

## CFD Client Agreement

This CFDs Trading Client Agreement and any Appendices added thereto, the “Costs and Fees” and “Contract

Specifications”, as amended from time to time, (hereinafter together the “Agreement”) set out the terms upon which the Company will offer Services to the Client, the rights and obligations of each Party. By applying for our services, you are consenting to the terms and conditions of all the above mentioned documents which form the Agreement and it means that in the event that you are accepted by us as our Client (see paragraph 4 further below), you and us shall be bound by these terms and conditions.

In addition to the above documents, we would also like to bring to your attention the following documents found on our Main Website, namely “Summary Conflicts of Interest Policy”, “Summary Best Interest and Order Execution

Policy”, “Risk Disclosure and Warnings Notice”, “Client Categorization Policy”, “Investor Compensation Fund”,

“Complaints Procedure for Clients” and “Privacy and Cookies Policy”. These include important information which we

are required as an authorized Cyprus Investment Firm to provide to our prospective Clients and existing under

Applicable Laws and Regulations.

All these documents are important and for this reason, you are advised to read all the above mentioned documents

which form the Agreement, all the documents on our Website (enlisted above for your convenience) and any other

letters or notices sent by us carefully and make sure that you understand and agree with them before entering into

an agreement with us.

If you are a consumer (and not a corporate Client) and we do not meet face to face to conclude this Agreement, but

instead our communication is done through a website, as over the telephone, or by written correspondence (including

e-mail), then the Distance Marketing of Financial Services Law N. 242(I)/2004 applies and we shall send you by email

the documents that form the Agreement.

Physical signature of the Agreement is not required but if you wish to have it signed you may print it and sign two

copies of the Agreement and send them back to us. We shall keep one copy for our records and send you back the

other one signed by us as well.

For avoidance of any doubt the Sparrow-CFD is trading name belonging to Indication Investments Ltd.

THE COMPANY WILL OFFER ITS SERVICES STRICTLY UNDER THE FOLLOWING TERMS AND CONDITIONS, WHICH ARE

NON - NEGOTIABLE AND WILL BE AMENDED ONLY WITH PROPER NOTICE TO THE CLIENT BY THE COMPANY ALONE

AND UNDER THE PROVISIONS OF THIS CFDs TRADING CLIENT AGREEMENT.

## 1. DEFINITIONS AND INTERPRETATION

### 1.1.

In this CFDs Trading Client Agreement the following words shall have the corresponding meanings:

**Abusive Trading:** Any of the following actions such as, but not limited to Sniping; placing “buy stop” or “sell stop”

Orders prior to the release of financial data and news related to the Underlying Market/Asset; arbitrage;

manipulations; a combination of faster/slower feeds; abuse of the cancelation of trades feature available on the Online

Trading System(s); use (without the prior and written consent of the Company) of any robots, spiders or other

automated data entry system with the Online Trading System(s) (unless you receive express written consent by the

Company prior to activating the robot) or use of any software, which applies artificial intelligence analysis to the Online

Trading System(s) and/or Account; entering into transactions or combinations of transactions (voluntarily and/or

involuntarily) such as holding long and short positions in the same or similar Underlying Assets at similar times either

by the Client or by the Client acting in concert with others, possibly with connected accounts, including (but not limited

to) between accounts held with different entities within the Company, which taken together or separately are for the

purpose of manipulating the Online Trading System(s) for gain.

Access Codes: Your login and password given to you by us in order to have access to our Online Trading

System(s) or Website cabinet (Traders Hub) (as applicable).

Access Data: Your Access Codes, your Phone Password, your Account number and any information required to place

Orders with us.

Account: Any personalized trading account which we may open for you on our records to allow you trade in CFDs.

Affiliate: In relation to the Company, any entity which directly or indirectly controls or is controlled by the Company,

or any entity directly or indirectly under common control with the Company; and “control” means the power to direct

or the presence of ground to manage the affairs of the Company or entity.

Agreement: This CFDs Trading Client Agreement and any Appendices added thereto, the “Costs and Fees” and

“Contract Specifications” as amended, from time to time.

Applicable Laws and Regulations:

a) FCA Rules or any other rules of a relevant regulatory authority;

b) the Rules of the relevant Market; and

c) all other applicable laws, rules and regulations as in force from time to time in any jurisdiction.

Application Form: The application form completed by you to apply for our Services hereunder (via which we will obtain

amongst other things necessary information for your identification and due diligence and your categorization in

accordance with the CySEC Rules).

Authorised Representative: The person of paragraph 37.1 hereunder.

Balance: The total sum on your Account after the last Completed Transaction and depositing/withdrawal operation

made within any period of time.

**Base currency:** The first currency in the Currency Pair against which the Client buys or sells the Quote Currency.

**Business Day:** Any day, other than a Saturday or a Sunday, or the 1st of January or any other Cyprus or international

holidays to be announced on the Company's Website.

**CFDs:** A Financial Instrument which is a Contract for Difference by reference to variations in the price of an Underlying

Asset such as Currencies (FOREX), Commodities, Futures, Options, Forwards Stocks Bonds etc. All offered CFDs by the Company may be found on the Company's Website.

**Client Money Rules:** The rules relating to Client money as set out by FCA Rules.

**Closed Position:** The opposite of an Open Position.

**Commission Fee:** A fixed fee charged upon the opening of a Position, charged by the Company.

**Completed Transaction:** Two counter deals of the same size (opening a position and closing a position): buy then sell

and vice versa.

**Contract Specifications:** Each Lot size or each type of Underlying Asset in a CFD as well as all necessary trading

information concerning Spreads, Swaps, Margin requirements etc., as determined by us from time to time on our

Website.

**Currency of the Account:** The currency that you choose when opening an Account with us or converted into at your

choice after opening the Account.

**Currency Pair:** A type of Underlying Asset. Consists of two currencies (the Quote Currency and the Base Currency) and

shows how much of the Quote currency is needed to purchase one unit of the Base Currency.

**CySEC:** The Cyprus Securities and Exchange Commission, which is our supervisory authority. pending order

**CySEC Rules:** The Rules, Directives, Regulations, Guidance notes of the Cyprus Securities and Exchange Commission in

Cyprus.

**Equity:** The Balance plus or minus any Floating Profit or Loss that derives from an Open Position and shall be calculated

as:  $\text{Equity} = \text{Balance} + \text{Floating Profit} - \text{Floating Loss}$ .

Essential Details: The required details in order for the Client to be able to place the Order for example but not limited

to the type of Underlying Asset, Direction (Buy/or Sell), Opening price, Closing price, style of the Order, the volume, if

the Client places a Pending Order (limit or stop) the Client will indicate the intended price in which the Order will go

in the market and any Stop Loss and or Take Profit etc.

Event of Default: The events in paragraph 23.1 herein below.

Expert Advisor: A mechanical online trading system designed to automate trading activities on an electronic trading

Online Trading System(s). It can be programmed to alert you of a trading opportunity and can also trade your Account

automatically managing all aspects of trading operations from sending Orders directly to our Online Trading

System(s) to automatically adjusting stop loss, trailing stops and take profit levels.

Financial Instrument(s): the Financial Instruments under the Company's CIF license which can be found in the

document "Company Information" on our Main Website. It is understood that the Company does not necessarily offer

all the Financial Instruments which appear on its CIF license but only those marketed on its Website, from time to

time. This Agreement covers the Financial Instruments of CFDs.

Force Majeure Event: The Events as set out in paragraph 28.1 hereunder.

Free Margin: The amount of funds available in the Account, which may be used to open a position or maintain an

Open Position. Free Margin shall be calculated as:  $\text{Equity} - \text{Necessary Margin}$  [Free margin =  $\text{Equity} - \text{Necessary Margin}$ ].

Hedged Margin: The necessary margin required by the Company so as to open and maintain Matched Positions.

Inducement: Money, goods or services, other than the standard commission or fee that the Company may receive

from a third party in relation to the Transaction that is or may be in a conflict with the Client's interest.

**Initial Margin:** The necessary margin so as to open a position.

**Investment Services:** The Investment Services under the Company's CIF license, which can be found in the document

"Company Information".

**Leverage:** A ratio in respect of Transaction Size and Initial Margin. **EXAMPLE:** 1:100 ratio means that in order to open a position, the Initial Margin is one hundred times less than the Transactions Size. More

information regarding the Leverage per type of CFDs is available in the 'Contract Specifications' and 'Online Trading

System Trading & Conditions' sections of the Main Website.

**Long Position:** A buy position that appreciates in value if underlying market prices increase. For example, in respect of

Currency Pairs: buying the Base Currency against the Quote Currency.

**Lot:** A unit measuring the contract size specified for each Underlying Asset found in the 'Contract Specifications'

section of the Main Website.

**Lot Size:** The Underlying Assets in one Lot in a CFD.

**Margin:** The necessary guarantee funds to open positions or to maintain Open Positions, as determined in the Contract

Specifications for each Underlying Asset in a CFD Transaction.

**Margin Close-Out Protection/ Margin Call** means the closure of one or more of your open position(s) when your

trade's Equity reaches 50% of minimum required margin

**Margin Level:** The percentage of Equity to Necessary Margin ratio. It is calculated as:  $\text{Margin Level} = (\text{Equity} /$

$\text{Necessary Margin}) \times 100\%$ .

**Market Order:** Order executed immediately at the best available market price.

**Matched Positions:** Long and Short Positions of the same Transaction Size opened on the Account for the same CFD.

**Multiplier:** the ratio between trade amount percentage change in Sparrow-CFD terminal and Underlying Asset price, Base

Currency price percentage change.

**Necessary Margin:** The necessary margin required by the Company so as to maintain Open Positions.

**Negative Balance Protection** means the limit of a retail client's aggregate liability to the amount available in the trading account's balance.

**Nominee:** Any company as we may appoint as our nominee from time to time, whose principal function is to hold funds acquired by our Clients.

**Normal Market Size:** The maximum number of units of the Underlying Asset that are transmitted by the Company for execution.

**Online Trading System(s):** Any Software used by us which includes the aggregate of our computer devices, software, databases, telecommunication hardware, a trading Online Trading System, making it possible for you to obtain information of markets in real time, make technical analysis on the markets, enter into Transactions, place/modify/delete Orders, receive notices from us and keep a record of Transactions.

**Open Position:** Any open option contract (call and / or put) which has not been closed. In relation to CFD trading this may be a Long Position or a Short Position which is not a Completed Transaction.

**Order:** An instruction by you to us as specified in paragraph 6.9 hereunder.

**Parties:** The parties to this Agreement – you and us.

**Pending Order:** Order to Buy or Sell CFD at a price different from the market price.

**Quote:** The information of the current price for a specific Underlying Asset.

**Quote Currency:** The second currency in the Currency Pair, which can be bought or sold by the Client for the Base

**Currency.**

**Retail Client:** A "Retail Client" for the purposes of the CySEC Rules, as specified in the document "Client Categorization Policy".

**Rules:** Laws, articles, regulations, directives, procedures and customs as in force from time to time.

**Services:** The Services provided by us under this Agreement as specified in paragraph 5.1. hereunder.

**Short Position:** A sell position that appreciates in value if underlying market prices fall. Short Position is the opposite

of a Long Position.

**Slippage:** The difference between the expected price of a Transaction in a CFD, and the price the Transaction is actually

executed at. Slippage often occurs during periods of higher volatility (for example due to news events) making an

Order at a specific price impossible to execute, when market orders are used, and also when large Orders are executed

when there may not be enough interest at the desired price level to maintain the expected price of trade.

**Sniping:** Executing trading strategies with the objective or as a result of exploiting misquotation(s). Misquotations may

occur as a result of the highly automated nature of offering tradable prices on the Online Trading System(s).

**Stop Out:** Situation when we execute the right to close all your Open Positions at current market price or the last

available price when your margin level falls below the stop out level specified for your Account type or for a particular

CFD.

**Swap or Rollover:** The interest added or deducted for holding a position open overnight. The swaps are published and

being updated periodically on the Main Website.

**Swap Rates:** The rate of the fixed portion of a swap, at which the Swap will occur for one of the Parties entering into

a CFD.

**Trade Confirmation:** A message from us to you confirming execution of your Order.

**Transaction:** A transaction of the Client in a CFD.

**Transaction Size:** Lot Size multiplied by number of Lots.

**Trailing Stop:** A stop-loss order set at a percentage level below the market price - for a long position. The trailing stop



price is adjusted as the price fluctuates. A sell trailing stop order sets the stop price at a fixed amount below the market

price with an attached "trailing" amount. As the market price rises, the stop price rises by the trail amount, but if the

pair price falls, the stop loss price doesn't change, and a market order is submitted when the stop price is hit.

**Underlying Asset:** The object or underlying asset in a CFD which may be Currencies (Spot FOREX), Stocks, Metals,

Commodities, Futures, Options, Forwards, offered by the Company from time to time.

**We (our, us):** Indication Investments Ltd or any of our trading names as Sparrow-CFD Website: [www.sparrow-cfd.com](http://www.sparrow-cfd.com) or such other website as we may from time to time notify to you.

**Written Notice:** The following methods of communication are considered as Written Notice from the Company to the

Client: email, Online Trading System's internal mail, facsimile transmission, post, commercial courier service, air mail

or the Company's Website. The following methods of communication are considered as Written Notice from the Client

to the Company: email, facsimile transmission, post, commercial courier service or air mail or commercial courier.

**You:** The Client.

**Your Information:** Any information that we receive from you or otherwise obtain which relates to you, your Account

or our provision or your use of our Services.

1.2.

Words importing the singular shall import the plural and vice versa. Words importing the masculine shall import the

feminine and vice versa. Words denoting persons include corporations, partnerships, other unincorporated bodies

and all other legal entities and vice versa.

1.3.

Paragraph headings are for ease of reference only.

1.4.

Any reference to any act or regulation or Law shall be that act or regulation or Law as amended,

modified,

supplemented, consolidated, re-enacted or replaced from time to time, all guidance noted, directives, statutory

instruments, regulations or orders made pursuant to such and any statutory provision of which that statutory provision

is a re-enactment, replacement or modification.

## 2. PARTIES TO THIS AGREEMENT

### 2.1.

This Agreement is entered by and between Indication Investments Ltd, on the one part and the Client (which may be

a legal entity or a natural person) who has completed the Registration Data and has been accepted by the Company

as a Client, on the other part.

Multiple Account Holders

### 2.2.

Where the Client comprises two or more persons, the liabilities and obligations under the Agreement with us shall be

joint and several. Any warning or other notice given to one of the persons which form the Client shall be deemed to

have been given to all the persons who form the Client.

Any order or instruction given by one of the persons who form the Client shall be deemed to have been given by all

the persons who form the Client.

### 2.3.

In the event of the death or mental incapacity of one of the persons who form the Client, all funds held by the Company

or its Nominee, will be for the benefit and at the order of the survivor(s) and all obligations and liabilities owed to the

Company will be owed by such survivor(s).