LEVERAGE, MARGIN, MARGIN CALL AND MARGIN CLOSE-OUT POLICY

FinQuotes Financial (Cyprus) Ltd is regulated by CySEC

License No. 418/22

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1. INTRODUCTION

1.1. ‘**FinPros.eu**’ is a domain owned and operated by ‘FinQuotes Financial (Cyprus) Ltd’, a Cyprus Investment Firm with principal place of business at 6 Laiou Street, Anna City Court Block A, CY3015, Limassol, Cyprus (the “***Company***”, “***we***” and/or “***our***”).

1.2. The Company is authorized, licensed and regulated as a Cyprus Investment Firm (‘***CIF’***) by the Cyprus Securities and Exchange Commission (‘***CySEC***’) under license number 418/22 and is operating in accordance with (i) the Markets in Financial Instrument Directive 2014/65/EU and its implementing measures (“***MIFID II***”) and (ii) Regulation 2014/600/EU (“***MiFIR***”), as transposed into Cyprus law by Cyprus Law 87(I)/2017 regarding the provision of investment services, the exercise of investment activities and the operation of regulated markets and its implementing measures (the “***Investment Services Law***”).

1.3. In line with MiFID II, MiFIR and the Investment Services Law, the Company has to inform its Clients of the Leverage and Margin requirements that are applicable when its Clients trade in Contracts for Differences on the Company’s Electronic Trading Platform(s).

2. PURPOSE & SCOPE

2.1. The purpose of this Policy is to define how we set Leverage and procedures when our Clients trade in Contracts for of Difference ("***CFDs***").

2.2. It explains the key aspects of Leverage trading with Margin and what Leverage levels we make available depending on our Clients’ knowledge and experience along with regulatory requirements. It also outlines the impact on the Margin and Clients’ accounts where negative market movement occur.

3. APPLICABILITY

3.1. This Policy applies when the Company executes Orders in Contracts for Difference ("***CFDs***") on behalf of ‘Retail Clients’ and ‘Professional Clients’ (in Contracts for Difference ("***CFDs***"), in accordance with the Regulations, as defined below. It does not apply to 'Eligible Counterparties' (as these are defined in the Company's '**Client Categorization Policy**').

4. OUR OBLIGATIONS AND COMMITMENT

4.1. Treating Clients fairly is our main obligation as per our corporate culture and ethos.

4.2. The Company, as a regulated Investment Firm, has a duty to act honestly, fairly, professionally and in the best interest of its Clients when dealing with them.

4.3. In relation to Leverage, in particular, we are required:

a) To set Leverage levels that reflect retail Clients' knowledge and experience in trading in complex financial instruments like CFDs, given that trading with Leverage and Margin is a key characteristic of trading in CFDs;

b) To avoid any aggressive Leverage practices towards our Clients;

c) To have regard to the underlying performance fundamental of the financial instrument on which the CFD is based, including among others historic volatility, depth of market (liquidity and trading volumes), market capitalization of the issuer and country of issuer of the underlying financial instrument, hedging capabilities, general economic climate and geopolitical events. We adjust and calibrate the above variables in determining the Leverage levels we offer for asset classes or financial instruments;

d) Given that we effectively provide Leverage, to have regard to our own risk management appetite and risk bearing capacity and to have in place policies, procedures and practices to manage our (primarily) market risk emanating from such Leverage and Margin trading by our Clients. In that regard, we note that the Company has a neutral risk appetite. We take into consideration both the Leverage provided to our Clients and the Leverage provided by our execution venues. The conditions of netting positions within the execution venues, where possible, allow the Company to provide larger Leverage to our Clients than the Leverage received.

e) To apply regulatory requirements and caps, as set out by our home regulator, CySEC, or any other regulator in any jurisdiction in which we are offering our services.

5. LEGAL AND REGULATORY FRAMEWORK; APPROVAL BY OUR BOARD OF DIRECTORS

5.1. This Policy is issued pursuant to, and in compliance with the requirements of CySEC's '**Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019**' and the Investment Services Law, as the same may be amended from time to time.

5.2. In this Policy, we collectively refer to all of the above laws, rules, regulations and guidelines as "***Regulations***".

5.3. This Policy has been presented to, and approved by, our Board of Directors.

6. LEVERAGED TRADING AND MARGIN

6.1. We enable our Clients to trade in CFDs on Leveraged capital, via our Electronic Trading Platforms.

6.2. Trading on Leveraged capital means that Clients can trade amounts significantly higher than the funds invested, which only serve as the Margin. This means that Clients, can trade with a small amount of capital in order to take a much larger position in the market.

6.3. However, while high Leverage can significantly increase the potential return, it can also significantly increase potential losses.

A. What is Leverage?

6.4. Leverage is defined as the ratio of the amount of capital used in a transaction to the required Margin. In other words, Leverage gives you the ability when trading to control much larger amounts in a trade with only a relatively small deposit (your Margin).

For example, *if the EUR/USD rate moves up 100 pips from 1.13050 to 1.14050 and you had invested $1000 without Leverage, you would have made $10 on that trade.*

Thus, by using a Leverage of 1:100, every $1 you invest is worth $100, so with your $1000 Margin you can open a $100,000 deal. So, for this example, your $10 profit is magnified to $1000.

6.5. Another way to think about Leverage is to think of it as a loan. If you have $1000 and take a 'loan' that equates to $100 for every one of your dollars, you have $100,000 to trade with. Once your trade has been concluded, you return the 'loan' amount and keep the resulting profit.

6.6. **As previously indicated, it is important to note, however, that higher Leverage can significantly increase the potential return, but it can also significantly increase potential losses.**

6.7. Leverage in forex and CFD trading is often considered a double-edged sword since large price swings on accounts with higher Leverage increase the chances of triggering your 'Stop Loss'. Because of that, most beginner traders might prefer to start off using minimal Leverage to get an idea of how to use proper risk management in order to minimize losses. More experienced traders may use higher-Leverage accounts to maximize their wins and benefit from that advantages that forex has over other financial markets.

6.8. Please see below an explanation on the "**Negative Balance Protection**" we provide to our Clients, where we guarantee that you cannot lose more funds than what you have invested.

6.9. Because of the risks involved in trading with leveraged capital, the Company advises its Clients, as a guiding principle, not to trade any money they cannot afford to lose.

B. Leverage and Margin

6.10. Leverage is variable as a ratio. This means that you, as our Client, can trade with amounts many times higher than you could invest in a particular CFD if we would not provide you with the possibility to trade on Margin.

6.11. Sometimes the Leverage is expressed in percentage terms – and referred to as '**Margin Requirement**'. For example, a Leverage of 1:30 is a Margin Requirement of 3.3333%.

Example: *If the Leverage is 1:30 and if you as our Client have $1,000 in your account, it means that you can now open trades worth $30,000.*

6.12. "***Margin***" refers the amount of cash or collateral (if applicable) required to maintain the present open Margin position(s) in Clients' Accounts. Collateral is calculated after taking into account any profit or loss on a Client's open positions.

6.13. The Margin Requirements may differ from product to product within the same class of products, and may vary from time to time. The Margin Requirements for each product are described in the respective Trading Conditions on our Electronic Trading Platform(s).

6.14. As described further below, the minimum '**Initial Margin'** requirements (*i.e.*, the percentage of the purchase price of a CFD that must be covered by cash when opening a position in the relevant CFD) are directly related to the maximum 'Leverage' ratios applicable to the transaction in question.

6.15. Once a position in a relevant CFD has been opened, due to fluctuations in the market price of the CFD (up or down) a certain amount of 'Equity' will need to be maintained in the account in order to keep positions open. For instance, if an open position starts to make a loss, the Initial Margin may no longer be enough to keep the trade open and additional Margin may need to be available to keep the position open. As explained further below, this is commonly referred to as the "**Maintenance Margin Requirement**" or "**Minimum Maintenance Margin**". If the Equity in the account falls below 50% of the 'Minimum Maintenance Margin' requirement', a Margin call will be made and, unless additional Equity is provided in the account to cover additional Margin, open position(s) will start liquidating, as the 'Margin Close out Level' will be reached (see further below).

7. INTRODUCTION TO 'MARGIN LEVEL'

7.1. The 'Margin Level' indicates how close your account is to a Margin call.

7.2. The 'Margin Level' in your account is calculated by dividing the current 'Equity' and the 'Used Margin' and multiplying the outcome by 100%.

Margin Level %= (Equity / Used Margin) * 100%

7.3. The 'Margin Level' is expressed as a percentage "%". When the 'Margin Level' decreases, your account bears an increased risk of liquidation. We call this the 'Close Out (Stop Out) Level' and explain it further below.

7.4. You are advised that you should monitor the 'Margin Level' of your account at all times. Whilst we may from time to time send you notifications of your

'Margin Level' reaching certain thresholds, you are reminded that under the 'Client Agreement – Terms and Conditions of Business', which have been agreed between us, it is your responsibility to monitor at all times the 'Margin Level' and take relevant actions.

7.5. The Margin Requirement is specific for each asset class/instrument and can be found in the respective Trading Conditions on our Electronic Trading Platform(s).

7.6. Please note that we do not provide advice for the trading decisions and actions you take, including with respect to the actions you may take to address your 'Margin Level' requirements.

A. What is Equity?

7.7. In summary, '**Equity**' can be defined as the value of your portfolio with us. Effectively it is the value of your funds with us, which at any point in time include realized profits and losses, plus the unrealized profit and loss of all your open positions based on their latest quoted valuation.

B. What is Used Margin?

7.8. **'Used Margin'** indicates the sum of Margin being used by your current open positions. It is calculated by adding the Initial Margins of all your open positions.

Example of Used Margin: *You open a position of 1,000 EUR/USD at 1.11750. Assume that the initial Margin requirement is 3.3333% (i.e. a Leverage of 1:30).*

The Margin used for your position is calculated as follows:

*(1,000*1.11750)/30 = $37.25*

In addition, you open a position of 5 units of the Apple CFD at 107.70. Assume that the initial Margin requirement is 20% (i.e. a Leverage of 1:5). So, the initial Margin used for this position is calculated as follows:

*(5*107.70) * 20% = $107.70.*

Therefore, the total Used Margin that you see in your account with us is $37.25 + $107.70 = $144.95

Example of Used Margin when hedging positions: *Assume your account Leverage is 1:30.*

*You open 0.10 lots long position on EUR/USD at 1.17795. Assume that the initial Margin requirement is 3.3333% (i.e., Leverage of 1:30). The Used Margin for this position is $392.65 (Lots*Contract Size*Opening price) * Required Margin %.*

If you decide to hedge this position, meaning to open a short position on the same asset, you will not be required to have additional Used Margin. This is because when you have two opposite direction positions on the same asset, the Used Margin is calculated half for each position.

In our example, if you open additionally 0.10 lots short position on EUR/USD at 1.17827, then the Total Used Margin for both positions will be calculated as follows:

*<u>Short Positions</u>: (Lots*Contract Size*opening price) *3.3333%/2 = (0.10*100,000*1.17795) * 3.33%/2 = $196.33.*

*<u>Long Position</u>: (Lots*Contract Size*opening price) *3.3333%/2 = (0.10*100,000*1.17827) * 3.33%/2 = $196.38*

Total Used Margin = $196.33 + $196.38 = $392.71

C. What is Free Margin?

7.9. '**Free Margin**' is the sum of funds you have available to use as Required Margin for new positions. This is calculated by subtracting the 'Used Margin' for your current open positions from your Equity.

D. What is Maintenance Margin?

7.10. As previously indicated, '**Maintenance Margin**' refers to the minimum Margin needed to maintain the open positions on in your account, *i.e.* the minimum 'Equity' you need to have in your account in order to keep your position(s) open. This is also commonly referred to as the "<u>Maintenance Margin Requirement</u>" or "<u>Minimum Maintenance Margin Requirement</u>".

7.11. If the 'Equity' in your account falls below 50% of the minimum Margin needed to maintain the open positions on in your account (*i.e.*, below 50% of the 'Maintenance Margin requirement'), the 'Margin Close out Level' will be met and your open position(s) will start liquidating, without any notice by us to you, starting by the least profitable position(s).

7.12. The Maintenance Margin is calculated as percentage of the Used Margin. In accordance with CySEC's '**Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019**', our default 'Margin Close-Out Level' is set at 50% of the Maintenance Margin Requirement (see further below).

E. What is Required/Initial Margin?

7.13. As mentioned above, '**Required Margin**' is a percentage of the full value of a position that you, as the Client must have as collateral in order to open a CFD position, also referred to as the '**Initial Margin**'. The Required Margin per position is derived from the following formula:

(Amount * Instrument Price) *Required Margin %.

Example: *You intend to buy a CFD on 10 barrels of oil at a price of 51.30 per barrel. The Initial Margin % on the Oil CFD is 10%. The spread on the Oil CFD is $0.03. Your Required Margin is calculated as follows: (10 * 51.30) *10% = $51.30*

7.14. For the purposes of calculating the Required Margin, the "Initial Margin %" for the different types of CFD that can be traded on our Electronic Trading Platform(s) is determined by the Company, in its sole discretion, within the limits set out in CySEC's '**Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019**', as described in **Paragraphs 7.15 through 7.18** below, and is specified in the respective Trading Conditions on our Electronic Trading Platform(s).

F. Default Leverage/Margin Ratios for Different Asset Classes and Financial Instruments and Different Clients

7.15. For Retail Clients (as these are defined in our '**Client Categorization Policy**'), lower Leverage/higher Margin limits apply which cannot exceed the maximum levels set out in **Table 1** below.

7.16. It shall be noted that, according to its **'Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019'**, CySEC prescribes maximum default Leverage ratio of 1:30 (or a minimum Initial Margin requirement of 3.33%) on major FX instruments however, certain jurisdictions may apply other regulatory caps of Leverage ratios. For example, in Spain, a maximum Leverage ratio of 1:10 applies to all Retail Clients.

7.17. The applicable maximum Leverage ratios/minimum Margin percentages can be found in the respective Trading Conditions on our Electronic Trading Platform(s) at any point in time.

7.18. The maximum default Leverage ratios imposed under CySEC's **'Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019'**, are set out in **Table 1** below:

Table 1: Maximum default Leverage ratios imposed under CySEC's 'Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019'

CFDs on the following underlying Financial Instruments:	Updated default Leverage (and Margin)
Major FX pairs (The major currencies are currency pairs comprising any two of the following currencies: USD, EUR, JPY, GBP, CAD or CHF)	30:1 (3.33%)
All other currencies	20:1 (5%)
Gold	20:1 (5%)
Major Indices (The major indices are any of the following equity indices: FTSE 100, CAC 40, DAX, DOW, S&P 500, NASDAQ, Nikkei 225, ASX 200, EURO STOXX 50)	20:1 (5%)
All other indices	10:1 (10%)
Commodities (other than Gold)	10:1 (10%)
Equities	5:1 (20%)

G. Margin Requirements

7.19. Clients can Leverage their investments in Margin-based instruments by funding their Account(s) with cash or other collateral (if applicable) that may be accepted by the Company from time to time. Clients' cash Accounts must, as a rule, not have a negative balance.

7.20. As previously indicated, the Margin requirements may differ from product to product within the same class of products, and may vary from time to time. The Margin requirements for each product are described in the respective Trading Conditions on the Company's Electronic Trading Platform(s). The minimum **Initial Margin** requirements (*i.e.*, the percentage of the purchase price of a CFD that must be covered by cash when opening a position in the relevant CFD) are directly related to the maximum default Leverage ratios imposed under CySEC's 'Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019', and are set out as percentages next to the maximum Leverage levels set out in **Table 1** above.

7.21. As specified further below, no Leveraged transaction in Margin-based instruments is permitted to be opened if the Client does not have sufficient Margin available in the Client's Account(s) to satisfy the Margin requirement for that transaction at the time the order is placed. Clients must also satisfy all ongoing Margin requirements as a condition to maintaining each open position in Margin-based instruments.

7.22. Margin requirement shall apply throughout the term of an open Margin position. It is the Client's responsibility to continuously monitor and ensure that sufficient Margin is available in their Account(s) at all times. Clients further acknowledge that losses can be far greater than the amount of funds placed in their Account for open Margin position.

7.23. Clients have a continuing obligation to deposit Margin to their Account(s) to ensure that their Account(s) value, *i.e.* cash available adjusted for value of positions, and transactions not yet booked, is equal to or greater than the Margin requirement for all their open Leveraged positions, or open positions.

7.24. For the avoidance of doubt, Clients are obliged, at all times, to meet all Margin requirements, which are subject to change at any time and without notice to them. If a Client believes that it cannot or will not be able to meet Margin requirements, open positions should be reduced or adequate funds should be transferred to the Client's Account(s) immediately.

7.25. If, at any time while the Client has an open Margin position, the Margin available in the Client's Account(s) is not sufficient to cover the total Margin requirement(s), the Client is obliged to reduce the amount of open Margin positions or undertake such other adequate action to satisfy the Margin requirements immediately.

7.26. Where there is any shortfall in a Client's Margin available to meet the Margin requirements for all of the Client's positions, the Company reserves the right, in its sole and absolute discretion, to close or terminate one, several, or all of the Client's open positions immediately, subject to available liquidity, with or without notice to the Client.

H. Change of Margin Requirements

7.27. Please note that we reserve the right to change, in our sole discretion, the Margin requirements applicable to any new (but not existing) positions, without prior notification to you, based on actual or expected (in our opinion) market volatility or our view of market conditions in general.

7.28. More in particular, we reserve the right to reduce Leverage ratios for CFDs in financial instruments that maybe the subject of actual or anticipated corporate actions, with or without notice to the Clients, in order to address likely market and financial instrument volatility.

7.29. Where reasonably possible, we will attempt to give three (3) business days' notice of such changes so as to enable the Clients to take any actions might consider appropriate.

7.30. We reserve the right, however, to modify the Margin requirements applicable to any new (but not existing) positions of our customers, without prior notification, for the purpose, inter alia, of preventing abusive trading and managing our market exposure in the following circumstances:

a) We may change the Margin requirements applicable to any positions opened less than 1 (one) hour before the closing of the market of the underlying Financial Instrument (or other instrument) of the CFDs;

b) We may change the Margin requirements applicable to any positions opened less than 1 (one) hour after the opening of the market of the underlying Financial Instrument (or other instrument) of the CFDs;

c) We may change the Margin requirements applicable to any positions opened less than 1 (one) before and after any schedule earnings reports or announcements by the issuers of the underlying Financial Instrument (or other instrument) of the CFDs;

d) Where changes in Margin are necessary to control our total market exposure.

7.31. Notwithstanding, and without prejudice, to the above, we further reserve the right to alter the timeframes for Margin changes stipulated above in the event of unforeseen changes in the market conditions or where it is otherwise necessary to prevent abusive or manipulative trading. You are advised to monitor our Electronic Trading Platform and our Website for up-to-date information regarding the Margin requirements applicable to your trades.

7.32. Furthermore, we also reserve the right to apply a specific Leverage per single instrument in the event that Client orders are exceeding a predetermined position size limit.

7.33. Exceptionally, the Margin requirements of an open trade may be changed if the Company reasonably considers that the risk of the trade has significantly increased as compared to the date of opening.

8. MARGIN RISK MANAGEMENT

A. Our Margin Call Policy

8.1. We advise you that it is your sole responsibility to monitor the 'Margin Level' of your positions in real-time via your Electronic Trading Platform(s).

8.2. In the event that the sum of funds in your trading account and the unrealized net profits of all open CFD position connected to that account falls to less than half (50%) of the total Initial Margin required for all open CFD positions connected to the account (*i.e.*, below 50% of the 'Maintenance Margin requirement' of your account), you will not be able to open any new positions.

8.3. AS mentioned in Paragraph 8.10 et Seq. below, in the event that your Equity falls below 70% of the 'Maintenance Margin requirement of your account, we may send you an email, an SMS or a push notification. This notification acts as an early warning of the performance of your open positions with us. Please note that this is an additional service from us to you and does not create any obligation or responsibility on us, either for the performance of your trading account, or for notifying you of the current margin level and the action that you may wish to take. Please therefore monitor the performance of your positions on an ongoing basis and take the action you consider appropriate.

8.4. As mentioned above, the 'Margin Close-Out Level or MCO Level' is the minimum level you need to maintain for your open position(s).

B. Margin Close-Out

8.5. In accordance with CySEC's **'Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019'**, in order to protect our Clients, the Margin Close-Out Level (MCO Level) is, by default, set at 50% of the Initial Margin requirements applicable with respect to the Client's Account(s); as a matter of policy, the Margin Close-Out Level (MCO Level) applied by the Company (*i.e.*, 50% of the Initial Margin requirements applicable with respect to the Client's Account(s)) is the same for both Retail Clients and Professional Clients.

8.6. The Company may amend (raise) further those limits upon the Company's Audit & Risk Committee's decision.

8.7. The above-mentioned Margin Close-Out Levels (MCO Levels) reflect the "***Minimum Required Maintenance Margin***" applicable with respect to open positions in the relevant CFD and applies on the Client's entire Margin portfolio, including all existing open positions.

8.8. Accordingly, when the minimum total required Margin for all of open positions in any of the Client's Accounts falls below the Minimum Required Maintenance Margin levels mentioned above, automatic 'Margin Close–Out ("***MCO***")' will occur, meaning that orders to close positions will be placed and existing orders will be cancelled.

8.9. IN THESE CIRCUMSTANCES, THE CLIENT WILL RECEIVE A STOP OUT AND ANY OPEN POSITIONS IN THE ACCOUNT WILL START LIQUIDATING, WITHOUT ANY NOTICE, STARTING FROM THE POSITIONS WITH THE HIGHEST LOSSES, FOLLOWED BY THE NEXT LARGEST, AND SO ON UNTIL THE ACCOUNT HAS REACHED THE APPLICABLE MINIMUM REQUIRED MAINTENANCE MARGIN AGAIN.

8.10. As an additional protection for Clients to avoid automatic 'Margin Close–Outs' in their Accounts, when the available Equity in their account(s) falls below 70% of the margin needed to maintain the open positions in their account (*i.e.*, below 70% of the 'Maintenance Margin requirement' of the account), both Retail Clients and Professional Clients will be notified via a pop-up window on the Company's Electronic Trading Platform(s) that they are getting close to an automatic liquidation (each such warning, hereinafter, being referred to as a '***Margin Call Warning Notification***').

8.11. **CLIENTS WILL ONLY GET SUCH AN AUTOMATIC MARGIN CALL WARNING NOTIFICATION IF THEY ARE LOGGED INTO THEIR TRADING PLATFORM. THEREFORE, CLIENTS ARE ADVISED TO LOG INTO THEIR TRADING PLATFORM ON A REGULAR BASIS TO ENSURE THEY MONITOR THE 'EQUITY' IN THEIR TRADING ACCOUNT(S) AND ANY RELEVANT NOTIFICATIONS ACCORDINGLY.**

8.12. The Company may, in its sole discretion and without being obliged to do so, also alert Clients by phone call and/or by e-mail that they are getting close to automatic trade liquidation of their positions.

8.13. In these circumstances, Clients will be advised to deposit additional funds into their trading Account(s) or instructed to reduce/close-out current open positions.

8.14. Relevant actions Clients can take to restore their Margin Level include:

a) Closing or hedging some of the open positions.

b) Depositing more funds that can help in averaging down their positions.

c) Adjust the Leverage ratio, (if it is possible) so that less Initial/Required Margin is required.

8.15. Once an Account reaches a Margin Call warning level, it is possible that the Margin level could increase above the above-mentioned Minimum Required Maintenance Margin levels. Should this happen, the Margin Call process will reset. If the Margin Call Warning levels are reached again, the Margin Call process will start again.

8.16. Closure of positions will be done based on best execution prices available on the Company's Electronic Trading Platform(s) at that time. Clients will be responsible for placing their own Stop Loss Orders to minimize losses. In addition, the Company may, from time to time, in its sole discretion and without being obliged to do so, contact Clients and request that they deposit additional cash or collateral (if applicable) to secure their obligations to the Company.

8.17. Any call for additional Margin shall not be deemed precedent for future calls, nor future waivers of liquidation rights by the Company.

8.18. THE MARGIN CALL WARNING NOTIFICATIONS REFERRED TO HEREINABOVE ACT AS AN EARLY WARNING OF THE PERFORMANCE OF THE CLIENT'S OPEN POSITIONS WITH THE COMPANY AND ARE AN ADDITIONAL SERVICE FROM THE COMPANY TO ITS CLIENTS, WHICH DOES NOT CREATE ANY OBLIGATION OR RESPONSIBILITY ON THE COMPANY, FOR EITHER THE PERFORMANCE OF ITS CLIENTS' TRADING ACCOUNT(S), OR FOR NOTIFYING ITS CLIENTS ANY TIME IN THE FUTURE OF THEIR CURRENT MARGIN LEVEL AND THE ACTION THAT THEY MAY WISH TO UNDERTAKE.

8.19. CLIENTS NEED TO ENSURE THAT THEY HAVE SUFFICIENT FUNDS IN THEIR TRADING ACCOUNT(S), AT ALL TIMES, IN ORDER TO MAINTAIN THEIR OPEN POSITIONS. ALL CLIENTS ARE RECOMMENDED TO MONITOR ANY OPEN POSITIONS AND THEIR MARGIN LEVEL CONTINUOUSLY TO AVOID POSITIONS BEING CLOSED DUE TO INSUFFICIENT FUNDS BEING AVAILABLE IN THEIR ACCOUNT.

8.20. Please note that the Company does <u>not</u> provide advice for the trading decisions and actions, which Clients may take, including the actions Clients may take to address the Margin Level requirements, such as the ones referred to hereinabove.

8.21. WHILE THE COMPANY TAKES REASONABLE STEPS TO NOTIFY CLIENTS AS THEIR TRADING ACCOUNT FALLS INTO MARGIN CALL, IT IS EACH CLIENT'S OBLIGATION TO MONITOR THEIR TRADING ACCOUNT(S) AND AT ALL TIMES ENSURE THEY HAVE SUFFICIENT MARGIN OR FREE EQUITY AVAILABLE FOR ANY ADVERSE OR VOLATILE MARKET MOVEMENTS, AND TO TAKE ACTION TO EITHER REDUCE THEIR POSITIONS AND/OR TRANSFER MORE MONEY INTO THEIR TRADING ACCOUNT TO REDUCE THE RISK OF HAVING THEIR OPEN MARGIN POSITONS AUTOMATICALLY LIQUIDATED.

8.22. As previously indicated, these notifications are on a best endeavors' basis and the Company is <u>NOT</u> legally obliged to send the Client a Margin Call Warning Notification at all or within any specific time period, as Clients are fully responsible for constantly monitoring the Margin utilization status of their Account(s).

8.23. Margin Call Warning Notifications may be made at any time and in any way permitted under the terms of this Margin, Margin Call and Margin Close-Out Policy.

8.24. The Company shall NOT be liable for any failure to contact Clients with respect to a Margin Call. Should a Client receive a Margin Call Warning Notification, the terms and conditions of the Margin Call will be detailed within such notification and the Company reserves the right to change the terms and conditions of any Margin Call based on market conditions, with or without notice to Clients. The Company's right to 'close-out' Clients' open positions shall NOT be limited or restricted by any Margin Call Warning Notification if, when or how it was sent.

8.25. Clients may access details of their Margin utilization status by logging into their Account or by calling their Account Manager. Clients expressly acknowledge and agree that:

a) they are solely and ultimately responsible for monitoring and providing the required Margin at all times for all their open positions;

b) their obligation to provide the required Margin will exist whether or not they have received a Margin Call Warning Notification; and

c) they are obliged to pay interest on, and settle, all debit balances in their Account on demand.

8.26. The pre-trade Margin requirement(s) for each CFD instrument is/are displayed in the Trading Conditions window of the Company's Electronic Trading Platform(s), while the Account Details window displays the Margin status in the Client's Account(s), including the post-trade Margin requirement(s). In some instances, the Company may notify Clients of the Margin requirements through alternative means, and the Company also reserves the right to determine specific Margin requirements for individual Leveraged transactions.

8.27. Clients are specifically made aware that Margin requirements are subject to change without notice, including without limitation the Margin rates governing their open Leveraged CFD transactions. For every Leveraged transaction that Clients have opened, they must be able to satisfy the applicable Margin requirements, which are subject to change without notice.

8.28. It is the Clients' responsibility, and their responsibility only, to react to, and comply with, Margin Calls and to settle any debit balances incurred, immediately on demand.

9. THE COMPANY'S RIGHTS IN RELATIONS TO CLIENT ACCOUNTS

9.1. Without prejudice to any other provisions hereof, the Company reserves the right to close-out any or all existing open Margin positions if a Client's trading Account is in Margin call, even if the Client may have taken steps to reduce the size of open Margin positions or undertakes any other action to satisfy the Margin requirements, but those steps or actions are not sufficient or completed in time to meet the Client's Margin requirement on an ongoing basis.

9.2. No Client will be exempted from automatic Margin Close-Out. In order to avoid Margin call and automatic Margin Close-Out due to shortage of available funds or free Equity, Clients should ensure at all times that sufficient cash is available in their trading Account(s) for adverse market movements.

9.3. If a Client has opened more than one Account, the Company reserves the right to transfer money or collateral (if applicable) from one Account to another to meet that Account's Margin requirements, even if such transfer will necessitate the closing of open Margin positions or other trades in the Account from which the transfer takes place.

10. NEGATIVE BALANCE PROTECTION

10.1. In accordance with CySEC's **'Policy Statement on the Imposition of National Measures in Relation to the Marketing, Distribution and Sale of CFDs (PS-04-2019) of 27 September 2019'**, in order to protect our Clients, the Company offers all of its Retail Clients and Professional Clients '**Negative Balance Protection**' on an Account per Account basis.

10.2. This means that Clients can never lose more than the amounts available in their trading account.

10.3. With this precautionary measure, any losses that exceed a Client's overall account balance will be automatically reset to zero. This means Clients will never lose more than they have deposited.

11. REVIEW AND AMENDMENTS

11.1. The Company reserves the right to review and/or amend this 'Leverage, Margin, Margin Call and Margin Close-out Policy' and any related arrangements and/or policies, in its sole discretion, whenever it deems fit or appropriate or as required to comply with applicable laws, rules and regulations.

11.2. The Company shall ensure that this 'Leverage, Margin, Margin Call and Margin Close-out Policy' and any related arrangements and/or policies are implemented and monitored on a periodic basis to ensure their effectiveness and compliance with applicable laws, rules and regulations.

11.3. In particular, the Company is set to review this 'Leverage, Margin, Margin Call and Margin Close-out Policy' and any related arrangements and/or policies at least annually, and, where appropriate, on an ad hoc basis to ensure it complies with applicable rules and regulations.

11.4. When 'this Leverage, Margin, Margin Call and Margin Close-out Policy' is modified (hereinafter referred to as "***Change(s)***") we will post such Changes on our Website(s) and/or otherwise notify our Clients of such Changes. Each such notification shall be deemed as sufficient notice and it is our Clients duty to consult and/or to check regularly this 'Leverage, Margin, Margin Call and Margin Close-out Policy' on our Website(s) regarding any such Changes. Therefore, Clients are encouraged to review this 'Leverage, Margin, Margin Call and Margin Close-out Policy' from time to time so as to ensure that they are aware of any Changes.

12. FURTHER QUESTIONS AND CONTACT INFORMATION

12.1. Questions regarding this 'Leverage, Margin, Margin Call and Margin Close-out Policy' should be addressed, in first instance, to our Customer Support Department, via e-mail at: support@finpros.eu, or by phone via the telephone numbers, you will find on the Contact section of our Website.

12.2. You may also contact our Brokerage Department; the contact telephone number is available on our website.