

TRADING MECHANISM FOR STANDARD 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 standard trading accounts ("TM") 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 TM should be treated as the Order Execution Policy of the Company for standard trading accounts.

2. Definitions and Interpretations

Unless the content of this TM 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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

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:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum of 50% 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 50%, 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 to 99 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum 100% 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 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.

c) Trading accounts holding 100 lots and above (open/unhedged)

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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

4.2.2 Margin Requirements:

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

4.2.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum 50% 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 50%, 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.

b) Trading accounts holding 50 to 99 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) with a minimum of 100% 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 100% level, 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.

c) Trading accounts holding 100 lots and above (open/unhedged)

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 approximately 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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.1.2 Margin Requirements:

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.1.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) of minimum of 50% 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 50%, 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 to 99 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) of minimum of 100% 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 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.

c) Trading accounts holding 100 lots and above (open/unhedged)

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.

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 on Windsor's website under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.2.2 Margin Requirements:

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.2.3 Hedging:

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

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

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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.3.2 Margin Requirements:

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, under the following link:

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".

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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.4.2 Margin Requirements:

The Margin Requirement can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.4.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account holding open/unhedged positions, up to 49 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.

5.5.1 Light Sweet Crude Oil

5.5.1.1 Contract Size:

The contract size per standard lot for Future (OTC) Energies can be viewed on Windsor's website, under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.5.1.2 Margin Requirements:

The Margin Requirement can be viewed on Windsor's website, under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.5.1.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account holding open/unhedged positions, up to 49 lots of Light Sweet Crude Oil, should maintain a Free Margin/available margin (equity to margin level) of minimum of 50% 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 50%, 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 to 99 lots (open/unhedged)

Each trading account holding open/unhedged positions, between 50 and 99 lots of Light Sweet Crude Oil, 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 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 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.

c) Trading accounts holding 100 and above (open/unhedged)

Each trading account holding open/unhedged positions, 100 lots and above of Light Sweet Crude Oil, 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.

5.5.2. E-Mini Natural Gas

5.5.2.1 Contract Size:

The contract size per standard lot for Future (OTC) Energies can be viewed on Windsor's website, under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.5.2.2 Margin Requirements:

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

5.5.2.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account holding open/unhedged positions, up to 49 lots of E-mini Natural Gas, 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 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 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 lots and above (open/unhedged)

Each trading account holding open/unhedged positions, between 50 lots and above of E-mini Natural Gas, 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 commence half an hour prior to the closing of the market.

6. Contract For Difference ('CFDs')

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

- 6.1 CFD Indices
- 6.2 CFD Commodities
- 6.3 CFD USA

All CFDs are traded as 'Instant Trading'.

6.1 CFD Indices

At Windsor, clients have the ability to trade CFD Indices, specifically Dow Jones with spread (DOW). The DOW prices are based on the prices generated from the Mini Dow Jones with an additional spread. The DOW is traded on quarterly sessions. The first two digits of the symbol, after the name of the instrument (DOW) specify the active month and the last two digits specify the active year, e.g. DOW0908 =DOW September 2008.

The DOW open positions must be closed by the end of the expiration date of the contract. All open positions on DOW, that is due to expire, are required to be closed, no later than half an hour prior to the closing of the last trading day's market session. Otherwise, Windsor reserves the right to close all open positions remaining in the trading account (without prior notice).

The expiration and starting dates of the CFD Indices instruments can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.1.1 Contract Size:

The contract size per standard lot for CFD Indices can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.1.2 Margin Requirements:

The Margin Requirement can be viewed on Windsor's website under the Contract Specification Table, under the following link:
http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.1.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) of minimum 50% 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 50%, 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 to 99 lots (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity to margin level) of minimum 100% 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 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.

c) Trading accounts holding 100 lots and above (open/unhedged)

Each trading account should maintain a Free Margin/available margin (equity divided by margin) of 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 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.

6.2 CFD Commodities

At Windsor, clients have the ability to trade CFD Commodities, specifically the CFD Light Sweet Crude Oil ('OIL').

The OIL prices are generated from the **NYMEX** exchange with an additional spread. The OIL is traded on monthly sessions. The first two digits of the symbol, after the name of the instrument (OIL) specify the active month and the last two digits specify the active year, e.g. OIL0908 = OIL September 2008.

The OIL open positions must be closed by the end of the expiration date of the contract. All open positions on OIL that is due expire, are required to be closed no later than half an hour prior to the closing of the last day's market session, otherwise, Windsor reserves the right to close all open positions remaining in the trading account (without prior notice).

The expiration and starting dates of the CFD Commodities instruments can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.2.1 Contract Size:

The contract size per standard lot for the CFD Commodities can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.2.2 Margin Requirements:

The Margin Requirements can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.2.3 Hedging:

a) Trading accounts holding up to 49 lots (open/unhedged)

Each trading account holding open/unhedged positions, up to 49 standard lots of OIL should maintain a Free Margin/available margin (equity to margin level) of minimum 50% 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 trading client's account falls below 50%, 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 to 99 lots (open/unhedged)

Each trading account holding open/unhedged positions, between 50 and 99 standard lots of OIL, 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 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 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.

c) Trading accounts holding 100 lots and above (open/unhedged)

Each trading account holding open/unhedged positions, 100 lots and above of OIL, 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 commence half an hour prior to the closing of the market.

6.3 CFD 'USA'

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

6.3.1 Contract Size:

The contract size per standard lot for each CFD USA can be viewed on Windsor's website under the Contract Specification Table, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

6.3.2 Margin Requirements:

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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

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.

6.3.3 Hedging:

a) Trading accounts holding up to 9 lots (open/unhedged)

Each trading account holding open/unhedged positions, up to 9 lots on CFD USA 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 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 100%, Windsor reserves the right to hedge any open positions (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 10 lots and above

Each account holding open/unhedged positions, 10 lots and above of CFD USA should maintain a Free Margin (equity to margin level) of minimum 200% level at the end of the Main trading session, on a daily basis, or in cases of early close, due to market holidays. In cases

where the Free Margin level of the client's account falls below 200%, Windsor reserves the right to hedge any open positions (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.

7. Multiterminal

Multiterminal is offered for simultaneous management of multiple trading accounts; helpful for those who manage clients' trading accounts and for clients working with many trading accounts simultaneously. Multiterminal allows clients to request quotes for any financial instrument tradable on Windsor Direct, place orders, view history for all trades executed by, using Multiterminal, for all 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 and CFDs);
- 8.2 Market Execution (Future (OTC));

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 Direct. The client initially requests to buy or sell a financial instrument at the market price, as displayed on Windsor Direct. 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 Direct 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, under the following link:

http://www.windsorbrokers.biz/form/pdf/contract_specification_standard_2010_en.pdf

9.1 Types of Orders

9.1.1 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: 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).

9.3 Modifying Orders

In relation to the modifications of working orders, Windsor Direct 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: Clients' requests to modify or cancel orders, at the time when the level has already been triggered, will not be fulfilled.

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 to fill 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.

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.

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

Leverage	Margin Call	Stop Out Level	Margin Requirement
1:200	200%	10% or below	US\$ 500/ lot
1:100	100%	5% or below	US\$ 1,000/ lot
1:33	100%	5% or below	US\$ 3,030/ lot

The Leverage given to Windsor's clients, 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. There are three exceptions applied to the 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).

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 Grace period

All stopped out trading accounts holding hedged positions with insufficient funds are granted 14 days grace period to fund their trading account. Otherwise, all hedged positions will be liquidated automatically with each other as from 23:00 Cyprus local Time, GMT +2 winter time, GMT +3 summer time on the 15th day.

12.3 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. Charges

13.1 Rollovers / Swaps

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

13.1.1 Calculation of SWAP per day

For Forex Currency pairs:

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

For CFD USA:

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

The latest SWAP values can be viewed on Windsor website, under the MEMBERS AREA, under the following link:

<http://www.windsorbrokers.biz/en/content/rollovers-swaps>

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

Note 2: SWAP charges are applied to each Forex or CFD USA open position not taking into consideration if positions are partially or fully hedged.

13.2 Storage

Storage is a charge applied to clients' trading accounts, carrying Forex Currency pairs and CFD USA open positions, which are not charged rollovers (swaps). Forex Currency Pairs and/or CFDs USA positions held open for more than 10 days, have the Storage charge applied. Storage takes effect as of the 11th 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) x Storage value

The latest Storage charges can be viewed on Windsor website, under the MEMBERS AREA, under the following link:

<http://www.windsorbrokers.biz/en/content/storage-charges>

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

Note 2: Storage charges are applied to each Forex of CFD USA open position not taking into consideration if positions are partially or fully hedged.

13.3 Commission

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

14. 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.

15. 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.

16. 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:

- 16.1 Bank transfers (Local Wire Transfers);
- 16.2 Online Payment

16.1 Bank Transfers (Local Wire Transfers)

Details regarding the Bank transfers (Local Wire Transfers) are provided to clients by our Back Office Department in accordance with the Bank used 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 on the net amount received by the Banks that the Company is holding accounts with.

Banks situated outside Cyprus: Windsor shall apply charges on the amount received by the Banks that the Company is holding accounts with. Clients are required to contact our Back Office Department for further information.

16.2 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, each time that the payment is executed.

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

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 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.

17. 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 Direct or on Windsor's website.