no trade – at the reference price determined by the rules of the Exchange. The priority of execution of Market orders is the priority of time of their acceptance for the order book.

Stop orders are activated in the order book once the price of the last trade is higher than or equal to (for buy orders) or lower than or equal to (for sell orders) the Client's stop price. When a Stop loss order is activated, the order is added to the order book as Market order; if a stop limit order is activated, it is added as a Limit order. Stop orders are prioritised for activation according to the stop price and, in the case of orders with the same stop price, according to the time of acceptance of the order on the exchange. Activated Stop orders with the same limit price and orders with instructions to execute the order without a limit price are prioritised for execution according to the time of their activation.

Submitted orders can assume one of the following statuses in the Trading Platform:

- **Active:** the order is registered at the Exchange and is put in the order queue, but is not executed or is partially executed. Such an order can be cancelled or modified by Client. If an order is partially executed, Client can cancel only the unexecuted remainder of it.
- **Filled:** the order conditions have been completely matched, and the transaction (or several transactions) has been executed under the conditions indicated in the order. An executed order cannot be unilaterally cancelled by the Client.
- **Killed:** the Client has decided to cancel the order or to modify its conditions. While the order is being edited, it is withdrawn from the order queue so that it cannot be executed until editing is finished. After the editing is finished, the order is returned to the queue.

Depending on the Customer's choice, maximum validity of Stop/Contingent Orders can be specified as:

- “Day” orders - valid no longer than the end of the trading session on the day they were submitted to the exchange;
- “Good Till Day” orders (GTD) - valid no longer than the end of the specified order validity date but no more than 365 days.
- “Good Till Cancel” orders (GTC) - valid no more than 365 days after the day they were submitted to the Exchange.
- “Good Till Time” orders (GTT) - valid no longer than the time set in the orders, on the day they were submitted to the exchange, but no longer than the end of the trading session on the day they were submitted to the exchange. The order validity time is specified with a precision of one second.
- “Fill-and-Kill” orders (FaK) - valid until the first trade is made on the basis of the order (or first trades if an order is executed in more than one trade at the same time), and the unexecuted part of the order becomes void. After a FaK order has been accepted, if no opposite limit orders are awaiting in the order book which enable the trade to be made at a price within the collars, then the FaK order becomes void.
- “Fill-or-Kill” orders (FoK) - valid until a trade is made on the basis of the order (or trades if an order is executed in more than one trade at the same time), and must be executed in full or not at all. After a FoK order has been accepted, if no opposite limit orders are awaiting in the order book which enable the trade to be made at a price within the collars, then the FoK order becomes void.

Maximum validity of Limit Orders can be specified as “Day”, “Fill-or-Kill” and “Fill-and-Kill”. If there is no order validity designation, it is assumed that the order is valid today (no longer than the end of the trading session on the day it was submitted to the exchange).

Limit Orders that are placed by the Client and are not executed during the day, are cancelled at Market Close. Stop/Contingent Orders are rolled over to the next day, and remain good till cancelled by the Client, unless the Client specified a different validity condition as described above.

The Company shall transfer the Client’s order to sell for execution, provided that there are unblocked financial instruments or rights to receive financial instruments registered for the Client by the Company, in the quantity not lower than the quantity of financial instruments being the object of the order to sell.

With respect to financial instruments that do not require provision of initial margin account by the Client, the Company shall transfer the Client’s order to purchase execution provided that there are unblocked funds registered in the session register or on the cash account, equaling 100% of the value of placed orders to purchase, increased by a due commission, or the Client established appropriate collaterals, if applicable, for the part of the value of placed orders to purchase and the commission due to the Company which is not covered by unblocked funds. In case when the basis for verification of coverage for the orders to buy is the sum of unblocked funds deposited on the Client’s cash account, that sum shall be increased by the amount of funds being the Client’s receivables on account of concluded sale transactions, provided that

the clearing of those transactions is to take place before the clearing date for the purchase transaction. The receivables and funds, referred to in the precedent sentence, which constitute the coverage for the orders to buy, submitted by the Client.

With respect to derivative instrument that, according to the Company's trading conditions, require provision of initial margin account by the Client, the Company shall transfer the Client's order to buy or sell derivatives, placed by the Client with the Company, for execution, provided that:

- a) the limit of open positions, awarded to the Client, is not exceeded;
- b) upon the placement of the order to buy or sell derivatives, the Client has on his/her collateral account the funds or the financial instruments in proportions and amounts allowing for securing the open positions and the commission of the Company,

### **Refusal to execute orders**

The company reserves the right to refuse the execution of an instruction for trading financial instruments if and where, in the Company's judgment, it is reasonable to do so for example there are insufficient funds to settle the trade or the security has been suspended or a similar event. Also in case the Company has reasonable grounds to believe that the execution of the Client's order may affect the orderly function of the market; contribute to the laundering of illegal funds; affect in any manner the orderly function of the Trading Terminal. The Client accepts that the Company has the right to refuse the execution of an Order in such cases described above. Specifically, the Company will, pursuant to ESMA Regulation and ESMA/2012/122 Guidelines for Systems and Controls in an Automated Trading Environment for Trading Platforms, Investment Firms and Competent Authorities, will block or cancel orders that do not meet set price or size parameters (differentiated as necessary for different financial instruments), either or both on an order-by-order basis or over a specified period of time, as well as orders for a financial instrument that a Customer does not have permission to trade, and generally have the ability to immediately halt trading by individual direct market access Clients.

### **Margin trading**

The Company may provide the leverage to the Client for trading in certain derivative instruments. Degree of leverage depends on the financial instrument and is specified in the Schedule of Trading Fees and Conditions on the Company's website. In order to open a position the client is required to deposit funds ("Initial Margin"), which will be blocked in the Client's account upon opening of a position in a financial instrument. Additionally, a portion of Client's free funds in the amount of 40% of the Initial Margin ("Required Margin") will be also blocked in the Client's account (it cannot be withdrawn from the Client's Account or used to increase the total Open Position) to serve as Company's security against rapid changes in the valuations of the Client's positions. Information about the amount of the Initial Margin for each

instrument can be found on the Company's website, and is also readily available in the Trading Platform. The excess of the Client's funds above the combination of minimum required Initial Margin and Required Margin can be withdrawn by the Client at any time or it can be used to open new positions.

While the Client is holding open Positions, adverse market price movements will result in situations when the amount of Initial Margin is charged by the amount of such price movement. The amount of such charge ("Variation Margin") reflects the daily change in market value of the contracts, i.e. the daily gain or loss of a contract due to market movements. On a daily basis, the Exchange's Clearing House and Company's Clearing Counterparty will conduct a valuation of each contract (also known as "mark to market") to calculate Variation Margin and monitor the valuation results assess the amount payable to and/or receivable by the clearing members for all outstanding contracts.

In situations when, after marking to market, the Client's variation margin turns out negative, the Company shall take the following actions, one after the other:

- 1) automatically collect unblocked funds from the Client's cash account, in the amount needed to supplement the Initial Margin up to the amount of minimum initial margin required;
- 2) in case the latter resulted in reduction of Required Margin below the level of 40% of the Initial Margin, call upon the Client to supplement the Initial Margin and Required Margin account up to the total amount of 140% of the minimum initial margin account required. The call to supplement the Initial Margin and Required Margin account up to the amount of 140% is made by phone or by fax, by an authorized employee of the Company, to the phone number indicated by the Client in his application.
- 3) in case within 30 (thirty) minutes from the time of notifying Client on the number of unsecured positions, but not later than 15 (fifteen) minutes before closing the session Client fails to complete the Margin accounts or fails to close the unsecured positions, the Company shall block the Client's possibility to conclude transactions and shall have the right to completely or partially close the Client's Open Position without giving any prior notice to the Client. The forced Close of the Position will depend on the possibility to efficiently execute position at the Market Price and will not take into the account the amount of profits/losses of such Open Position or any other factors.

The Client shall compensate the Company all losses sustained as a result of Client's failure to comply with Margin Requirements. The Client expressly consents that any such compensation be debited to the Client's account without further notice to the Client.

The Client expressly confirms that he is aware of the fact that margin trading is appropriate only for persons who can adequately assess and assume risk of loss in excess of their deposit. The Client acknowledges that the Company may restrict for him the option of margin trading based on the assessment of his investment knowledge, education and financial standing. The Company will inform the Client of any restrictions on trading on margin upon opening of Client's account.

## Settlement

Settlement means the delivery and payment in connection with a securities trade. The Client agrees that the Company may enter into a clearing and custodial agreement with a third party in order to provide custodial services in relation to securities trading (a Clearing Counterparty). The Company may charge a fee for the provided custody services, the registration of securities in custody and any associated services. Specific settlement rules and deadlines apply to foreign securities. When a Client purchases securities, the Client only has an unconditional right to the securities, until the final payment to the Company is made on the settlement date. The Company makes all the transfers related to payment for services under the Operative Agreement, including payment of exchange fees, taxes, debit and credit of Variation Margin without prior notice to the Client in accordance with the Rules of the applicable Regulated Market and relevant clearing organizations and the terms and conditions hereof.

Transactions are settled by the Company or its Clearing Counterparty in accordance with the clearing dates applicable for a given transaction on the relevant Market. If the Client concluded transactions of sale or purchase of financial instruments on the Regulated Market with the same clearing date, then on the clearing date the Client is obligated to have on the cash account funds in the amount of Client's liabilities for concluded transactions of purchase of financial instruments, reduced by the Client's receivables for concluded transactions of sale of financial instruments, cleared by the Company or the Clearing Counterparty on that day.

On the day of transaction clearing, Company, via its Clearing Counterparty credits the Client's cash account with the amount received from the transaction settlement, reduced by the amount of Client's receivables for the sale transaction which covers the Client's liabilities for unsettled transactions of purchase, concluded on the basis of orders placed by the Client.

When processing Client's request for funds withdrawal, the Company in will have the right, in its sole discretion, to reject such a withdrawal as a whole, or to fulfill it partly to such an extent as to ensure that after the withdrawal, the Clients account still has sufficient eligible collateral to maintain Client's open positions, including positions opened within the same day as the request for funds withdrawal, and to duly pay all trading commissions accrued at the said day's close.

The Company hereby notifies the Client of possible changes in the Exchange Rules or the Rules of clearing organization, in the Specifications of derivative contracts of the Exchange. It shall be an obligation of the Client to monitor on a regular basis any changes in the Exchange Rules or the Rules of clearing organization (clearing counterparties), specifications of derivative contracts of the Exchange, using links specified in Glossary section hereof.

The Company will use reasonable endeavors to settle all transactions undertaken in accordance with Client's instructions in favor and for the account of the Client, and the Company may use such settlement, clearing and other systems as it may select on the terms of

business of the operators of such systems. Delivery or payment for Financial Instruments by the other party in respect of any such transaction shall be at the Client's risk and the Company's obligation to account to the Client for such Financial Instruments or the funds shall be conditional upon the Company's receipt of the relevant Financial Instruments and/or monetary funds.

## **Transaction Confirmation**

The Client, on the day of conclusion of the transaction of sale or purchase, will receive notification of the conclusion of the transaction in the form of the email Statement. The information on the transaction will also become available at the Client's personal page. The Client is obligated to verify immediately the correctness of received confirmations, and in case of discovery of any irregularities – notify the Company within 1 business day from the day of conclusion of the transaction. If no objections are reported, the transaction shall be deemed to have been concluded properly. The said Statement will also contain information on previously executed transactions that were settled during the day, on non-trading operations (such as charging of fees and/or taxes, accrual of interest etc) that took place during the day, as well as cash account movement and balances and securities balances as of the day's close. The Statement will be submitted to a Client on every date when a transaction was executed or settled, and also on the last day of each month, irrespective of whether any transactions were executed or settled during that day. If the transaction is recorded in the daily Statement, this must be regarded as the Trade confirmation in absence of Confirmation of any other type. Any transaction entered into by the Company on behalf of the Client as well as any open Position closed by the Company for the Client shall also be confirmed by a trade confirmation made by the Company to the Client in accordance with the present Terms and Conditions.

## **Market information**

The Client is entitled to access to and use, the scope of Market Information defined herein, as received directly from the Regulated Market, and updated in real time via Trading Platform. The said scope will include information regarding the reference price, opening / closing price, maximum / minimum price on a given day, bid and ask offers (1 or 5 best bid/ask quotes for each Financial Instrument offered for trading, depending on the rate schedule selected by the Client), as well as volume of a given transaction and the cumulative trading volume on a given session.

The Client consents that the above information is provided by the Company solely for the Client's own benefit, to facilitate and support Customer's decisions in trading at his personal account, and cannot be disseminated by the Client to any 3<sup>rd</sup> party or used for automated trading applications and other non-display uses, or for creation of any indices or for pricing of financial products.

The Client acknowledges that the Company may be required to detect and report to applicable Stock Exchange cases when the Client is using Market Information in any way incompliant with the provisions of this Agreement, and suspend or terminate access to the Information by any Client on the request of the Stock Exchange. The Company shall not be liable for damages resulting from unauthorized access to the Market Information and any misuse of such Information.

For avoidance of doubt, the scope of above Market Information and related consents does not include information disseminated by an Exchange within regular post-trade disclosures or general information made available by the Exchange to the public.

## **Custodial Arrangements**

The Company will open for the Client account(s) to maintain cash and securities assets upon entering into the Operative Agreement. Custodial arrangements provided by the Company to the Client with respect to the above accounts will include:

- a) administration of financial instruments and cash for the account of the Client, including maintenance of records, registration and certification of any disposal of financial Instruments or cash;
- b) management of Client's collateral, if any;
- c) settlement under transactions executed by the Company within the scope of the Operative Agreement for the account of the Client in accordance with their instructions;
- d) exercise on behalf and for the account of the Client of rights attached to financial instruments held by the Company for the Client including receipt of dividends payments and any other income;
- e) foreign exchange services where these are connected to the provision of services covered by the Operative Agreement. The Company shall exchange foreign currency on its own behalf acting for the account of the Client and in accordance with relevant Client's instructions. For the purposes of foreign currency exchange, the Company shall involve duly authorized credit institutions chosen in the Company's sole discretion.

In respect of Client's assets, the Company shall perform as follows:

- a) deposit or withdraw Client's assets to/from the Client's account(s) with the Company in accordance with relevant Client's instructions;
- b) effect, without contacting the Client settlements under transactions executed within the scope of the Operative Agreement;
- c) report to the Client, upon execution of an operation with Client's assets, all essential details of such operation in periodic statements;
- d) register, without contacting the Client, Client's financial instruments in the Company's name with a Custodian to ensure their appropriate safekeeping and record keeping and exercise the rights attached to Financial Instruments;



- e) monitor the correctness of reporting on Client's accounts opened with the Company and Company's accounts opened in the internal account of Custodians, perform regular verifications;
- f) collect, without contacting the Client and to the extent permitted by the Applicable Law, all payments to the Client's cash account (income or capital and allocated dividends in respect to the Client's assets, etc.) and in this connection take all necessary and appropriate measures, deduct any sums due to any taxes when such sums should be deducted or withheld by the Company, or at source according to any law or practice of any corresponding tax authority of any jurisdiction in connection with activities within the Operative Agreement;
- g) perform currency exchange services in respect of Client's monetary funds for the settlement purposes in accordance with Client's instructions;

Towards the above purposes, the Company shall open an account in its name with an authorized and duly licensed Custodian, which the Company chooses at its own discretion, for safekeeping and record keeping of:

- Client's monetary funds designed for investments in Financial Instruments and Financial Instruments held by the Company for the Client under the present Terms and Conditions;
- Client's monetary funds acquired from sale of Client's Financial Instruments or any other disposal thereof;
- Payments of interest, dividends or other types of income and/or distribution derived from Client's Financial Instruments including any profit or income acquired as a result of corporate actions of securities issuers (such as buy-back or redemption).

The Client acknowledges that safekeeping and record keeping of his monetary funds and monetary funds of other clients and/or Financial Instruments and Financial Instruments of other clients will be performed by the Company using the same account opened by the Company in its name with an authorized and regulated organization, which Company chooses at its own discretion, provided that Company's record keeping allows to identify at any moment in time the Assets belonging to the Client on the basis of Company's own records. This provision does not limit anyhow the Company's right to open several separate Client accounts intended for segregated record keeping of the monetary and/or security instruments of every Client.

The Company may deposit Client's financial instruments with a third party in a third country in case the nature of the Clients' financial instruments requires them to be deposited with a third party in a third country. The Company will deposit Client's monetary funds into one or more accounts opened solely with an authorised European credit institution, or a bank properly authorised in a third country.

The Client acknowledges and agrees that he may not be entitled to transfer his Financial Instruments from his account with the Company to a separate account with another custodian or registrar, and, accordingly, from its account with another custodian or registrar to its



account with the Company. The Client is aware and agrees that such transfers may be not permitted under Applicable Law, and will have to be considered and agreed upon with the Company on a case by case basis.

In own records, the Company shall segregate monetary funds and Financial Instruments belonging to the Client from the same owned by the Company, and shall provide for record keeping of Financial Instruments specifying all relevant characteristics. This provision does not limit, however, the Company's right to treat its Financial Instruments and Financial Instruments of the Client as fungible instruments. The Client agrees that it has no right to particular Financial Instruments deposited with the Company (or with its Custodians) while the Client is entitled, with observance of the Applicable Law, to transfer to or from the Company that amount of Financial Instruments of the same kind equivalent to the amount of Financial Instruments recorded on Client's Account.

The Client is made aware and agrees that:

- a) the Client transfers his assets to the Company or requests the Company to accept such assets at the expense and risk of the Client, unless otherwise agreed between the Company and the Client;
- b) the Company shall accrue to the Client any profits received from third parties on client's monetary funds held by the Company, if any, however, the Company shall pay no interest to the Client on Client's monetary funds in case of no profits earned;
- c) that any reports, extracts, and other similar documents provided by the Company to the Client within the framework of the Operative Agreement are prepared on the basis of information obtained from the internal books of the Company and shall contain details of operations with Client's Assets at the time when a relevant accounting document is issued. The abovementioned reporting documents certify the Client's rights to Assets exclusively and only within the framework of the Operative Agreement, and can serve as official documents on property rights to the extent the Applicable Laws treats them as such. The Client shall be warned that in some cases these reporting documents may be not recognized as documents certifying property rights in Assets under applicable law. In all cases, the Company shall regard the Client as a beneficiary owner of the Assets held by the Company for the Client

The Client further agrees that Client's assets shall be kept in custody according to the following order of priority:

- a) for repayment of any and all existing outstanding debts towards the Company at any time in connection with the subject of the Operative Agreement;
- b) for repayment of any and all existing outstanding debts to any third person in direct or indirect connection with the subject of the Operative Agreement; and
- c) for the Client.

The Client is entitled to instruct the Company at any time to withdraw all or a part of the Client's available assets from the Client's account(s), and the Company is obliged to ensure such withdrawal within the shortest possible period of time. Withdrawal of Client's assets shall

be effected upon deductions of all sums due to the Company, its clearing and custodial counterparties and and/or third parties possessing any interest in Client's assets.

The Company shall not be liable for the actions of any custodians, banks, clearing houses and/or any other regulated and properly licensed financial institutions, engaged by the above mentioned entities in order to perform their obligations to the Company and/or the Client. If the use of a particular custodian is mandatory or follows from the market practice, the instruction on its appointment as custodian shall be deemed to have been given.

## **Pre-Trade and Post-Trade Transparency**

The Company and the Client hereby acknowledge, that pre-trade and post-trade transparency disclosure requirements in accordance with Article 28 of Directive 2004/39/EC, as well as the transposed requirements of Cyprus Law 144(I)/2007, are deemed satisfied by the virtue of:

a) conducting transactions in financial instruments admitted to trading on a regulated market only within such Regulated Markets that make public the volume and price of those transactions and the time at which they were concluded, as close to real time as possible, within the Market Information as defined above, and;

b) making public current bid and offer prices, as well as the depth of trading interests at these prices which are advertised through the Trading Platform in respect of financial instruments admitted to trading on a regulated market, within the Market Information as defined above.

## **Risk Acknowledgment**

Before entering into any transactions with financial instruments, including securities, the Client shall become familiar with the legal regulations that govern the investment process and the trading of those instruments, and shall be personally liable for the market risk inherent with securities trading. The Client acknowledges that securities' trading carries the risk of failure to recover profits and/or risk of partial or total loss of investments. The Client shall bear any and all risks associated with the ownership of the Securities including but not limited to registration risks, the risk of price volatility, market liquidity, issuer's insolvency and any acts or omissions of the issuer.

## **Limitation of Liability**

The Trading Systems and market data are provided to Client hereunder strictly on an "as is" basis at the Client's sole risk, and no warranties, express or implied, representations or promises, in each case have been made or are given by the Company and/or its respective directors, officers, employees and agents and/or any of their vendors, licensors or other third party content providers to Client or any other person regarding or related in any manner to the systems, equipment or market data.

The Company shall not be liable to the Client for any failure or delay in performing its obligations under the Terms & Conditions where such failure, hindrance or delay arises directly or indirectly from circumstances beyond its reasonable control. Such force majeure events shall include without limitation any technical difficulties such as telecommunications failures or disruptions, non-availability of the Company website e.g. due to maintenance downtime, declared or imminent war, revolt, civil unrest, catastrophes of nature, statutory provisions, measures taken by authorities, strikes etc.

Moreover, the Company is not liable vis-à-vis the Client for any damage caused by any institution such as a stock exchange, clearing house or a securities depository.

The Company shall not be liable for the safety of and/or for partial or total loss of the Client's funds and/or Financial Instruments and other associated losses that might result from actions (failure to act) of any third parties, including without limitation trading settlement and clearing agencies, agents, including in case of bankruptcy (inability to fulfill obligations) of banks and/or other third parties including bankruptcy of relevant custody (depository) and/or clearing institutions, provided that the use of such third party's services was necessary as from time to time reasonably determined by the Company for execution of the Client's Orders or for fulfillment of clearing and/or settlement of the Client's transactions.

The Company, its Affiliates, and agents shall not be liable for any loss suffered by the Client in connection with their performance hereunder, except for losses resulting from willful misappropriations or fraudulent acts, which are admitted by the Company or established by a Court ruling.

The Client shall not hold the Company responsible for (i) any error by the Client in inputting an order, (ii) any error occurring on a market exchange or other execution venue, (iii) the rejection of any Order by the Trading System for any reason whatsoever, (iv) the acts or omissions of any third party vendor, or (v) any error by any other cause outside the direct control of the Company

## **Indemnification**

The Client is solely and fully liable for incompleteness and/or invalidity of the information provided the Company and shall indemnify Company and hold it harmless against any loss and damage caused by incompleteness and/or invalidity of such information. The Client understands that presenting incorrect information could affect Client Categorization in accordance with the legislation of Cyprus and the Company's ability to determine whether a particular investment service or Financial Instrument is appropriate for the Client.

## Changes

The Company has the right to amend/change these Terms and Conditions at any given moment without any prior notice. The Client is advised to visit the Company's website on a regular basis and monitor possible amendments to any of Regulating Documents.

## Complaint Procedure

A complaint, being an expression of dissatisfaction about the financial services activity provided to the clients by the Company, is to be notified by the client to the Company Back office department by one of the following means of communication:

- Client Login;
- e-mail address: support@teletrade.eu;
- fax +357 22 51 44 42;
- mail at the Company address: 71, Limassol Avenue, 2122 Nicosia, Cyprus.

## Glossary

**Ask** – the price for buying a specific financial instrument.

**Automated Trading Application** – any software or system that uses Market Information for the purpose of trading the instruments to which Information relates, without the requirement for Market Information to be displayed or individual trading decisions to be taken by a Client or his representative as a natural person

**Bid** – the price for selling a specific financial instrument.

**Client** – a person who has entered into an agreement with the Company for services needed to trade financial instruments.

**Client Login** - web-interface allowing to use services provided by TeleTrade-DJ International Consulting Ltd., as well as a source of information. A Client Login contains personal confidential information that is available only for individual user and protected by authentication settings (login and password). Client Login is located at: <https://my.teletrade.eu> as well as accessed through website of TeleTrade-DJ International Consulting Ltd.

**Client's Account** - any and all accounts opened by the Company for safekeeping of the Client's assets under the present Operative Agreement.

**Company** - TeleTrade-DJ International Consulting Ltd.

**Custodian** – a legal entity carrying out Custody Services on the basis of a licence issued by a competent regulatory authority;

**Custody Services** – professional activities for record-keeping of rights in the Financial Instruments and accounting of monetary funds performed for remuneration on the basis of the authorization.

**Derivative** – a contract that derives its value from the performance of an underlying asset, index, or interest rate. For the purposes of the Operative Agreement, derivative means a futures or an option contract, admitted to trading on the Exchange.

**Exchange Rules (Regulated Market Rules)** – rules and regulations for transactions in financial instruments, rules of trading, terms of transactions entered into with the clearing counterparties, clearing rules as well as internal Exchange documentation, Exchange management and board decisions relating to procedure for trading in financial instruments, including but not limited to, setting out rules for calculating the collateral, trading in securities and settlement of transactions via Warsaw Stock Exchange (<http://www.gpw.pl/regulations>) and its clearing counterparty KDPW (<http://www.kdpw.pl/en/rules/Pages/RegulatoryFramework.aspx>).

**Extreme market situation** – a certain trading situation in which it is impossible to execute orders. The reason can be small volume of transactions at the market, low liquidity, central bank intervention, the publication of important news, suspension of trading in the particular instrument or suspension of trading of the whole market and other events that lead to the absence of the market prices for a certain period of time or to a very rapid price changes.

**Financial Instrument** – is a contract admitted to trading on a regulated market, that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. For the purposes of the Operative Agreement, Financial Instruments include stocks, market indices, ETFs, options and futures.

**Free Margin/Available Funds** – means any cash in the Account which is not used in the Open Positions.

**Initial Margin** – the minimum funds required to open Position

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

**Margin/marginal requirements** – the required equity amount of assets that an investor must deposit to collateralize a position.

**Market Information** - the market information including, but not limited to reference price, opening / closing price, maximum / minimum price on a given day, bid and ask offers, as well as volume of a given transaction and the cumulative trading volume on a given session, for

Financial Instruments offered for trading, made available to the Client by the Company under a proper license agreement with the applicable Stock Exchange.

**Market price** – the price at which a Financial Instrument is offered for Purchase or Sale in the Exchange

**Non-display Use Applications** – applications or systems that use Market Information for the purposes of risk management, quantitative analysis, fund administration or portfolio management, but do not involve or result in the display or dissemination of the Market Information

**Open Position** – means aggregate amount of risk disclosure, arising from purchase or sell of financial instruments lots in accordance with Client's instructions pending for subsequent counter-transaction to close/settle with an opposing trade

**Order** – an instruction to execute a trade in the specified financial instrument under specified conditions at specified quote.

**Real Time Information** – Market Information displayed or used within 15 minutes of the time the Information is made available by the Stock Exchange or a third party designated by the Stock Exchange.

**Regulated Market (Exchange)** – organized market, on which transactions in financial instruments are facilitated by bringing together of multiple third-party buying and selling interests, in the exchange, quotation or trade reporting system recognized by or registered with a relevant securities regulatory authority, on which the entry of orders and the execution or reporting of trades is monitored for compliance with regulatory requirements at the time of entry and execution or reporting, that functions in accordance with its nondiscretionary rules, in a way that results in a contract, in respect of the financial instruments admitted to trading under its rules and/or systems, and which is authorised and functions regularly and in accordance with the provisions of MiFID, and adheres to respective transparency and governance requirements, and that displays and provides timely information of at least the price, volume and security identifier of each trade at the time of execution or reporting of the trade on that market.

**Required Margin** – funds required to maintain the total Open Position.

**Terms and Conditions** – given rules.

**Trading operation** – operation of purchase or sale performed by a Client.

**Trading Platform (also Terminal, or Client Terminal)** – a software, trading interface provided by a Company for the Client's use. The terminal is used by the Client for placing Orders with the

purpose of fulfillment of Transactions, for the analysis of a market situation, and also for recording operations.

**Variation margin** – amount of funds due by one party to the derivative contract to another according to variation of quote of the underlying, equal to the difference between the present mark to market of a transaction and its mark to market at the previous clearing day. For transactions accepted for clearing during the day, their mark to market at the previous clearing day is assumed to be equal to 0.

## FAQ's

All questions regarding the Terms and Conditions shall be addressed to the Customer Support Department.

Customer Support Department

Email: [support\\_wse@teletrade.eu](mailto:support_wse@teletrade.eu)

Phone: +357 22 51 44 42

Fax: +357 22 51 44 42