

2018

Notice on Electronic Trading & Execution Risks

Execution Risks

In the interest of providing our clients with the best possible trading experience, we feel it is imperative for all traders, regardless of their previous experience, to be as well informed about the execution risks involved with trading at One Global Market Limited ("OGM"). OGM is your counterparty to every transaction. For every transaction OGM may choose to hedge your trade immediately with a liquidity provider or OGM may choose to take the other side of your trade. Hedging activities with liquidity provider(s) will be determined by OGM in accordance with its broader risk management framework for the OGM Group.

Here you will find information detailing the execution risks associated with OGM's forex and CFD execution.

Forex Execution Trading Risks

Trading foreign exchange (Forex) on margin carries a high level of risk and may not be suitable for all investors. Before deciding to trade these products offered by One Global Market Limited ("OGM") you should carefully consider your objectives, financial situation, needs and level of experience. The products are intended for retail, professional and eligible counterparty clients. One Global Market Limited is authorised and regulated by the UK Financial Conduct Authority ("FCA") [Registration No. 769481]. 2nd Floor Waverly House, 7 - 12 Noel Street, London W1F 8GQ United Kingdom. OGM may provide general commentary without regard to your objectives, financial situation or needs. General advice given or the content of this website are not intended to be personal advice and should not be construed as such. Retail clients could sustain a loss of all deposited funds but are not subject to subsequent payment obligations beyond the deposited funds and professional clients could sustain losses in excess of deposits. Foreign exchange are complex instruments and come with a high risk of losing money rapidly due to leverage. According to a prominent offeror of Rolling Spot FX and CFD's, 79.79% of retail client accounts lose money. You should consider whether you understand how Forex works and whether you can afford to take the high risk of losing your money.

Internet Trading Risks

There are risks associated with utilising an internet-based deal-execution trading system including, but not limited to, the failure of hardware, software, and internet connection. Since OGM does not control signal power, its reception or routing via the internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading via the internet. OGM employs backup systems and contingency plans to minimise the possibility of system failure, which includes allowing clients to trade via telephone.

Forex Execution Model

OGM acts as the counterparty to every transactions.

OGM may not choose to act as the buyer when you sell and the seller when you buy. Unless otherwise specified in your written agreement or other written documents, OGM relies on various third party sources including but not limited to liquidity providers and determines the prices and spreads at which it offers to trade with you. The prices OGM offers might not be the best prices available and OGM may offer different prices to different clients. OGM cannot elect not to cover its own trading exposure.

Slippage

OGM aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of high volatility or limited liquidity. Instances such as trade rollover/swap (5pm ET) is a known period in which the amount of liquidity tends to be limited as many liquidity providers settle transactions for that day. For more information on why rollover/swap occurs, see the section on 'Rollover/swap Costs' - 'Swap Costs'. During periods such as these, your order type, quantity demanded, and specific order instructions can have an impact on the overall execution you receive.

Examples of specific order instructions on Trading Station 2 platform include:

- Good 'Til Cancelled ("GTC") Orders - Your entire order will be filled at the next available price(s) at the time it is received.
- Immediate or Cancel ("IOC") Orders - All or part of your order will be filled at the next available price with the remaining amount cancelled should liquidity not exist to fill your order immediately.
- Fill or Kill ("FOK") Orders - The order must be filled in its entirety or not at all.

The volatility in the market may create conditions where orders are difficult to execute. For instance, the price you receive in the execution of your order might be many pips away from the selected or quoted price due to market movement. In this scenario, the trader is looking to execute at a certain price but in a split second, for example, the market may have moved significantly away from that price. The trader's order would then be filled at the next available price for that specific order. Sufficient liquidity may also need to exist to execute all trades at any price under certain circumstances.

OGM provides a number of basic and advanced order types to help clients mitigate execution risk. One way to mitigate the risk associated with slippage is to utilize the Market Range on Trading Station 2 platform and not applicable for MT4 users. The Market Range feature allows traders to specify the amount of potential slippage they are willing to accept on a market order by defining a range. Zero indicates that no slippage is permitted. By selecting zero on the Market Range, the trader is requesting his order to be executed only at the selected or quoted price, not any other price. Traders may elect to accept a wider range of permissible slippage to raise the probability of having their order(s) executed. In this scenario the order will be filled at the best price available within the specified range. For instance, a client may indicate that he is willing to be filled within 2 pips of his requested order price. The system would then fill the client within the acceptable range (in this instance, 2 pips) if sufficient liquidity exists. If the order cannot be filled within the specified range, the order will not be filled. Please note, Market Range orders specify a negative range only. If a more preferential rate is available at the time of execution traders are not limited by the specified range for the amount of positive price improvement they can receive.

Additionally, when triggered, stop orders become a market order available for execution at the next available market price. Stop orders guarantee execution but do not guarantee a particular price. Therefore, stop orders may incur slippage depending on market conditions.

Liquidity

OGM is the final counterparty to any trades that you undertake. Therefore, OGM is providing all liquidity for all currency prices it extends to its clients while dealing as a matched principle by opening the same trade you open with us with our LPs.

EXOTIC CURRENCIES

OGM considers the following currencies as examples of crosses which may experience limited liquidity –

- EUR / TRY
- USD / TRY
- TRY / JPY
- USD / ZAR
- USD / MXN
- ZAR / JPY
- USD / CNH

These pairs have a level of risk associated with them that may not be inherent. The market for these currencies is very illiquid, with liquidity being maintained and provided by one, or few external sources. These liquidity concerns include but are not limited to, the inability to exit positions based on lack of market activity, differences in the prices quoted and final execution received, or a delay in execution while a counterparty for your specific transaction is identified. With these considerations in mind it is imperative

that any trader factor this into any trading decision. For this reason we strongly encourage all traders to utilize advanced order types to mitigate these risks.

Delays in Execution

A delay in execution may occur for various reasons, such as technical issues with the trader's internet connection to OGM or a lack of available liquidity for the currency pair the trader is attempting to trade. Due to inherent volatility in the markets, it is imperative that traders have a working and reliable internet connection. There are circumstances when the trader's personal internet connection may not be maintaining a constant connection with the OGM servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal and disable the OGM Trading Station, causing delays in the transmission of data between the trading station and the OGM server or between the LP and OGM's platform. One way to check your internet connection with OGM's server is to ping the server from your computer.

Reset Orders

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders. By the time orders are able to be executed, the bid/ask price may be several pips away.

In cases where the liquidity pool is not large enough to fill a Market Range order, the order will not be executed. For Limit Entry or Limit orders, the order would not be executed but instead reset until the order can be filled. Remember, both Limit Entry and Limit orders guarantee price but do not guarantee execution on the Trading Station 2 platform. Note that on the MT4 platform a limit order or a take profit will become a market order once triggered. Depending on the underlying trading strategy and the underlying market conditions traders may be more concerned with execution versus the price received.

Widened Spreads

There may be instances when spreads widen beyond the typical spread. Spreads are a function of market liquidity and in periods of limited liquidity, at market open, or during rollover/swap at 5:00 PM ET, spreads may widen in response to uncertainty in the direction of prices or to an uptick in market volatility, or lack of market liquidity. It is not uncommon to see spreads widen particularly around rollover/swap. Trade rollover/swap is typically a very quiet period in the market, since the business day in New York has just ended, and there are still a few hours before the new business day begins in Tokyo. Being cognizant of these patterns and taking them into consideration while trading with open orders or placing new trades around these times can improve your trading experience. This may occur during news events and spreads may widen substantially in order to compensate for the tremendous amount of volatility in the market. The widened spreads may only last a few seconds or as long as a few minutes. OGM strongly encourages traders to utilize caution when trading around news events and always be aware of their account equity, usable margin and market exposure. Widened spreads can adversely affect all positions in an account including hedged positions (discussed below).

Hanging Orders

During periods of high volume, hanging orders may occur. This is a condition where an order is in the process of executing but execution has not yet been confirmed. The order will be highlighted in red, and the "status" column will indicate "executed" or "processing," in the "orders" window. In these instances, the order is in the process of being executed, but is pending. During periods of heavy trading volume, it is possible that a queue of orders will form. That increase in incoming orders may sometimes create conditions where there is a delay in confirming certain orders.

Depending on the type of order placed, outcomes may vary. In the case of a Market Range order that cannot be filled within the specified range, or if the delay has passed, the order will not be executed. In the case of an At Market order, every attempt will be made to fill the order at the next available price in the market. In both situations, the "status" column in the "orders" window will typically indicate "executed" or "processing." The trade will simply take a few moments to move to the "open positions" window. Depending

upon the order type, the position may, in fact, have been executed, and the delay is simply due to heavy internet traffic.

Keep in mind that it is only necessary to enter any order once. Multiple entries for the same order may slow or lock your computer or inadvertently open unwanted positions.

Greyed Out Pricing

Greyed out pricing is a condition that occurs when market is thin for particular currency pairs and liquidity therefore decreases. OGM does not intentionally "grey out" prices; however, at times, a severe increase in the difference of the spread may occur due to an announcement that has a dramatic effect on the market that limits liquidity. Such greying out of prices or increased spreads may result in margin calls on a trader's account. When an order is placed on a currency pair affected by greyed out prices, the P/L will temporarily flash to zero until the pair has a tradable price and the system can calculate the P/L balance.

Hedging

The ability to hedge allows a trader to hold both buy and sell positions in the same currency pair simultaneously. Traders have the ability to enter the market without choosing a particular direction for a currency pair. Although hedging may mitigate or limit future losses it does not prevent the account from being subjected to further losses altogether. In the forex market a trader is able to fully hedge by quantity but not by price. This is because of the difference between the buy and sell prices, or the spread. OGM traders will be required to put up margin for one side (the larger side) of a hedged position. Margin requirements can be monitored at all times in the simple dealing rates window on Trading Station 2 platform. While the ability to hedge is an appealing feature, traders should be aware of the following factors that may affect hedged positions.

Diminishing Margin

A margin call or liquidation may occur even when an account is fully hedged since spreads may widen, causing the remaining margin in the account to diminish. Should the remaining margin be insufficient to maintain any open positions, the account may sustain a margin call or liquidation, closing out any open positions in the account. Although maintaining a long and short position may give the trader the impression that his exposure to the market's movement is limited, if insufficient available margin exists and spreads widen for any period of time, it may result in a margin call or liquidation on some or all positions.

Rollover/ Swap Costs

Rollover/Swap is the simultaneous closing and opening of a position at a particular point during the day in order to avoid the settlement and delivery of the purchased currency. This term also refers to the interest either charged or applied to a trader's account for positions held "overnight," meaning after 5 p.m. ET on OGM's platforms. The time at which positions are closed and reopened and the rollover/swap fee is debited or credited is commonly referred to as Trade Rollover/swap (TRO). It is important to note that rollover/swap charges will be higher than rollover/swap accruals. When all positions are hedged in an account, although the overall net position may be flat, the account can still sustain losses due to the spread at the time rollover/swap occurs. Spreads during rollover/swap may be wider when compared to other time periods. Please manage positions accordingly around rollover/swap and understand the implications of spreads widening in regard to execution with existing/open positions or new positions/orders.

Exchange Rate Fluctuation / Pip Costs

Exchange rate fluctuations, or pip costs, are defined as the value given to a pip movement for a particular currency pair. This cost is the currency amount that will be gained or lost with each pip movement of the currency pair's rate and is denominated in the same currency as the account in which the pair is being traded. On the Trading Station 2 platform, the pip cost for all currency pairs can be found by selecting "View," followed by "Dealing Views," and then by clicking "Simple Rates" to apply the checkmark next to it. If "Simple Rates" already has a checkmark next to it, viewing the dealing rates in the simple view is as easy

as clicking the "Simple Dealing Rates" tab in the dealing rates window. Once visible, the simple rates view will display the pip cost on the right-hand side of the window.

Inverted Spreads

OGM's execution engine may rely on various third party sources for the prices that it makes available to clients. In the event that a manifest (misquoted) price is provided to clients due to a source that we generally rely on, all trades executed on that manifest (misquoted) price may be revoked, as the manifest (misquoted) price is not representative of genuine market activity. These manifest (misquoted) prices can lead to an inversion in the spread. This may only last for a moment, but when it does, spreads become inverted. During these rare occasions, clients should avoid placing Market orders. While it may be tempting to place a "free trade," keep in mind that the prices are not real and your actual fill may be many pips away from the displayed price. OGM reserves the right to reverse such trades, as they are not considered valid. By placing Market Range orders or not trading during these moments, you can avoid the risk associated with the above scenarios.

Holiday/weekend Execution Times

The Trading Desk opens on Sundays between 5:00 PM ET and 5:15 PM ET and closes on Fridays at 4:55 PM ET. Please note that orders placed prior may be filled until 5:00 p.m. ET and that traders placing trades between 4:55 p.m. and 5:00 p.m. ET may be unable to cancel orders pending execution. In the event that a Market Order is submitted right at market close, the possibility exists that it may not be executed until Sunday market open. Please use caution when trading around Friday's market close and factor all the information described above into any trading decision.

The open or close times may be altered. Outside of these hours, most of the major world banks and financial centres are closed. The lack of liquidity and volume during the weekend impedes execution and price delivery.

Prices Updating Before the Open

Shortly prior to the open, some of OGM LPs refreshes rates to reflect current market pricing in preparation for the open. At this time, trades and orders held over the weekend are subject to execution. Quotes during this time are not executable for new market orders. After the open, traders may place new trades, and cancel or modify existing orders.

Prices on MT4 not matching all the LPs prices provided to OGM

OGM elected to update pricing on MT4 in specific time to not overload the platform with spike prices and therefore cause Stop Losses to be triggered due to a spike that is specific to a certain LP. As a result, you may see prices outside of OGM's MT4 that does not exist on OGM's MT4 platform.

Gapping

Sunday's opening prices may or may not be the same as Friday's closing prices. At times, the prices on the Sunday open are near where the prices were on the Friday close. At other times, there may be a significant difference between Friday's close and Sunday's open. The market may gap if there is a significant news announcement or an economic event changing how the market views the value of a currency. Traders holding positions or orders over the weekend should be fully comfortable with the potential of the market to gap.

Order Execution

Limit orders are often filled at the requested price or better on Trading Station 2 platform. If the price requested (or a better price) is not available in the market, the order will not be filled. If the requested (or a better price) is not available in the market, the order will not be filled. If the requested price of a Stop order

is reached at the open of the market on Sunday, the order will become a Market order. Limit Entry orders are filled the same way as Limit orders on Trading Station 2 platform. Stop Entry orders are filled the same way as Stops. Limit orders on the MT4 once triggered they become market orders.

Weekend Risks

Traders who fear that the markets may be extremely volatile over the weekend, that gapping may occur, or that the potential for weekend risk is not appropriate for their trading style may simply close out orders and positions ahead of the weekend. It is imperative that traders who hold open positions over the weekend understand that the potential exists for major economic events and news announcements to affect the value of the underlying positions. Given the volatility expressed in the markets it is not uncommon for prices to be a number of pips away on market open from market close. We encourage all traders to take this into consideration before making a trading decision.

Margin Calls and Close Outs

Margin calls are triggered when your usable margin falls below zero on the Trading Station 2 platform. This occurs when your floating losses reduce your account equity to a level that is less than your margin requirement. Therefore, the result of any margin call is subsequent liquidation unless otherwise specified.

The idea of margin trading is that your margin acts as a good faith deposit to secure the larger notional value of your position. Margin trading allows traders to hold a position much larger than the actual account value. Trading Station 2 platform has margin management capabilities, which allow for the use of leverage. Of course, trading on margin comes with risk as leverage may work against you as much as it works for you. If account equity falls below margin requirements, the Trading Station 2 platform will trigger an order to close all open positions*. When positions have been over-leveraged or trading losses are incurred to the point that insufficient equity exists to maintain current open positions and the account's usable margin falls below zero, a margin call will result and all open positions will be closed out (liquidated).

Please note that MT4 users are subject to different liquidation procedures. When liquidation is triggered on the account, individual positions are liquidated until the remaining equity is sufficient to support existing position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation. For more information on how MT4 liquidation works, please see below in the Liquidation –.

Please keep in mind that when the account's usable margin falls below zero, all open positions are triggered to close on Trading Station 2 platform. The liquidation process is designed to be entirely electronic.

Although the margin call feature is designed to close positions when account equity falls below the margin requirements, there may be instances when liquidity does not exist at the exact margin call rate. As a result, account equity can fall below margin requirements at the time orders are filled, even to the point where account equity becomes negative. This is especially true during market gaps or volatile periods. OGM recommends that traders use Stop orders to limit downside risk in lieu of using a margin call as a final stop.

It is strongly advised that clients maintain the appropriate amount of margin in their accounts at all times. Margin requirements may be changed based on account size, simultaneous open positions, trading style, market conditions, and at the discretion of OGM.

Trading Station 2 platform Tiered Margin (Smart Margin)

Trading Station 2 platform retail accounts are defaulted to the Trading Station's tiered margin system, known as Smart Margin. This system is designed to allow clients more time in which to manage their

positions before the automatic liquidation of those positions occurs. Clients are able to see real-time updates of their margin status on the Trading Station 2 platform and can be alerted by the Smart Margin Watcher feature.

The Trading Station 2 tiered margin system consists of two components:

1. Initial Entry/Maintenance Margin – The initial good faith deposit or collateral set aside to open and then maintain a position. The exact amount of margin required to open a position can be viewed in the "MMR" column under the "Simple Dealing Rates" tab on the Trading Station 2 platform or in the "Used Maint Mr" column under the "Accounts" on the Trading Station 2 platform.

2. Liquidation Margin (Minimum Required Margin) – The minimum amount of equity that must be in the account in order to continue holding the current open positions on the account. This is set at half (50%) of the value of the Maintenance Margin. If the account equity falls below this level, all positions will be automatically closed. The exact amount of margin required before automatic liquidation will occur can be found in the "Used Mr" column under the "Accounts" tab on the Trading Station 2 platform.

How it Works

When clients initiate a new position on the account the amount of equity in the account must exceed the Initial Entry Margin amount, otherwise the trade will automatically be deleted due to insufficient funds. Once a trade has been initiated, the equity in the account must exceed the Maintenance Margin. Should the equity in the account fall below the Maintenance Margin at any time, the account enters Margin Warning Status.

When this occurs, the Smart Margin Watcher feature is designed to alert clients that their account equity has fallen below the Maintenance Margin requirements by the presence of a warning ("W") in the Margin Call ("MC") column under the "Accounts" tab on Trading Station 2. Clients should monitor their account at all times.

After a warning is initiated, the account will be unable to open any new positions. To continue to be able to place new positions, client have to bring account equity back above the Maintenance Margin requirement level. There are a few ways to accomplish this: 1) Deposit more funds; 2) Close out existing positions; or 3) Experience beneficial market movements.

The "MC" column on Trading Station will be automatically reset to "N" (meaning that the account is no longer in margin warning status) if the client chooses to either deposit funds or close out existing positions to bring the account equity above the Maintenance Margin requirement level. It is important to note that deposited funds will not be instantaneously available in the account.

Should the market move in the client's favor and bring the account equity above the Maintenance Margin requirement level at the time of trading station 2 daily Maintenance Margin check at 5:00 pm ET, the account status will be reset to reflect that it is no longer in margin warning. In the event the account equity meets the Maintenance Margin requirement prior to the daily maintenance margin check, clients may contact OGM to have their margin warning status removed manually.

If at any time the account equity reaches or falls below the Liquidation Margin Level the Smart Margin feature will automatically trigger the liquidation of all open positions. The liquidation process is entirely electronic on the trading station 2 platform and there is no discretion on OGM's part as to the order in which trades are closed.

Pending Entry orders that trigger while the account is in Margin Warning will not execute and will be deleted. If the account is set to non-hedging, it is possible for a Pending Entry order to act as a Stop or Limit when the order is intended to close out any open positions. When the order's trade size is equal to, or less than, the open position's trade size, it will close the relevant positions, again only when the account is set to non-hedging. If the order to close is larger than the open position, the entire entry order will be deleted; on the trading station 2 platform.

METATRADER 4 (MT4) Liquidation Procedure

MetaTrader 4 (MT4) accounts are defaulted to MT4 Liquidation Procedure. MT4 accounts use a different version of liquidation procedures. The MT4 Liquidation Procedure is designed to allow clients more time in which to manage their positions before the automatic liquidation of those positions occurs. Clients are able to see real-time updates of their margin status on the MT4 platform.

The MT4 platform does not allow OGM to include commissions in pre-trade margin calculations on client's pending orders. This means that if you place a trade with a small amount of available free margin under the MT4 account, there is a risk that the execution of the orders could trigger immediate liquidation right after the execution as the commission charges can result in insufficient margin to maintain your open positions. You should therefore ensure that you have reserved sufficient buffer free margin before opening new trades.

The MT4 Liquidation Procedure consists of two components:

Margin-

The initial good faith deposit or collateral set aside to open and then maintain a position. The exact amount of margin required to open a position can be viewed by viewing the label "Margin" under the "Trade" tab.

Liquidation – Positions get liquidation at 50%, thus when the percentage of equity in the account equals half of the margin required.

How it Works

Example you BUY 2,000,000 (20 LOT) EUR/USD on an account of \$50,000 & EUR/USD price is 1.18 & leverage is 100:1

Thus the margin required for this position is = \$ 23,600

Thus in your terminal on the MT4 below you will see the following:

Balance: 50,000 Equity: 50,000 Margin: 23,600 Free Margin: 26,400 → Margin Level: around 200%

The market moves against you and dropped 200 pips & Pip cost: \$200 → loss = \$ 40,000

Balance: 50,000 Equity: 10,000 Margin: 23,600 Free Margin: - 13,600 → Margin Level: around 45 %

THUS as you see the margin level is below 50% and the free margin equals the negative half of the margin → at this stage the liquidation occurs.

The FIRST margin warning** you will get it when the Margin equals the Equity (Margin Level 100%) and then the second Margin warning is almost when the Margin Level equals 75% and then after that you will get the liquidation on the 50% margin level.

**Margin Warning: A margin warning is simply a function of the MT4 platform by showing a RED colour on the platform.

Chart Pricing versus Executable Prices

It is important to make a distinction between indicative prices (displayed on charts) and executable prices. Indicative quotes are those that offer an indication of the prices in the market, and the rate at which they are changing

OGM's price feed is derived from a host of contributors such as banks and clearing firms which results in multiple levels of pricing and liquidity, therefore the charts (which can only reflect one level of pricing) may not reflect where all of OGM's liquidity providers are making prices at any given time. In the event that a quote is withdrawn or liquidity is depleted at the indicative rate displayed on the chart, it is possible that executions may occur at an executable price that is different from the indicative price that appears on the chart.

Because the spot forex market lacks a single central exchange where all transactions are conducted, each forex dealer may quote different prices. Therefore, any prices displayed by a third party charting provider, which does not employ OGM's feed, will reflect only indicative market prices and not actual dealing prices where trades will be executed by OGM.

CFD Execution Risks

HIGH RISK INVESTMENT

Trading Contracts for Difference (CFDs) on margin carries a high level of risk and may not be suitable for all investors. Before deciding to trade these products offered by One Global Market Limited ("OGM") you should carefully consider your objectives, financial situation, needs and level of experience. The products are intended for retail, professional and eligible counterparty clients. One Global Market Limited is authorised and regulated by the UK Financial Conduct Authority ("FCA") [Registration No. 769481]. 2nd Floor Waverly House, 7 – 12 Noel Street, London W1F 8GQ United Kingdom. OGM may provide general commentary without regard to your objectives, financial situation or needs. General advice given, or the content of this website are not intended to be personal advice and should not be construed as such. Retail clients could sustain a loss of all deposited funds but are not subject to subsequent payment obligations beyond the deposited funds and professional clients could sustain losses in excess of deposits. CFDs are complex instruments and come with a high risk of losing money rapidly due to leverage. 79.79% of retail client accounts lose money when trading CFDs with OGM. You should consider whether you understand how CFDs work and whether you can afford to take the high risk of losing your money.

OGM MARKET OPINIONS

Any opinions, news, research, analyses, prices, or other information contained on this website is provided as general market commentary, and does not constitute investment advice. OGM will not accept liability for any loss or damage, including without limitation to, any loss of profit, which may arise directly or indirectly from use of or reliance on such information.

INTERNET TRADING RISKS

There are risks associated with utilising an internet-based deal-execution trading system including, but not limited to, the failure of hardware, software, and internet connection. Since OGM does not control signal power, its reception or routing via the internet, configuration of your equipment or reliability of its connection, we cannot be responsible for communication failures, distortions or delays when trading via the internet. OGM employs backup systems and contingency plans to minimise the possibility of system failure, which includes allowing clients to trade via telephone.

CFD EXECUTION MODEL

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OGM may not choose to act as the buyer when you sell and the seller when you buy. Unless otherwise specified in your written agreement or other written documents, OGM relies on various third party sources including but not limited to liquidity providers and determines the prices and spreads at which it offers to

trade with you. The prices OGM offers might not be the best prices available and OGM may offer different prices to different clients. OGM cannot elect not to cover its own trading exposure.

Please note that as the final counterparty OGM may receive compensation beyond our standard fixed mark-up. OGM offers prices it gets from LPs for the CFD instruments it offers to its clients. Although these prices may be indicative of the underlying market for the product being traded, they do not represent the actual prices of the underlying asset on the physical market or exchange where it is listed.

SLIPPAGE

OGM aims to provide clients with the best execution available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to slippage. Slippage most commonly occurs during fundamental news events or periods of high volatility or limited liquidity. Instances such as trade rollover/swap (5pm ET) is a known period in which the amount of liquidity tends to be limited as many liquidity providers settle transactions for that day. For more information on why rollover/swap occurs, see the section on 'Rollover/swap Costs'. During periods such as these, your order type, quantity demanded, and specific order instructions can have an impact on the overall execution you receive.

Examples of specific order instructions include on Trading Station 2 platform include:

- Good 'Til Cancelled ("GTC") Orders - Your entire order will be filled at the next available price(s) at the time it is received.
- Immediate or Cancel ("IOC") Orders - All or part of your order will be filled at the next available price with the remaining amount cancelled should liquidity not exist to fill your order immediately.
- Fill or Kill ("FOK") Orders - The order must be filled in its entirety or not at all.

The volatility in the market may create conditions where orders are difficult to execute. For instance, the price you receive in the execution of your order might be many pips away from the selected or quoted price due to market movement. In this scenario, the trader is looking to execute at a certain price but in a split second, for example, the market may have moved significantly away from that price. The trader's order would then be filled at the next available price for that specific order. Sufficient liquidity may also need to exist to execute all trades at any price under certain circumstances.

OGM provides a number of basic and advanced order types to help clients mitigate execution risk. One way to mitigate the risk associated with slippage is to utilize the Market Range on Trading Station 2 platform and not applicable for MT4 users. The Market Range feature allows traders to specify the amount of potential slippage they are willing to accept on a market order by defining a range. Zero indicates that no slippage is permitted. By selecting zero on the Market Range, the trader is requesting his order to be executed only at the selected or quoted price, not any other price. Traders may elect to accept a wider range of permissible slippage to raise the probability of having their order(s) executed. In this scenario the order will be filled at the best price available within the specified range. For instance, a client may indicate that he is willing to be filled within 2 pips of his requested order price. The system would then fill the client within the acceptable range (in this instance, 2 pips) if sufficient liquidity exists. If the order cannot be filled within the specified range, the order will not be filled. Please note, Market Range orders specify a negative range only. If a more preferential rate is available at the time of execution traders are not limited by the specified range for the amount of positive price improvement they can receive.

Additionally, when triggered, stop orders become a market order available for execution at the next available market price. Stop orders guarantee execution but do not guarantee a particular price. Therefore, stop orders may incur slippage depending on market conditions.

LIQUIDITY

When trading CFDs with OGM, OGM is the final counterparty to any trades that you undertake. Therefore, OGM is providing all liquidity for all currency prices it extends to its clients while dealing as a matched principle by opening the same trade you open with us with our LPs.

Available liquidity is dependent on the overall market conditions, specifically based upon the underlying reference market for the instrument. As in all financial markets, some instruments within the market will have greater depth of liquidity than others. When trading instruments with less depth of liquidity, there may be concerns including but not limited to, impacting the prices at which we offer to trade with you, the inability to execute the trade due to lack of market activity, differences in the prices quoted and final execution received, delay in execution. With these considerations in mind, it is imperative that clients should factor liquidity risk into any trading decisions. In addition, all clients are advised to consider their overall trading strategy, size of the transaction, market conditions, and order type before placing a trade.

DELAYS IN EXECUTION

A delay in execution may occur for various reasons, such as technical issues with the trader's internet connection to OGM or a lack of available liquidity for the currency pair the trader is attempting to trade. Due to inherent volatility in the markets, it is imperative that traders have a working and reliable internet connection. There are circumstances when the trader's personal internet connection may not be maintaining a constant connection with the OGM servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal and disable the OGM Trading Station, causing delays in the transmission of data between the trading station and the OGM server or between the LP and OGM's platform. One way to check your internet connection with OGM's server is to ping the server from your computer.

RESET ORDERS

Market volatility creates conditions that make it difficult to execute orders at the given price due to an extremely high volume of orders. By the time orders are able to be executed, the bid/ask price may be several pips away.

In cases where the liquidity pool is not large enough to fill a Market Range order, the order will not be executed. For Limit Entry or Limit orders, the order would not be executed but instead reset until the order can be filled. Remember, both Limit Entry and Limit orders guarantee price but do not guarantee execution on the Trading Station 2 platform. Note that on the MT4 platform a limit order or a take profit will become a market order once triggered. Depending on the underlying trading strategy and the underlying market conditions traders may be more concerned with execution versus the price received.

Depending on the type of order placed, outcomes may vary. In the case of a Market Range order that cannot be filled within the specified range or if the delay has passed, the order will not be executed on the Trading Station 2 platform. In the case of an At Market order, every attempt will be made to fill the order at the next available price in the market. In both situations, the "status" column in the "orders" window will typically indicate "executed" or "processing." The trade will simply take a few moments to move to the "open positions" window. Depending upon the order type, the position may in fact have been executed, and the delay is simply due to heavy internet traffic.

Keep in mind that it is only necessary to enter any order once. Multiple entries for the same order may slow or lock your computer or inadvertently open unwanted positions.

GREYED OUT PRICING

Greyed out pricing is a condition that occurs when market is thin for particular instruments and liquidity therefore decreases. OGM does not intentionally "grey out" prices; however, at times, a severe increase in the difference of the spread may occur due to an announcement that has a dramatic effect on the market that limits liquidity. Such greying out of prices or increased spreads may result in margin calls on a trader's account. When an order is placed on an instrument affected by greyed out prices, the P/L will temporarily flash to zero until the pair has a tradable price and the system can calculate the P/L balance.

HEDGING

The ability to hedge allows a trader to hold both buy and sell positions in the same instrument simultaneously. Traders have the ability to enter the market without choosing a particular direction. Although hedging may mitigate or limit future losses, it does not prevent the account from being subjected to further losses altogether. OGM traders are required to put up margin for one side (the larger side) of a hedged position. Margin requirements can be monitored at all times in the simple dealing rates window.

DIMINISHING MARGIN

A margin call or liquidation may occur even when an account is fully hedged since spreads may widen, causing the remaining margin in the account to diminish. Should the remaining margin be insufficient to maintain any open positions, the account may sustain a margin call or liquidation, closing out any open positions in the account. Although maintaining a long and short position may give the trader the impression that his exposure to the market's movement is limited, if insufficient available margin exists and spreads widen for any period of time, it may result in a margin call or liquidation on some or all positions.

ROLLOVER/SWAP COSTS

Rollover/swap is the simultaneous closing and opening of a position at a particular point during the day in order to avoid the settlement and delivery of the purchased underlying instruments. This term also refers to the interest either charged or applied to a trader's account for positions held "overnight," meaning after 5 p.m. ET on OGM's platforms. The time at which positions are closed and reopened and the rollover/swap fee is debited or credited is commonly referred to as Trade Rollover/swap (TRO). It is important to note that rollover/swap charges will be higher than rollover/swap accruals. When all positions are hedged in an account, although the overall net position may be flat, the account can still sustain losses due to the spread at the time rollover/swap occurs. Spreads during rollover/swap may be wider when compared to other time periods. Please manage positions accordingly around rollover/swap and understand the implications of spreads widening in regard to execution with existing/open positions or new positions/orders.

EXCHANGE RATE FLUCTUATIONS (PIP COSTS)

Exchange rate fluctuations, or pip costs, are defined as the value given to a pip movement for a particular instrument. This cost is the currency amount that will be gained or lost with each pip movement of the instrument's rate and is denominated in the same currency as the account in which the pair is being traded. On the Trading Station 2 platform, the pip cost can be found by selecting "View," followed by "Dealing Views," and then by clicking "Simple Rates" to apply the checkmark next to it. If "Simple Rates" already has a checkmark next to it, viewing the dealing rates in the simple view is as easy as clicking the "Simple Dealing Rates" tab in the dealing rates window. Once visible, the simple rates view will display the pip cost on the right-hand side of the window.

INVERTED SPREADS

OGM's Execution engine may rely on various third party sources for the prices that it makes available to clients. In the event that a manifest (misquoted) price is provided to clients due to a source that we generally rely on, all trades executed on that manifest (misquoted) price may be revoked, as the manifest (misquoted) price is not representative of genuine market activity. These manifest (misquoted) prices can lead to an inversion in the spread. This may only last for a moment, but when it does, spreads become inverted. During these rare occasions, clients should avoid placing Market orders. While it may be tempting to place a "free trade," keep in mind that the prices are not real and your actual fill may be many pips away from the displayed price. OGM reserves the right to reverse such trades, as they are not considered valid. By placing Market Range orders or not trading during these moments, you can avoid the risk associated with the above scenarios.

HOLIDAY/WEEKEND EXECUTION

TRADING DESK HOURS

The hours for each CFD are determined by OGM based on the schedule for trading on the exchange for the underlying market, commodity, or asset.

OGM aims to open and close markets as close to the posted trading hours as possible, however the lack of liquidity at or around market open and close for any CFD instrument can impede execution and price delivery. OGM may delay market open or bring forward market close on specific instruments in an effort to protect clients from quoted prices or executions that are not representative of the true market price.

Traders are advised to use extreme caution around market open and close and to utilize OGM's basic and advanced orders types to mitigate execution risk. Based on the illiquidity illustrated during these time periods traders using market orders can experience slippage, or gapping in prices that can have a material impact on your final execution price.

PRICES UPDATING BEFORE THE OPEN

Shortly prior to the open, some of OGM LPs refreshes rates to reflect current market pricing in preparation for the open. At this time, trades and orders held over the weekend are subject to execution. Quotes during this time are not executable for new market orders. After the open, traders may place new trades, and cancel or modify existing orders.

GAPPING

There is a substantial risk that stop-loss orders left to protect open positions held overnight may be executed at levels significantly worse than their specified price.

Commensurate with the opening/closing of the market for the underlying instrument, CFD traders may experience gaps in market prices. Due to the volatility expressed during these time periods, trading at the open or at the close, can involve additional risk and must be factored into any trading decision. These time periods are specifically mentioned because they are associated with the lowest levels of market liquidity and can be followed by significant movements in prices for both the CFD, and the underlying instrument.

ORDER EXECUTION

Limit orders are often filled at the requested price or better on Trading Station 2 platform. If the price requested (or a better price) is not available in the market, the order will not be filled. If the requested (or a better price) is not available in the market, the order will not be filled. If the requested price of a Stop order is reached at the open of the market on Sunday, the order will become a Market order. Limit Entry orders are filled the same way as Limit orders on Trading Station 2 platform. Stop Entry orders are filled the same way as Stops. Limit orders on the MT4 once triggered they become market orders.

WEEKEND RISK

Traders who fear that the markets may be extremely volatile over the weekend, that gapping may occur, or that the potential for weekend risk is not appropriate for their trading style, may simply close out orders and positions ahead of the weekend. It is imperative that traders who hold open positions over the weekend understand that the potential exists for major economic events and news announcements to affect the value of the underlying positions. Given the volatility expressed in the markets it is not uncommon for prices to be a number of pips away on market open from market close. We encourage all traders to take this into consideration before making a trading decision.

MARGIN CALLS AND CLOSE OUTS

Margin calls are triggered when your usable margin falls below zero on the Trading Station 2 platform. This occurs when your floating losses reduce your account equity to a level that is less than your margin requirement. Therefore, the result of any margin call is subsequent liquidation unless otherwise specified.

OGM process all liquidations for CFD products automatically. Open and close times for the underlying reference market are determined by the exchange, or third party execution venue, and not by OGM. If a client's liquidation event is triggered during the period when the underlying reference market is closed, it may be necessary for OGM to wait until the underlying reference market re-opens before liquidation of the CFD positions can be finalized. Depending on market conditions, this could mean that the final price the client receives is a significant number of points away from the price that triggered the liquidation. If an account contains open positions for both CFD and forex at the time liquidation is triggered, it is possible that only the forex positions will be liquidated. This would only occur in situations where the underlying reference market for the CFD positions is closed, and the liquidation of the forex positions satisfies the liquidation requirement.

Please note that MT4 users are subject to different liquidation procedures. When liquidation is triggered on the account, individual positions are liquidated until the remaining equity is sufficient to support existing position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation. For more information on how MT4 liquidation works, please see below in the Liquidation –.

METATRADER 4 (MT4) Liquidation Procedure

MetaTrader 4 (MT4) accounts are defaulted to MT4 Liquidation Procedure. MT4 accounts use a different version of liquidation procedures. The MT4 Liquidation Procedure is designed to allow clients more time in which to manage their positions before the automatic liquidation of those positions occurs. Clients are able to see real-time updates of their margin status on the MT4 platform.

The MT4 platform does not allow OGM to include commissions in pre-trade margin calculations on client's pending orders. This means that if you place a trade with a small amount of available free margin under the MT4 account, there is a risk that the execution of the orders could trigger immediate liquidation right after the execution as the commission charges can result in insufficient margin to maintain your open positions. You should therefore ensure that you have reserved sufficient buffer free margin before opening new trades.

The MT4 Liquidation Procedure consists of two components:

Margin–

The initial good faith deposit or collateral set aside to open and then maintain a position. The exact amount of margin required to open a position can be viewed by viewing the label "Margin" under the "Trade" tab.

Liquidation – Positions get liquidation at 50%, thus when the percentage of equity in the account equals half of the margin required.

The FIRST margin warning** you will get it when the Margin equals the Equity (Margin Level 100%) and then the second Margin warning is almost when the Margin Level equals 75% and then after that you will get the liquidation on the 50% margin level.

**Margin Warning: A margin warning is simply a function of the MT4 platform by showing a RED color on the platform.

Chart Pricing versus Executable Prices

It is important to make a distinction between indicative prices (displayed on charts) and executable prices. Indicative quotes are those that offer an indication of the prices in the market, and the rate at which they are changing.

OGM's price feed is derived from a host of contributors such as banks and clearing firms which results in multiple levels of pricing and liquidity, therefore the charts (which can only reflect one level of pricing) may not reflect where all of OGM's liquidity providers are making prices at any given time. In the event that a quote is withdrawn or liquidity is depleted at the indicative rate displayed on the chart, it is possible that executions may occur at an executable price that is different from the indicative price that appears on the chart.

Because CFDs lack a single central exchange where all transactions are conducted, each CFD dealer may quote different prices. Therefore, any prices displayed by a third party charting provider, which does not employ OGM's feed, will reflect only indicative market prices and not actual dealing prices where trades will be executed by OGM.

MOBILE TRADING PLATFORMS

There are a series of inherent risks with the use of the mobile trading technology such as the duplication of order instructions, latency in the prices provided, and other issues that are a result of mobile connectivity. Prices displayed on the mobile platform are solely an indication of the executable rates and may not reflect the actual executed price of the order.

Mobile TS II utilizes public communication network circuits for the transmission of messages. OGM shall not be liable for any and all circumstances in which you experience a delay in price quotation or an inability to trade caused by network circuit transmission problems or any other problems outside the direct control of OGM. Transmission problems include but are not limited to the strength of the mobile signal, cellular latency, or any other issues that may arise between you and any internet service provider, phone service provider, or any other service provider.

Please note some features of the Trading Station Desktop platform will not be available on the Trading Station Mobile. Key differences include, but are not limited to, charting packages, daily interest rolls will not appear, and the maintenance margin requirement per financial instrument will not be available. It is strongly recommended that clients familiarise themselves with the functionality of the Mobile Trading Station prior to managing a live account via portable device.

TS MOBILE /TABLET APPLICATION

Trading Station Web platform has been modified to run on mobile and tablet devices. The mobile platform is called Trading Station Mobile. With the exception of complex OCO orders (one-cancels-other), Trading Station Mobile for tablet devices has the same trading features as Trading Station Web. The same connectivity risks described above regarding our Mobile TS II apply to use with any application made available for tablet trading.

MT4 MOBILE /TABLET APPLICATION

MT4 utilizes public communication network circuits for the transmission of messages. OGM shall not be liable for any and all circumstances in which you experience a delay in price quotation or an inability to trade caused by network circuit transmission problems or any other problems outside the direct control of OGM. Transmission problems include but are not limited to the strength of the mobile signal, cellular latency, or any other issues that may arise between you and any internet service provider, phone service provider, or any other service provider.

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