

## Negative Balance Protection Policy

The trading systems of TMS Brokers Europe Ltd, are designed with safeguards to protect the clients from encountering negative balances when trading under normal market conditions

All clients will be provided with margin monitoring functionality. This means that when the level of collateral drops below 100% of required margin, margin call mode will be triggered and maintained till the level of 50%. If the margin level on client account is equal to, or drops below, 50%, TMS Brokers Europe Ltd will initiate the closing of current open positions, starting from the most unprofitable taking into account trading hours of particular instruments traded by the client. Positions will be automatically closed at the current market price. Also, the clients can and should set personal limits for risk management purposes which can help limit losses and maximise profits.

Occasionally, the above safeguards may fail or prove insufficient. This could be because of a significant "market gap" (a weekend close and open) making it possible to incur a negative balance while trading. If a client incurs a negative balance through trading activity, the client should inform TMS Brokers Europe Ltd support team. TMS Brokers Europe Ltd will evaluate the inquiry and at its discretion may credit the client's account with the amount of the negative balance where the debit was due to normal trading activity following this policy.

The amount to be credited is determined by aggregating all of the clients' negative balances (incurred over a 24-hour period of time) across accounts held by the client at TMS Brokers Europe Ltd, due to normal trading activities. At its discretion, TMS Brokers Europe Ltd. will credit to the client's account the total negative balance as described, **up to maximum 1,000 EUR**. In case when client's account is in currency different than EUR, ECB Euro foreign exchange reference rates from the day of decision about crediting client account, shall be used to calculate equivalent amount of 1,000 EUR.

This policy is available to retail clients only.

**The client should maintain the appropriate levels of margin in the trading account at all times as the recommended method of risk management.**

The provisions of this policy shall not apply to:

- Force Majeure Event understood as any act of God, war, terrorism, malicious damage, civil commotion, industrial acts, any exceptional market events, or acts and regulations of any governmental or supranational bodies or authorities which in the company's opinion prevent an orderly market in relation to Client's orders;
- in abnormal market conditions or exceptional market movements/volatility;
- where the company determines, in its sole and absolute discretion, that the negative balance is unrelated to the client's trading activity (for example, where the debit relates to any fee or charges of the company);
- where the negative balance is connected to or a result of, either direct or indirect, breach of any provision by the client of the terms of the company or from the breach of the

market rules, including but not limited to the laws of Malta, client's country of origin, client's country of residence or any country within EEA;

- if the client is classified as an Eligible Counterparty or a Professional Client.