

## TERMS AND DEFINITIONS

1.1 "Quote base" - information on the quote stream.

1.2 "Base currency" - the first currency in a currency pair.

1.3 "Balance" – the total financial result of all closed positions and deposit/withdrawal transactions to/from the trading account.

1.4 "Bar" - a chart element which includes opening/closing as well as maximum/minimum prices for a certain period (e.g., minute, 5 minutes, day, week).

1.5 "Fast Market" - market conditions defined by rapid changes in exchange rates in a short time span. "Fast Market" is often accompanied by the price gaps and usually occurs immediately before and/or after one or several events:

1.5.1 publication of major macroeconomic indicators for global economy which have great impact on the financial markets;

1.5.2 announcement of decisions on interest rates by central banks or their committees;

1.5.3 speeches and press conferences of the CB managers, heads of state, finance ministers and other important statements;

1.5.4 conduction of currency interventions by state organizations;

1.5.5 acts of terrorism on a nationwide scale;

1.5.6 natural disasters that caused emergency situations (or other restrictive measures) in the affected areas;

1.5.7 war or military actions outbreak;

1.5.8 political force majeure events: resignations and appointments (including election results) of the government executives;

1.5.9 other events that influence price movements of financial instruments.

1.6 "Quote currency"— the second currency in a currency pair.

1.7 "Currency pair" — an underlying asset based on changes in value of one currency in relation to another currency.

1.8 "Trailing Stop value" - a "Trailing Stop" parameter specified by the Client.

1.9 "Trading platform time" - a time zone in which any event is recorded in the server's log file. MSK - 2 hours.

1.10 "Graph" – a quote stream presented in graphical form. For the period corresponding to a bar:

1.10.1 maximum (high) of any bar - the maximum Bid for the period,

1.10.2 minimum (low) - the minimal Bid,

1.10.3 closing price (close) – the last Bid of a bar

1.10.4 opening price (open) - the first Bid of a bar.

1.11 “Long position”– purchase of a financial instrument.

1.12 “Day order” - a pending order that is automatically deleted at the end of the trading session.

1.13 “Closed position” – the result of the second part of a complete transaction.

1.14 “Request”– Client’s application to receive quotes from the Company. Transaction is not obligatory after the inquiry.

1.15 “Financial instrument” – a trader’s contract that does not involve delivery of a base asset, which defines the order of settlement payments of the Parties in the future, depending on price alterations or other quantitative indicators of the base asset compared to the value of the indicator determined by the Parties when concluding the contract.

1.16 “Account history” — list of fully completed transactions and non-trading transactions in the trading account.

1.17 “Client” — an individual or a legal entity that concluded the Client Agreement with the Company.

1.18 “Client Agreement” — agreement between Parties, which together with the Regulation of Trading Transactions, the Regulation of Non-Trading Transactions, Risk Disclosure and other documents of the Company, regulate the conditions of interaction between the company and the Client.

1.19 “Client’s Terminal” - software product through which the Client can obtain information on financial markets (to the extent determined by the Company) in real time, perform technical analysis of markets, make transactions, place/modify/cancel orders and receive messages from the Company.

1.20 “Contract for difference”– the object of trading operations which is based on the exchange rate of the base asset (i.e. the asset that is fundamental in the contract for difference), which may be stocks, futures, commodities, precious metals, stock indices, etc.

1.21 “Short position” — financial instrument is sold aiming at the decline of the exchange rate.

1.22 “Quoting” — the process of providing the Client with quotes in order to make a transaction.

1.23 “Quote” — information about the current price of a financial instrument expressed as Bid and Ask.

1.24 “Leverage” — a ratio between the amount of deposit and the transaction size: 1:33, 1:100, 1:200, 1:300, 1:400, 1:500. 1:100 leverage means that in order to perform a transaction one must have a trading account in the Company with an amount 100 times less than the actual size of the transaction.

1.25 “Course” — the unit value of a base asset.

1.26 “Private Office”, “PO” — an electronic system with an internet address at [gcoption.com/my/](http://gcoption.com/my/), which is a way of sharing information between the Client and the Company, including a way of making requests by the Client.

1.27 “Client’s terminal log file” — a file created by the client’s terminal, records all queries and requests sent by the Client to the Company to the nearest second.

1.28 “Server’s log file” — a file created by the server which records all queries and requests sent by the Client to the Company as well as their results to the nearest second.

1.29 “Locked Positions” — long and short positions of the same volume, opened for the same instrument on a single trading account.

1.30 “Lot” — designation of a base asset that is used in the trading platform

1.31 “Maximum deviation” — a point value of the “Maximum deviation” parameter in the position opening/closing window of the client’s terminal.

1.32 “Margin for locked positions” — provision for opening and maintaining locked positions required by the Company.

1.33 “Marginal trading” — making transactions with leverage when the Client has the ability to make transactions far exceeding the size of his/her own funds.

1.34 “Initial margin” — financial collateral required to open a position. Specified for each financial instrument in “specifications of contracts”.

1.35 “Necessary margin” — financial collateral required to maintain open positions. Specified for each financial instrument in “specifications of contracts”.

1.36 “Non-market quotation” — quotation which is absent in the Company’s quotation database or on the trading floor, where the base asset of a financial instrument is traded. Non-market quotation satisfies each of the following conditions:

1.36.1 a significant price gap;

1.36.2 return of the price to the original position in a short period of time with a price gap formation;

1.36.3 absence of rapid price dynamics before the quote comes out;

1.36.4 absence of macroeconomic events and/or corporate news that have a significant impact on the course of the financial instrument at the time when the quote appears.

1.37 “Non-trading transaction” — deposit/withdrawal from trading account or a transaction to provide/to return credited bonus. The procedure for non-trading transactions is described in the Regulation of Non-trading Transactions.

1.38 “New margin” — the amount of funds on the Client's trading account that is required for the mutual position, considering added virtual positions when processing requests to open a new position or to add a new order.

1.39 “Normal market conditions” — the state of market that satisfies each of the following conditions:

1.39.1 the absence of significant breaks in receiving quotations on the trading platform;

1.39.2 the absence of rapid price dynamics;

1.39.3 the absence of significant price gaps.

1.40 “Trading transaction volume” — the product of the number of lots and the lot size.

1.41 “Order” — Client's request to open or close a position when the price reaches the order level.

1.42 “Open position” — the result of the first part of a completed transaction. As a result, the Client has to:

1.42.1 Make an opposite transaction of the same volume;

1.42.2 Maintain the required level of equity.

1.43 “Market opening” — trade reopening after the weekend, holidays or after a break between trading sessions.

1.44 “Pending order” — the Client's request to open or close a position when the price reaches a certain level.

1.45 “Floating profit/loss” — unfixed profit/loss on open positions with the current rates.

1.46 “Complete transaction” — consists of two counter deals of the same size (opening and closing of a position): the purchase and the subsequent sale or the sale and the subsequent purchase.

1.47 “Quote stream” — the quote sequence for each financial instrument arriving in the trading platform.

- 1.48 "Point" — least significant digit unit rate .
- 1.49 "Lot size" — the amount of the base asset in one lot defined in the contract specifications.
- 1.50 "Request" — an instruction from the Client to perform a trading or non-trading transaction.
- 1.51 "Market conditions different from normal" — "thin market" or "fast market" or the presence of non-market quotations in the data stream.
- 1.52 "Website of the Company" — the website of the Company located at [gcoption.com](http://gcoption.com)
- 1.53 "Free margin" — funds on the Client's trading account, which can be used to open new positions. Free Margin is determined by the formula: equity - margin.
- 1.54 "Server", "Trading server" — all programs and tools that are used for processing Client's requests, as well as for providing trading information in real time (the volume is determined by the Company), with the mutual commitments between the Client and the Company and compliance with conditions and restrictions.
- 1.55 "Adviser" — trading account control algorithm in the form of a program in a specialized language (Meta Quotes Language 4) that sends requests and orders to the server using the Client's terminal.
- 1.56 "Contract specification" — major trading conditions (spread, lot size, minimum volume of trade transactions, trading transactions volume change step, the initial margin, margin for locked positions etc.) for each instrument.
- 1.57 "Disputable situation":
- 1.57.1 a situation where the Client believes that the Company violates one or more paragraphs of the actual Regulation resulting from any of its action or inaction;
  - 1.57.2 a situation where the Company believes that the Client violates one or more paragraphs of the actual Regulation resulting from any of his/her action or inaction;
  - 1.57.3 a situation where the Client performed a trading transaction according to a nonmarket quote, or before the first quote comes out when the market opens, or according to a quote received as a result of a certain error of an employee of the Company or a software failure of the trading platform.
- 1.58 "Spread" — the difference between the Ask and the Bid quotes in points. Spread is defined by certain conditions for each type of trading account as published on the Company's website and by the current vendor quotes.

1.59 "Ticket" — a unique identification number assigned for each open position or pending order on the trading platform.

1.60 "Account type" — the conditions of the trading account. The list of possible types of accounts offered by the Company and is located on the Company's website. The account type is selected when opening a trading account.

1.61 "Thin market" — market conditions under which the quotes arrive to the trading platform rarer than under normal market conditions during a prolonged period of time.

1.62 «Trading platform» - a set of software and hardware, providing information about trading in the financial markets in real time, trading transaction making, considering mutual obligations between the Client and the Company, as well as compliance with the conditions and restrictions. In simplified form, for the purposes of the actual Regulation, the trading platform consists of a "Server" and a "Client's Terminal".

1.63 "Client's trading account", "Trading account" – set of registers in an electronic system of the Company that allows to take into account Client's funds transferred to the Company, current and terminated Contracts, Client's requests and other information.

1.64 "Order level" — the price specified in the order.

1.65 "Force Majeure circumstances" — events described in the corresponding section of the Client Agreement.

1.66 "Price gap" — any of the two situations:

1.66.1 Bid of the current quote is higher than Ask of the previous quote; 1.66.2

Ask of the current quote is higher than Bid of the previous quote.

1.67 "Price gap on market opening" — any of the two situations:

1.67.1 Bid of the quote when market opens is higher than Ask of the quote when market closed;

1.67.2 Ask of the quote when market opens is higher than Bid of the quote when market closed.

1.68 "Emergency situation" — a mismatch of the company's conditions with the conditions of the counterparty, the current market situation, the possibilities of the software or the hardware of the Company, and other situations that cannot be foreseen.

1.69 "Obvious error" — opening/closing of a position or execution of the Client's order at a price substantially different from the price of the instrument in the quote stream at the time of the action, or any other action or inaction of an employee of the Company associated with a clearly erroneous determination of prices in the market at a certain moment of time.

- 1.70 See "Account history" (1.16).
- 1.71 "Ask" — the greater price in the quote. The price at which the Client purchases.
- 1.72 See "Balance" (1.3).
- 1.73 "Bid" — the lower price in the quotation. The price at which the Client sells.
- 1.74 "Last"— the price indicating the last transaction on the base asset.
- 1.75 "CFD", "Contract for Difference" — financial instrument that besides the currency pair has any asset as its base asset.
- 1.76 See "Contract for difference" (1.20).
- 1.77 "Base contract" – financial instrument that indicates the "Last" price of the base asset. Base contract serves for concluding transactions and pending orders.
- 1.78 "Indicative contract" – financial instrument indicating Bid and Ask of the base contract ending with #I. Indicative contract serves for current prices indication.
- 1.79 "Equity" – current account balance. Equity is determined by the formula: equity = balance + floating profit - floating loss.
- 1.80 See "Fast market" (1.5).
- 1.81 See "Floating profit/loss" (1.45).
- 1.82 See "Free margin" (1.53).
- 1.83 "Hedged margin" — provision of funds for opening and maintaining locked positions required by the Company. Hedged margin is specified for each instrument in the contract specifications.
- 1.84 See "Initial margin" (1.34).
- 1.85 "Instant Execution" — see "Quote stream" (1.47).
- 1.86 "Limit & Stop levels" — the minimal distance in points from the level of the placed order up to the level of the current price (the pending order level).
- 1.87 "Lock"— see "Locked positions" (1.29).
- 1.88 "Long" — see "Long position" (1.11).
- 1.89 "Margin Level"— the ratio of equity to the necessary margin expressed as a percentage. Margin Level is determined by the formula:  $(\text{equity}/\text{margin}) * 100\%$
- 1.90 "Margin" — see "Necessary margin" (1.35).
- 1.91 See "Margin Trading" (1.33).

1.92 See “Necessary margin” (1.35).

1.93 See “Pending order” (1.44).

1.94 “Sell Limit” — has the meaning given in the “Types of orders” chapter of the actual Regulation.

1.95 “Sell Stop” — has the meaning given in the “Types of orders” chapter of the actual Regulation. “Short” — see “Short position”.

1.96 “Stop Loss” — has the meaning given in the “Types of orders” chapter of the actual Regulation. “Stop out” — the instruction to forcefully close a position generated by the server (without the consent of the Client or any prior notice in case of shortage of funds to maintain the open position).

1.97 “Take Profit” — has the meaning given in the “Types of orders” chapter of the actual Regulation.

1.98 “Trailing Stop” —

1.98.1 “trailing stop” value set by the Client;

1.98.2 an algorithm of control of the “Stop Loss” order:

1.98.2.1 if the profit on open positions does not exceed “Trailing Stop”, no action is taken;

1.98.2.2 as soon as the profit on open positions exceeds the “Trailing Stop” value, an instruction is sent to the server to place “Stop Loss” orders on the difference between the “Trailing Stop” value and the current price;

1.98.2.3 as soon as the quote is received on an interval exceeding the “Trailing Stop” value from the placed “Stop Loss” order, an instruction on changing the level of the order is sent to the server, so that it stays on the distance of “Trailing Stop” value from the current price. “Trailing Stop” works only when the client’s terminal is running, connected to the Internet and successfully logged on to the server.

1.99. “Mega lot” — is a lot which is open for the amount that exceeds the initial deposit.

1.100. Agreement» — the actual document.

1.101. «Client» — legal or physical person that concluded the actual Agreement with the Company.

1.102. «Request» — an instruction from the Client to the Company to perform a trading or non- trading transaction.



1.103. «Financial instrument» — a contract of the parties of a transaction not involving the delivery of an underlying asset and regulating the order of mutual settlements of the parties in the future depending on price alterations or other quantitative indicator of the underlying asset comparing to the value of the mentioned rate which is determined by the Parties when making a transaction.

1.104. «Underlying asset» — asset underlying the contract of the parties of the transaction, the rate of which is used for mutual settlements between the Parties.

1.106. «Trading platform» - a set of software and hardware, providing information about trading in the financial markets in real time, trading transaction making, considering mutual obligations between the Client and the Company, as well as compliance with the conditions and restrictions. In simplified form, for the purposes of the actual Regulation, the trading platform consists of a "Server" and a "Client's Terminal".

1.107. «Client's Terminal» - software product through which the Client can obtain information on financial markets (to the extent determined by the Company) in real time, perform technical analysis of markets, make transactions, place/modify/cancel orders, and receive messages from the Company.

1.108. «Server», «Trading server» — all programs and tools that are used for processing and execution of the Client's requests, as well as providing trading information in real time (the content is determined by the Company), with the mutual commitments between the Client and the Company under the relevant Regulations.

1.110. «Parties» – the Client and the Company.

1.112. «Equity» – the current account balance. Determined by the formula: balance + floating profit - floating loss.

1.113. «Balance» – the total financial result of all the closed positions and operations of depositing/withdrawing money to/from the trading account.

1.114. «Floating profit/loss» – mean profit/loss on open positions with the current rates.

1.115. «Open position» – result of the first part of a completed transaction. As a result, the Client shall be obliged to:

1.115.1. produce an opposite transaction of the same volume;

1.115.2. maintain the required level of equity.

1.116. «Closed position» — result of the second part of the completed transaction. As a result, the position is closed, the Parties perform a mutual settlement on the current open positions.

1.117. «Quote» — information about the current price of a financial instrument.

1.118. «Client's trading account» – set of registers in an electronic system of the Company, allowing to take into account the Customer's funds, listed to the Company, operating and terminated contracts, the Client's requests, and other information.

1.119. «Regulation» – company documents governing the processing of client's requests, mutual and other relations between the Client and the Company.