



## ANNEX A

### GLOSSARY

#### **Account**

The record of transactions, charges, credits and debits with or by AL Trade Inc in respect of Customer's Foreign Currency transactions, which Customer now has or, at any time may have with AL Trade Inc or its successors or assigns, including accounts from time to time closed and then reopened as required. In the event Customer maintains more than one account with AL Trade Inc, the term "Account" shall refer, in the aggregate, to all Customers' accounts with AL Trade Inc.

#### **Account Balance**

The sum of all deposits, interest income and Realized Gains less all withdrawals, Realized Losses and incidental fees.

#### **Account History**

Display log of all transactions made and closed using the Trading Platform.

#### **Agreement**

The Customer Agreement, including all Annexes thereto, the Customer Account Application, and all documents and authorizations executed by Customer in connection with the maintenance of Account (regardless of when such documents and authorizations are executed), as amended from time to time.

#### **Annexes**

The annexes attached to the Customer Agreement, including Glossary (Annex A), Trading Policies And Procedures (Annex B), Risk Disclosure Statement For Foreign Currency Trading (Annex C), Customer Agreement For The Use Of MetaTrader 4 Trading Platform (Annex D), and any additional annexes that may be added by AL Trade Inc to the Customer Agreement, in its sole discretion, in each case, as amended from time to time.

#### **Ask Price**

The market selling price, the price at which AL Trade Inc or the market makers are prepared to sell a specified Currency in a Foreign Exchange Contract. At this price, the Customer can buy the Base Currency.

#### **Balance**

The amount held in a Customer's Account calculated for closed transactions (currently Open Positions are not included). If there are no Open Positions, the Balance and Equity will be equal.

#### **Base Currency**

The first currency in a currency pair. A currency against which the exchange rate is applied. It shows how much the base currency is worth as measured against the second currency. For instance, if the USD/CHF rate equals 1.6215, then one USD is worth 1.6215 CHF.



### **Bid Price**

Bid is the market buying price, the price at which AL Trade Inc or the market makers are prepared to buy a specified currency in a Foreign Exchange Contract. At this price, the Customer can sell the Base Currency.

### **Big Figure Quote**

A currency rate without the last two digits. Examples: USD/JPY rate of 122.05/122.10, the Big Figure Quote is 122. EUR/USD rate of 0.9325/0.9330, the Big Figure Quote is 0.93.

### **Business Day**

Any day on which commercial banks are open for business in the principal financial centers of the countries where currencies are traded.

### **Customer**

The party that executes the Customer Agreement with AL Trade Inc.

### **Closed Position**

Exposures in Foreign Currencies that no longer exist. The process of closing a position is the selling or buying of a certain amount of currency in order to offset an equal amount of Open Positions. This will "square" the Open Position.

### **Commission**

The fee levied to undertake a Trade.

### **Confirmation**

A notification sent to the Customer describing the terms of a Trade.

### **Contract**

An Over the Counter (OTC) agreement between AL Trade Inc and Customer to buy or sell currency.

### **Cross Currency Pair**

A Currency Pair in which one non-USD currency is traded against a second non-USD currency.

### **Cross Rate**

An exchange rate between two non-US currencies.

### **Currency Trading**

The act of exchanging the legal tender of one country for another.



## **Customer Account Application**

The AL Trade Inc Customer Account Application, including all applicable addenda thereto. The Customer Account Application is incorporated by reference into and constitutes an integral part of the Customer Agreement.

## **Currency Pair**

The two currencies that make up a Foreign Exchange Rate (i.e. USD/CHF).

## **Demo Trading System**

Free interactive online demonstration sub-system of the actual AL Trade Inc Trading System available to potential AL Trade Inc Customers.

## **Equity**

The amount equal Balance, calculated as all the Open Positions were closed at current market. Equity is comprised of Unrealized Gains, less Unrealized Losses, plus or minus storage.

## **Filled Trade**

A Trade that is fully executed on behalf of a Customer's Account pursuant to an Order. Once filled, an Order cannot be cancelled, amended or waived by Customer.

## **Floating Profit (Loss)**

Unrealized profit (loss) on an Open Position.

## **Foreign Currency**

The legal tender issued by and acceptable for the payment of obligations under the laws of one or more countries, other than the United States of America.

## **Foreign Exchange Contract**

A Spot Contract for the purchase or sale of one currency against another.

## **Foreign Exchange Rate**

Price relationships between two currencies that are freely determined by the forces of supply and demand.

## **Foreign Exchange Trading**

The buying and selling of foreign currencies.

## **Free Margin**

Available funds in the Customer's Account not currently being used to support existing trading positions, which can be used to open new positions.



### **GTC Order or Good till Cancelled Order**

Good Till Cancelled Order - an Order that is placed by the Customer, which is good until it is cancelled by the Customer.

### **If Done Order**

A Pending Order that, if executed, has another Order attached to it. The attached Order can be a Limit Order, a Stop Loss Order, or both.

### **Initial Margin Requirement or Opening Margin Requirement**

The minimum Margin required for establishing of a new Open Position.

### **Leverage**

An arrangement that allows a trader to control a large contract value with a modest amount of required margin. It is essentially the use of credit to enlarge the size of a trading position. Leverage can exaggerate the profit, as well as the loss, from a trading position.

### **Limit Order**

A Pending Order to buy (or sell) one specified currency against another specified currency (a Currency Pair) at a specified rate for the purpose of taking profit on an Open Position, or initiating a new position.

### **Liquidation Level**

The level at which the Equity become equal or less than the certain share of the Opening Margin Requirement for Customer's Account.

### **Loss**

Loss incurred as a result of a Trade.

### **Lot**

A specified unit that is used to measure the amount of a deal.

### **Margin**

The amount of cash or other Eligible Collateral which to the Customer are necessary to deposit or maintain in the Customer's Account in connection with the Customer's trading activity.

### **Market Maker**

An entity that provides live market prices to Customers for dealing in the currency market.

### **Market Order**

An Order to buy or sell the identified currency to be executed immediately at the current market price. An Order to buy is executed at the Ask Price; and an Order to sell is executed at the Bid Price.



### **Market Rate/Quote**

The current market price of a Currency Pair.

### **Minimum Balance Required**

The minimum amount required to be deposited to open an Account with AL Trade Inc for a Standard or Mini Forex Account.

### **OCO Order or One Cancels the Other Order**

A Pending Order that is a combination of a Stop Order "Stop Loss" and a Limit Order "Take profit", in which the execution of either one will cause the cancellation of the other.

### **Open Position**

Any deal that has not been offset by an equal and opposite deal.

### **Opening Transaction**

A Trade that, when executed, establishes a Long Position or Short Position.

### **Order**

Generally, an instruction by a Customer to AL Trade Inc to attempt to execute a Trade for Customer's Account.

### **OTC or Over-the-Counter**

Off-exchange markets in which market participants, such as AL Trade Inc and Customer, enter into privately negotiated Contracts or other transactions directly with each other.

### **Pending Order**

The Order which conditions of execution do not coincide with current market prices.

### **Pip/Point**

The smallest unit of price for any Foreign Currency (e.g., for USD/CHF one point (or pip) equals 0.0001 Swiss Franc and for USD/JPY one point (or pip) equals 0.01 Japanese Yen).

### **Profit/Loss or "P/L" or Gain/Loss**

The actual gain or loss in currency deposit account resulting from trading activities on Closed Positions, plus the theoretical gain or loss on Open Positions that have been Marked to Market.

### **Quote**

The current Market Rate of a Currency Pair.

### **Realized Gain (Loss)**

The actual gain or loss resulting from closing an Open Position.



## **Rollover**

An extra amount of money charged from account or credited to account for positions held overnight.

## **Scalping**

Scalping is a trading strategy that uses relatively small price changes to make a small profit (till 15 pips) regularly.

## **Spot Roll**

The process of extending an existing market position beyond the original spot Settlement.

## **Spread**

The difference between the Ask (Offer) and Bid Price in a Market Quote.

## **Stop Order**

A Pending Order to buy (or sell) one specified currency against another specified currency (a Currency Pair) at a specified rate for the purpose of limiting losses by liquidating an Open Position, or initiating a new position.

## **Trade**

A transaction that is entered into between Customer and AL Trade Inc as the result of an Order being executed, either at market price or on terms specified by the Customer.

## **Trading Hours**

The hours during which AL Trade Inc normally provides access for Foreign Exchange Trading through the AL Trade Inc Trading Platform.

## **Trading Platform**

The software given by AL Trade Inc and used by the Customer for transfer of Orders.

## **Trading Policies and Procedures**

The AL Trade Inc policies and procedures governing Orders placed on the Trading Platform by Customers, as amended, revised or updated by AL Trade Inc, in its sole discretion, from time to time.

## **Unrealized Gain (Loss)**

The theoretical gain or loss on Open Positions valued at current Market Rates, as determined by AL Trade Inc. Unrealized Gains/Losses become Real Profits/Losses when a position is closed.

## **Used Margin**

The amount in the Customer's Account required supporting all of the currently existing positions.