

**TRADING MECHANISM FOR EXECUTIVE TRADING ACCOUNTS****Contents**

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**NOTE: This Trading Mechanism is updated regularly. Clients should be informed that it is their duty to check Windsor's website for any amendments that might have occurred within the whole document, at any time, during the year.**

## **1. Purpose and Scope**

The purpose of this Trading Mechanism for Executive trading accounts ("ETM") is to give an overview to the clients of all relevant information regarding trading with Windsor Brokers Ltd ('the Company' or 'Windsor'). Details about the financial instruments offered, margin required for trading, leverage, charges etc., prior to clients entering into any transaction, are included within. This ETM should be treated as the Order Execution Policy of the Company for Executive trading accounts.

## **2. Definitions and Interpretations**

Unless the content of this ETM states otherwise, the definitions and interpretations can be viewed by the clients on the Company's website.

The advantage given to Windsor's clients is that financial instruments can be traded in lots and portions of lots rather than with the actual "contract size".

## **3. Financial instruments offered for trading by the Company**

The following categories of financial instruments are offered for trading, by the Company, to its clients:

- 1) Foreign Exchange ("Forex" or "FX")
- 2) Future (OTC)
- 3) Contract For Differences ("CFDs")

## **4. Foreign Exchange ('Forex' or "Fx")**

At Windsor, clients have the ability to trade the following:

- 4.1 Forex Currency pairs
- 4.2 Spot Precious Metals

All Foreign Exchange instruments are traded as "Instant Trading".

### **4.1 Forex Currency pairs**

Currencies are traded in pairs and exchanged against one another, at a mutually agreed rate.

#### **4.1.1 Contract Size:**

The contract size per standard lot of each Forex Currency pair can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

#### **4.1.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirement can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

#### **4.1.3 Hedging:**

Windsor allows its clients to minimize any unwanted losses that may occur within their trading accounts, by hedging open positions. By hedging, clients enter the market in the opposite direction to their pre-existing positions. Additionally, Windsor may hedge clients' trading accounts directly, to protect the equity from falling below the required margin level, based on the following conditions:

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum of 200% level, on the last trading day of the week (Friday), or in cases of early close, due to market holidays. In cases where the Free Margin level of the client's

trading account falls below 200%, Windsor reserves the right to partially or fully hedge any open position (without prior notice) in order to meet the above-mentioned, Free Margin level. This process commences half an hour prior to the closing of the market.

## **4.2 Spot Precious Metals**

At Windsor, clients have the ability to trade Spot Gold and/or Silver.

### **4.2.1 Contract Size:**

The contract size per standard lot for each Spot Precious Metal can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **4.2.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **4.2.3 Hedging:**

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum of 200% level, on the last trading day of the week (Friday), or in cases of early close, due to market holidays. In cases where the Free Margin level of the client's trading account falls below 200%, Windsor reserves the right to partially or fully hedge any open position (without prior notice) in order to meet the above-mentioned, Free Margin level. This process commences half an hour prior to the closing of the market.

## **5. Future (OTC)**

At Windsor, clients have the ability to trade the following Future (OTC) instruments:

- a) Currencies
- b) Precious Metals
- c) Indices
- d) Commodities
- e) Energies

All Futures (OTC) instruments are traded as 'Market Execution'.

Future (OTC) contracts open positions must be closed by the end of the expiration date of each contract. However, it varies from one instrument to another.

A trading account carrying open a Future (OTC) instrument that is due to expire, is required to close the open positions no later than on the "last trading day" (see Contract Specification) approximately two to three hours before the closing of the market. Otherwise, Windsor reserves the right to close all open positions remaining in the trading account (without prior notice). This process commences approximately two to three hours prior to the closing of the market and is in process until the expiry of the required Future (OTC) instruments.

The expiration and starting dates of the Future (OTC) instruments can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **5.1 Future (OTC) Currencies**

### **5.1.1 Contract Size:**

The contract size per standard lot, for each Future (OTC) Currency, can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **5.1.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **5.1.3 Hedging:**

Each trading account should maintain a Free Margin/available margin (equity to margin level) of minimum of 200% level, on the last trading day of the week (Friday), or in cases of early close, due to market holidays. In cases where the Free Margin level of the client's trading account falls below 200%, Windsor reserves the right to partially or fully hedge any open position (without prior notice) in order to meet the above-mentioned, Free Margin level. This process commences half an hour prior to the closing of the market.

## **5.2 Future (OTC) Precious Metals**

At Windsor, clients have the ability to trade Future (OTC) Precious Metals, Gold and/or Silver.

Prices are based on Future instrument price with an additional spread of 0.2 on Gold and 0.015 on Silver.

### **5.2.1 Contract Size:**

The contract size per standard lot for each Future (OTC) Precious Metal can be viewed on the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **5.2.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

### **5.2.3 Hedging:**

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum 200% level, on the last trading day of the week (Friday), or in cases of early close, due to market holidays. In cases where the Free Margin level of the client's trading account falls below 200%, Windsor reserves the right to hedge partially or fully any open position (without prior notice) in order to meet the above-mentioned, Free Margin level. This process commences half an hour prior to the closing of the market.

## **5.3 Future (OTC) Indices**

At Windsor, clients have the ability to trade Future (OTC) Indices such as:

- a. Big Dow Jones 30;

- b. Mini S&P 500;
- c. Mini Nasdaq 100

Prices are based on Future instrument price with an additional spread of 1 on Big Dow Jones 30, 0.5 on Mini S&P 500 and 0.5 on Mini Nasdaq 100.

#### **5.3.1 Contract Size:**

The contract size per standard lot for each Future (OTC) Indices can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

#### **5.3.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

#### **5.3.3 Hedging:**

The hedging of Future (OTC) Indices follows the same rules that are applied to Future (OTC) Currencies, point 5.1.3, above.

### **5.4 Future (OTC) Commodities**

At Windsor, clients have the ability to trade Future (OTC) Commodities such as Coffee "C".

Prices are based on Future instrument price with an additional spread of 0.1.

#### **5.4.1 Contract Size:**

The contract size per standard lot for Future (OTC) Commodity can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

#### **5.4.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirement can be viewed on Windsor's website under the Contract Specification Table, found within the 'Trading Information' page of the 'Trading Conditions' section.

#### **5.4.3 Hedging:**

##### **a) Trading accounts holding up to 49.9 lots (open/unhedged)**

Each trading account holding open/unhedged positions, up to 49.9 standard lots of Coffee "C" should maintain a Free Margin/available margin (equity to margin level) of minimum 100% level, at the end of the Main trading session on a daily basis (see Contract Specifications Table), or in cases of early close, due to market holidays. In cases where the Free Margin level of the client's trading account falls below 100%, Windsor reserves the right to partially or fully hedge any open position (without prior notice) in order to meet the above-mentioned, Free Margin level. This process commences half an hour prior to the closing of the market.

**b) Trading accounts holding 50 and above (open/unhedged)**

Each trading account holding open/unhedged positions, 50 standard lots and above of Coffee “C” should maintain a Free Margin/available margin (equity to margin level) of minimum 200% level, at the end of the Main trading session, on a daily basis (see contract Specification Table), or in cases of early close, due to market holidays. In cases where the Free Margin level of the client’s trading account falls below 200%, Windsor reserves the right to partially or fully hedge any open position (without prior notice) in order to meet the above-mentioned, Free Margin level. This process commences half an hour prior to the closing of the market.

**5.5 Future (OTC) Energies**

At Windsor, clients have the ability to trade Future (OTC) Energies such as Light Sweet Crude Oil and E-Mini Natural Gas.

Prices are based on Future instrument price with an additional spread of 0.02 on Light Sweet Crude Oil and 0.02 on E-Mini Natural Gas.

**5.5.1 Contract Size:**

The contract size per standard lot for Future (OTC) Energies can be viewed on Windsor’s website, under the Contract Specification Table, found within the ‘Trading Information’ page of the ‘Trading Conditions’ section.

**5.5.2 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin Requirement can be viewed on Windsor’s website, under the Contract Specification Table, found within the ‘Trading Information’ page of the ‘Trading Conditions’ section.

**5.5.3 Hedging:**

The hedging of Future (OTC) Energies follows the same rules that are applied to Future (OTC) Currencies, point 5.1.3, above.

**6. Contract For Difference (‘CFDs’)**

At Windsor, clients have the ability to trade the following CFDs instruments:

6.1 CFD USA

CFD USA are traded as ‘Market Execution’.

**6.1 CFD ‘USA’**

At Windsor, clients have the ability to trade CFD USA, such as Ford Motor Co., Yahoo Inc., etc.

**6.2. Contract Size:**

The contract size per standard lot for each CFD USA can be viewed on Windsor’s website under the Contract Specification Table, found within the ‘Trading Information’ page of the ‘Trading Conditions’ section.

**6.3 Margin Requirements:**

Clients are required to maintain a minimum amount of funds for each open position held in their trading account, in accordance with the chosen leverage, as stated in point 10 below. These funds are known as Margin Requirements and are considered to be a guarantee and not a cost.

The Margin level is set by multiplying a % of the value of the CFD USA with the contract size and the lot size. The contract size per standard lot can be viewed on Windsor’s website under the Contract Specification Table, found within the ‘Trading Information’ page of the ‘Trading Conditions’ section.

The margin requirements calculation is done in the following way:

**Margin Requirement = Contract Size x Traded Price of CFD USA x Lots (in shares) x %**

1 standard lot of CFD USA = 1000 shares

Examples for Margin Requirement calculations:

I) For instance, the % of CFD USA is set at 5%

II) Client buys 1 lot of Yahoo at price US\$34.25

Calculation: 34.25 (traded price) x 1000 (lot size) x 1 (no. of lot) x 5% = US\$ 1,712.50

III) Client buys 1 lot of Ford at price US\$13.00

Calculation: 13 (traded price) x 1000 (lot size) x 1 (no. of lot) x 5% = US\$650.00

Margin requirement is always calculated based on the traded price of the CFD USA and it differs if the same instrument was traded at a different price.

IV) Client buys 1 lot of Nokia at price US\$16.05

Calculation: US\$16.50 (traded price) x 1000 (lot size) x 1 (no. of lot) x 5% = US\$802.50

V) Client buys another 1 lot of Nokia at price US\$15.70

Calculation: US\$15.70 (traded price) x 1000 (lot size) x 1 (no. of lot) x 5% = US\$785.00

**Margin requirement calculation on CFD USA in cases where the open position is partially hedged"**

If the open position is partially hedged, the margin requirement is calculated based on the average price of all open positions for the same CFD USA. .

*Example:*

Open Positions for Account 'A':

Buy 1.00 Yhoo at 35.00

Buy 0.60 Yhoo at 42.00

Sell 0.20 Yhoo at 40.00

Buy 0.60 AIG at 66.50

Yhoo = Yahoo Inc.

AIG = American Int. Group Inc. as per the Contract Specifications Table.

Margins for Yhoo are calculated in the following way:

**STEP No. 1**

Total Margin Requirement for open Yahoo positions:

No. of lots	No.of Shares	Traded Price			Margin Requirement
1.00 x	1000 x	35 x	5%	=	US\$ 1,750

0.60 x	1000 x	42 x	5%	=	US\$ 1,260
0.20 x	1000 x	40 x	5%	=	US\$ 400
1.80				Total	US\$ 3,410

**STEP No. 2**

The margin requirement for each open/unhedged position should be calculated separately:

Total Margin Requirement	No. of open lots		Margin Requirement per 1 lot
US\$ 3,410 /	1.8	=	US\$ 1,894.44

**STEP No. 3**

The new margin required for the open/unhedged positions (lots) is:

Margin Requirement per lot	Unhedged lots		Total Margin Required
US\$ 1,894.44 x	1.40	=	US\$ 2,652.22

Yhoo Unhedged open positions (lots) = Yhoo “Buy lots” – Yhoo “Sell lots”

Additional Open position on AIG:

No. of lots	No. of Shares	Traded Price			Margin Requirement
0.60 x	1000 x	66.50 x	5%	=	US\$ 1,995

**As a result in relation to the above-mentioned example, for trading account “A”, the total margin required for open positions is US \$2,652.22 + US \$1,995 = US \$4,647.22**

Note: No margin requirement will be applied on fully hedged positions.

In cases where the trading account carries more than one type of CFD USA, the margin requirement will be calculated separately for each CFD USA and the sum of all margins will display the total margin requirement.

**6.4 Hedging:**

The hedging of CFD USA follows the same rules that are applied to CFD Indices, point 5.1.3, above.

**7. MT4 Multi-terminal**

MT4 Multi-terminal is offered for simultaneous management of multiple trading accounts; helpful for those who work with many trading accounts simultaneously. MT4 Multi-terminal allows clients to request quotes for any financial instrument tradable on Windsor Online trading platform, place orders, view history for all trades executed by, using MT4 Multi-terminal, for the same type of trading accounts, at the same time.

Terms and Conditions:

- 7.1 Request for orders and/or transactions might be delayed in confirmation.
- 7.2 Request for orders and/or transactions might be executed in a different manner.
- 7.3 Requests for orders and/or transactions might be re-quoted or rejected partially or in full.

- 7.4 Request for orders and/or transactions in total, for all trading accounts, should not exceed the maximum number of lots, per financial instrument, as specified in the Contract Specification Table. Otherwise, Windsor reserves the right to:
- reject, partially or in full, the request for orders and/or transactions;
  - might not execute in the same manner the request for orders and/or transactions;
  - might reverse, partially or in full, the request for orders and/or transactions;
- 7.5 Request for orders and/or transactions, per trading account, should not exceed the maximum number of lots, per financial instrument, as specified in the Contract Specification Table. In cases where the number of lots for orders and/or transactions requested exceeds the permitted number, system will automatically confirm the maximum allowed number.
- 7.6 Request for orders and/or transactions, per trading account, should not exceed the maximum number of lots allowed to be traded in accordance with the equity of the trading account. In cases where the number of lots for orders and/or transactions requested exceeds the number of lots allowed to be traded, based on the equity of the trading account, the request will be rejected automatically by the system.

## **8. Trading Methods**

The Trading Methods used by Windsor are the following:

- 8.1 Instant Trading (Forex);
- 8.2 Market Execution (Future (OTC) and CFDs USA);

### **8.1 Instant Trading**

Instant Trading is a trading method based on the concept of buying/selling a financial instrument at the “current” market price offered by Windsor’s Online trading platform. The client initially requests to buy or sell a financial instrument at the market price, as displayed on Windsor’s Online trading platform. In cases where the price changes before the confirmation, the client has the option to accept the new price (re-quote) and complete the trade, or to reject the new re-quoted price and request again. Instant Trading gives the client the opportunity to adjust his trading strategy in accordance with market movements.

### **8.2 Market Execution**

Market Execution is a trading method based on the concept of buying/selling a financial instrument at the market, i.e. price offered by the market at the time that the request was received by Windsor. The client is obliged to accept the confirmation price given by Windsor, on the requested financial instrument, even if the price displayed on Windsor’s Online trading platform changes during the time interval between the request, reception and transmission/execution of client’s request.

**Note:** Despite of the Trading Method used for trading, clients should note that while confirming clients’ requests, delay may occur. This delay may arise due to the following reasons:

- In cases where the Company is confirming big size requests (number of lots);
- Volatile markets;
- Internet connection.

Clients acknowledge that Windsor is not liable, whatsoever, in such circumstances.

## **9. Orders**

Order is an instruction for a transaction, requested by the client, to be executed at a pre-determined price. The order is executed only when the market price reaches the price level that is specified in the order. There are a number of different order types that can be placed, to fit the client’s needs.

Orders must be placed within a certain amount of pips/ticks away from the current market price. The order price level varies for each financial instrument and can be viewed on Windsor’s website under the Contract Specification Table, found within the ‘Trading Information’ page of the ‘Trading Conditions’ section.

### **9.1 Types of Orders**

9.1.2 GTC (Good Till Cancelled) Order is valid until it is executed, cancelled by the client or until the expiration of the financial instrument.

9.1.2 OCO (One Cancels Other) Order is placed on the open position or working order and is valid until either S/L or T/P order is executed, closed directly by the client or until the expiration of the financial instrument.

9.1.3 Day Order expire automatically at the end of the trading session of each day unless the orders are filled or cancelled by the client. Day Order means orders that are good or valid during that trading day. Orders which have been placed but not executed during a particular day's regular trading hours, will not automatically be carried over into the next trading day. Similarly, day orders placed during trading hours can only be executed during the trading session. If an order is not executed during a particular trading session, the order will be cancelled automatically at the end of the trading day and a new order must be placed in the next trading session. Windsor does not guarantee to accept any orders placed within few minutes of any major announcement. Day order exists only on Coffee "C" and CFD USA.

## 9.2 **Placing Orders**

1) *New position:*

- Buy Limit, Sell Limit
- Buy Stop, Sell Stop

The Buy Limit and Sell Stop Orders are placed below the current market level of the financial instrument, whereas the Buy Stop and Sell Limit Orders are placed above the current market level of the financial instrument.

2) *Closing an existing position:*

- Take Profit (T/P)
- Stop Loss (S/L)

After entry into the market, a limit for profit taking order and a protective stop loss order may be placed. As such, losses can be minimised, and profits can be determined at a pre-established price.

Note:

- I) Orders can be placed only in cases where the equity of the trading account is above the minimum amount required for holding open positions. (see Contract Specification Table).
- II) Orders can be placed within Spread on Orders from Market Price (see Contract Specification document)
- iii) Orders can be placed at the specified or above the level specified within the "Maximum amount of transaction size (lots)", for a specific instrument (see Contract Specification document). Should accumulated, placed, orders exceed the "Maximum amount of transaction size (lots)", at a specific price level, filling of such orders will be subject to confirmation.

## 9.3 **Modifying Orders**

In relation to the modifications of working orders, Windsor MT4 offers the following options:

- a. Placing a S/L or T/P on an existing trade
- b. Placing a S/L or T/P on an existing order
- c. Changing the price level of Buy Limit, Sell Limit, Buy Stop, Sell Stop, T/P and S/L
- d. Cancelling the order

Note: i) Clients' requests to modify or cancel orders, at the time when the level has already been triggered, will not be fulfilled.

ii) Clients' request to modify or cancel orders, that at the specified or below the level specified within the "Spread on Orders from Market Price (see Contract Specification), may not be accepted.

## 9.4 **Filled Orders**

### 9.4.1 **Limit Orders or Take Profit Orders**

Limit or take profit orders are filled at the price originally placed by the client, even in cases of big market moves or in cases where the market opens with a Gap.

In cases where the market price only "hits" the level of a limit order and then reverses, Windsor does not guarantee the filling of such order.

### 9.4.2 **Stop Orders**

A stop order is an order to buy (or sell) a financial instrument at a higher or lower price than the current market price, once the price level mentioned in the order is reached. Once the level of the stop order is reached, the stop order becomes a market order (not limit). As such,

a stop order becomes an order to buy or sell a financial instrument, at the current market price prevailing at the time that the stop order was triggered. Client does not have a control over the price at which the order will be executed.

## 9.5 Orders Execution Methods

**9.5.1** All types of orders, mentioned in above point 9.1, are always filled completely or not filled at all. Orders are never filled “partially”.

**9.5.2** All types of orders, mentioned in above point 9.1, are always filled at the same level. Orders are never filled at different levels; there are no “split” fills of orders

## 10. Leverage

Leverage is defined as borrowed capital, such as margin, used to increase the potential return of an investment. In cases where the client uses leverage for an investment and the market moves in the opposite direction to the client’s expectation, the loss on the investment is much greater than what it would have been if the investment had not been leveraged. Leverage magnifies both profits and losses. The higher leverage, the higher the level of risk and the higher possibility of a profitable return or loss.

Windsor at any time, in its sole discretion, may reduce the leverage applied to clients’ trading account(s) based on the risk that clients are exposed to. The change of leverage will be in accordance with the net exposure of the client/per instrument, once the Net Open positions (“NOP”) exceeds 15 standard lots. NOP refer to accumulated positions held open by the client on a specific instrument, regardless of the type of trading account.

Change of the leverage will influence the stop out level of trading account(s).

The following Leverage groups are offered to Windsor’s clients:

Leverage	Margin Call	Stop Out Level	Margin Requirement
1:100	100%	10% or below	US\$ 1,000/ lot
1:50	100%	10% or below	US\$ 2,000/ lot
1:33	100%	10% or below	US\$ 3,030/ lot
1:25	100%	10% or below	US\$ 4,000/ lot
1:20	100%	10% or below	US\$ 5,000/lot

**The Leverage given to Windsor’s clients, for Executive Trading Accounts, as a default is 1:100. For each standard lot traded, the required margin is US\$ 1,000. In cases where client requires any leverage, other than the above-mentioned, client should make an additional request.** The following exceptions are applied to the Executive trading accounts using the leverage 1:100:

- 1) Future (OTC) Japanese Yen: Margin Requirement = US\$ 2,000/ lot
- 2) Future (OTC) Natural Gas: Margin Requirement = US\$ 2,000/ lot
- 3) CFD USA: % of the current market price (as per point 6 above and the Contract Specification Table).

The leverage applied to Executive Trading accounts is subject to changes, regardless of the leverage applied to the trading account.

Model of the leverage change based on the NOP

NOP/standard lot	Leverage	Margin Call	Stop Out Level	Margin Requirement
Up to 50	1:100	100%	10% or below	US\$ 1000
50.1 - 100	1:50	100%	10% or below	US\$ 2000
100.1 and above	1:33	100%	10% or below	US\$3030

Leverage will return to its original levels once considered appropriate.

\*Please refer to Contract Specification Document for margin requirement per instrument.

**11. Margin Call**

Once the Free Margin/available margin of a trading account falls below Margin Call level, as specified in point 10 above, the trading account is considered to be on Margin Call. The client is recommended to add new funds to his/her trading account in order to bring the Free Margin of the trading account to its required level. In cases where the trading account is not supported with additional funds and the Free Margin falls below the stop out level (as specified in point 10 above), the trading account will be stopped out.

**12. Stop Out**

**12.1 Stop Out**

Once the trading account is on Margin call and the client fails to support the trading account with additional funds or partially or fully hedge his/her open positions, in order to bring the margin level back to its required level, Windsor will Stop Out the trading account as soon as the margin level reaches or drops below the necessary threshold (as specified in point 10 above). Trading accounts will be fully hedged and prevented from further trading. In order to re-activate trading accounts, clients are required to add funds.

The Margin Call and Stop Out levels are determined by the Leverage group in which the client belongs to as mentioned in the Table in point 10, above.

**12.2 Unhedging positions once the trading account was stopped out**

Once the trading account was stopped out, all open positions remain hedged, as mentioned in point 12 above. In cases where the client unhedges any open position (by closing hedged position at market), without adding sufficient funds to his/her trading account, Windsor will stop out the trading account for a second time and may liquidate all positions with each other. In such case, Windsor will not be responsible for the deficit that might occur in client’s trading account, created by the unhedging positions.

**13. Grace Period**

Trading account(s) that hold “fully” hedged positions in which the equity falls below zero are provided with a grace period of 14 days for the purpose of funding such trading account(s). In cases where no funding of trading account(s) takes place, all “fully” hedged positions will be liquidated automatically with each other, on the 15<sup>th</sup> day, as from 23:00 hrs Cyprus local Time, GMT+2 winter time, GMT+3 summer time.

**13.1** All trading accounts holding “fully” hedged positions on Forex Currency pairs, Spot Precious Metals and CFD USA are charged with all applicable charges, for each position held open. Once the equity of such trading accounts reaches zero equity or below, trading accounts are provided with a grace period of 14 days.

**13.2** All trading accounts holding “fully” hedged positions due to the fact that such trading account(s) were stopped out and the equity of such trading accounts reaches zero or below, such trading accounts are provided with a grace period of 14 days.

**14. Charges**

**14.1. Rollovers / Swap**

Rollover or SWAP is an exchange of interest rate applied to open positions on Forex Currency pairs, Spot Precious Metals and CFD USA, when held open overnight. SWAP charges can be a positive or a negative charge for the client, depending on the instrument traded and on the direction of open position(s) (selling or buying).

For all trades executed on Forex currency pairs, Spot Precious Metals and CFD USA, the value date of such trades is considered as being two days after the transaction took place. As such, all trades that are held "open" overnight will have Roll-overs/Swap charges implemented until their closing takes place.

Example of value dates:

<u>Traded day</u>		<u>Value day</u>
Monday	-	Wednesday
Tuesday	-	Thursday
Wednesday	-	Friday
Thursday	-	Monday
Friday	-	Tuesday

Trades "opened" on Monday with value date Wednesday and "closed" on Tuesday with value date Thursday will have 1 day roll overs/Swap charges applied.

Trades "opened" on Tuesday with value date Thursday and "closed" on Wednesday with value date Friday will have 1 day roll overs/Swap charges applied.

Trades "opened" on Wednesday with value date Friday and "closed" on Thursday with value date Monday will have 3 days roll overs/Swap charges applied due to the Weekend.

Trades "opened" on Thursday with value date Monday and "closed" on Friday with value date Tuesday will have 1 day roll overs/Swap charges applied.

Trades "opened" on Friday with value date Tuesday and "closed" on Monday with value date Wednesday will have 1 day roll overs/Swap charges applied.

Note I: Roll overs/Swap charges are applied based on the "value day" of the trade and not the "traded day"

Note II: trades that are "opened" and "closed" during the same day will have the same day value date and therefore no roll overs/Swap charges will be applied to them.

#### **14.1.1 Calculation of SWAP per day**

For Forex Currency pairs/Spot Precious Metals:

$(SWAP\ value) \times (pip\ value\ in\ US\$) \times (no.\ of\ lots) = US\$$

For CFD USA:

$(traded\ price\ of\ CFD\ USA) \times (SWAP\ value) \times (no.\ of\ lots\ in\ shares) / 360\ (days) = US\$$

The latest SWAP values can be viewed on Windsor website, under the 'Trading Conditions' section. Note 1: Charges are updated on a regular basis without prior notice to the client.

Note 2: SWAP charges are applied to each Forex Currency Pairs, Spot Precious Metals and CFD USA open position not taking into consideration if positions are partially or fully hedged.

#### **14.2 Storage**

Storage is a charge applied to clients' trading accounts, carrying Forex Currency pairs, Spot Precious Metals and CFD USA open positions, which are not charged with rollovers (Swap). Forex Currency Pairs, Spot Precious Metals and CFD USA positions held open for more than 5 days, have the Storage charge applied. Storage takes effect as of the 6<sup>th</sup> day of the opening of the position and is charged on a daily basis, until the position is closed. Opposite to Rollovers, Storage is always a negative charge for the client and it is not affected by the open position type (buy or sell).

Calculation of the Storage charge per day:

$Storage = Total\ number\ of\ lots\ of\ open\ positions\ per\ financial\ instrument\ (both\ selling\ and\ buying) \times Storage\ value$

The latest Storage charges can be viewed on Windsor website, under the 'Trading Conditions' section.

Note 1: Charges are updated on a regular basis without prior notice to the client.

Note 2: Storage charges are applied to each Forex Currency Pars, Spot Precious Metals and CFD USA open position not taking into consideration if positions are partially or fully hedged.

Note 3: The Company may, at any time if deemed necessary, apply interest (Roll Overs) charges for its protection and/or for any other reason that the Company may have.

Note 4: The Company may charge interest (Roll Overs) as from the date that it is considered necessary on all transactions executed under trading account, not taking into consideration that trading account was activated under the "Storage" condition.

Note 5: The Company may charge interest (Roll Overs) and/or change the predetermined period of time, as set out in the Storage Charge Table on the Company's website for Forex Currency pairs, Spot Precious Metals and CFDs instruments, without prior notice.

#### **14.3 Commission**

Commission for financial instruments is applied in accordance with the Confirmation Letter and/or Windsor MT4 Trading Platform.

#### **14.4 CFD USA dividend charge**

Carrying "short" USA CFD positions open on the "ex-dividend" date, will be subject to a dividend adjustment. The charge is based on the outcome of the announcement.

## 14.5 Currency Conversion

Closed positions on Forex currency pairs are subject to currency cut added by a factor of +/- 1 up to 2%.

## 15. Errors

Errors may occur in the prices of financial instruments quoted by Windsor. In such occasions, without prejudice to any rights it may have under Cyprus Law, Windsor shall not be bound by any contract which purports to have been made (whether or not confirmed by Windsor) at a price which:

- a) Windsor is able to substantiate to the client that was manifestly incorrect at the time of the transaction;
- or
- b) Was, or ought to have reasonably been known by the client to be incorrect at the time of the transaction.

Windsor reserves the right to either 1) cancel the trade altogether or 2) correct the erroneous price at which the trade was confirmed to either the price at which Windsor hedged the trade or alternatively to the historic correct market price.

## 16. Snipers

Trading strategies aimed at exploiting errors in prices and/or concluding trades at off-market prices (commonly known as 'sniping') are not accepted by Windsor.

Provided that Windsor can document that, at the time of the conclusion of the trade, there were errors in prices, commissions or in the Trading Platform and provided that Windsor can determine that the client, deliberately and/or systematically based on its trading strategy or other probable behaviour has exploited or attempted to exploit such an error, Windsor is entitled to take one or more of the following counter measures:

- a) adjust the price provided to the client;
- b) adjust the price spreads available to the client;
- c) delay in price confirmation;
- d) restrict the client's access to streaming, instantly tradable quotes by providing manual quotation only;
- e) retrieve from the client's trading account any historic trading profits provided that Windsor can document that such trading profits have been gained through such abuse of liquidity at any time during the client's relationship;
- f) terminate the client's relationship with Windsor immediately by way of written notice.

## 17. Payment Mechanism

Different payment methods are offered to Windsor's clients for funding their trading accounts held with Windsor. The main purpose for offering different payment methods, by the Company, is the simplicity and speed related to each payment method in relation to transferring funds into clients' trading accounts. Clients may choose one of the following payment methods to transfer funds into their trading accounts:

- 17.1 Bank transfers (Local Wire Transfers);
- 17.2 Online Payment

### 17.1 Bank Transfers (Local Wire Transfers)

Details regarding the Bank transfers (Local Wire Transfers) are provided to clients by our Back Office Department based on the country of origin or location of the client when transferring funds.

The charges related to Bank transfers are subject to charges applied by each Bank, used by the clients for transferring funds into their trading accounts held with Windsor.

Banks situated in Cyprus: Windsor does not apply any charges and the net amount received from the Banks is credited into clients' trading account(s).

Banks situated outside Cyprus: Windsor may apply charges to the amount received from the Banks. Clients are required to contact our Back Office Department for further information.

### 17.2 Online Payment

Details regarding online payment methods are provided on the Company's website and are updated on a regular basis. Clients are acknowledging their acceptance to terms and conditions related to each Online Payment method, prior to the payment request(s).

The charges related to Online Payments are clearly specified on Windsor's website (subject to charges applied by service provider(s)).

Regardless of the payment method that clients may choose, funds are credited into clients' trading account(s) within 2 working days from the time of receipt of the funds. Windsor reserves the right to return the funds to the sender should the Company consider that the originator of the funds does not meet the Company's policy employed and related to funds transfers. Windsor does not guarantee crediting clients' trading account(s) in cases of margin call (see point 11).

Clients are required to contact Windsor's Back Office Department for further information and/or clarification regarding the available payment methods.

**18. Changing trading conditions applied to a trading account**

Client is required to maintain the equity of his/her trading account above US\$250,000, at all times, in order to be offered spreads and services provided to Executive trading account(s). Should the client fail to maintain the required equity, for the certain period of time, Windsor reserves the right to increase the spread offered to the trading account and/or apply commission charges.

**19. Complaints**

In cases where the client has a complaint, the client is obliged to advise Windsor within one business day. Windsor is hereafter obliged to investigate the complaint promptly and fully.

Methods of contact concerning complaints:

Clients may file a complaint by the following three methods:

a- Fax on 00357 25 500999 or using the numbers provided on the Windsor website.

b- Electronic mail to **complaints@windsorbrokersltd.com**.

c- Post, addressed to:

**Windsor Brokers Ltd**

**P.O.Box 54478**

**3724 Limassol-Cyprus**

**The client is obliged to confirm the submission of the written complaint by telephone on 00357 25 500500 or using the numbers provided by Windsor through Windsor MT4 or on Windsor's website.**

**20. Binding Effects**

Client acknowledges and accepts to be bound by the provisions of this ETM and any amendment or variation thereof duly effected by provisions of this ETM. Client acknowledges and agrees that the first transaction in any of Client's trading accounts initiated by Client, following a change to the terms and conditions of this ETM, as abovementioned, shall constitute Client's acceptance of the change as of the effective date of the amendment and such initiation and the subsequent execution of such transaction by Windsor shall constitute reciprocal good consideration for the variance or amendment abovementioned, the sufficiency of which is hereby acknowledged and agreed by Client and Windsor respectively.