VELSTEIN MARKETS

COMPLIANCE • POLICY 06

Margin Policy

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SECTION 01

Introduction

1.1 This Margin Policy (the "Policy") sets out the terms and conditions under which Velstein Markets (the "Company") provides leveraged trading services to its clients. By opening and operating a trading account with the Company, clients agree to comply with this Policy.

1.2 The Company is duly registered and incorporated in Saint Lucia under Company Registration Number 2026-00749. This Policy has been established in accordance with applicable regulatory requirements governing the provision of leveraged trading.

HIGH-RISK NOTICE

Trading on margin carries a high level of risk and may not be suitable for all investors. You may sustain losses in excess of your initial deposit. You should ensure that you fully understand the risks involved before trading on margin.

SECTION 02

Leverage and Margin Definitions

2.1 The following definitions apply throughout this Policy:

Equity
The total value of a trading account, calculated as the account balance plus or minus the floating profit or loss from all open positions.

Margin
The amount of funds required to open and maintain a leveraged trading position.

Free Margin
The portion of equity available to open new positions, calculated as:
Free Margin = Equity − Used Margin

Margin Level
The ratio of Equity to Used Margin, expressed as a percentage. It is calculated as:
Margin Level (%) = (Equity ÷ Used Margin) × 100

Leverage
The ratio between the trader's own capital and the borrowed funds used to control a larger trading position. For example, a leverage of 1:100 means that $1 of the trader's equity can control a position worth $100.

Stop-Out Level
The predefined margin level percentage at which the Company will automatically close one or more of the client's open losing positions to help prevent further losses and protect the remaining account equity.

SECTION 03

Margin Requirements

3.1 The Company offers different levels of maximum leverage depending on the instrument traded, the client's account type, and applicable regulatory restrictions. The current maximum leverage available for each instrument is published on the Company's website.

3.2 Initial margin requirements vary by asset class. Typical requirements are:

Asset Class	Typical Leverage	Initial Margin
Major Forex pairs	Up to 1:500	0.2% – 1%
Minor/Exotic Forex pairs	Up to 1:200	0.5% – 2%
Indices (CFDs)	Up to 1:200	0.5% – 1%
Commodities	Up to 1:100	1% – 5%
Stocks (CFDs)	Up to 1:20	5% – 10%
Cryptocurrencies	Up to 1:10	10% – 20%

3.3 The Company reserves the right, at its sole discretion, to modify margin requirements at any time without prior notice, including during periods of high market volatility, rollover periods, major news releases, or when deemed necessary for risk management purposes.

SECTION 04

Margin Call Policy

4.1 A margin call is a warning notification issued to the client when the Margin Level on their account falls below a specified threshold. This indicates that the client's account has insufficient free margin to sustain adverse market movements.

4.2 The Company's standard Margin Call Level is set at 100%. When the Margin Level reaches or falls below this threshold, the client will receive an automated notification via the trading platform and/or email.

4.3 Upon receipt of a margin call, the client is responsible for taking corrective action, which may include:

- Depositing additional funds into the trading account to restore an acceptable margin level.
- Closing or reducing open positions to decrease the total used margin.
- Hedging positions to reduce directional exposure.

4.4 Margin calls are provided as a courtesy to clients. The Company is not obligated to issue margin calls and failure to receive a margin call notification does not relieve the client of the obligation to monitor their account and maintain adequate margin.

SECTION 05

Stop-Out Procedure

5.1 If the Margin Level continues to decline after a margin call, the Company will automatically begin closing the client's open positions once the Margin Level reaches the Stop-Out Level of 50%.

5.2 Positions will be closed in order of the largest unrealized loss first, at the prevailing market prices available at the time of closure, until the account's Margin Level is restored above the Stop-Out Level.

5.3 During periods of extreme market volatility, illiquid market conditions, or gapping prices, the stop-out may be executed at prices significantly worse than the Stop-Out Level, potentially resulting in losses that exceed the initial deposit.

5.4 The client acknowledges and accepts that the Company's stop-out procedure is automated and that the client shall have no claim against the Company for losses arising from the execution of this procedure in accordance with this Policy.

SECTION 06

Negative Balance Protection

6.1 The Company may, at its sole discretion, provide negative balance protection to certain account types. Where offered, the terms and scope of such protection are published on the Company's website and may be modified at any time.

6.2 Clients trading on accounts without negative balance protection may sustain losses in excess of their deposited funds and will be liable for any resulting negative balance.

SECTION 07

Amendments

7.1 The Company reserves the right to amend this Policy at any time. Material amendments will be communicated to clients via email and/or through notices posted on the Company's website, taking effect on the date specified in the notice.

7.2 For questions regarding this Policy, clients may contact support@Velsteinmarkets.com.

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