

CLIENT TRADING AGREEMENT

This Client Trading Agreement ("**Agreement**") is between Bforex Ltd. a British Virgin Islands Company with principal place of business at Palm Grove House, P.O.B 438, Road Town, Tortola, British Virgin Islands, ("**Bforex**") and any end user ("**Client**") (each a "**Party**" and together, the "**Parties**") and applies to any dealings between them. This Agreement incorporates by reference any additional appendices, including but limited to the Risk Disclosure and Declaration of Beneficial Ownership.

1. General Rules

- 1.1. **Services.** Client may enter into transactions with Bforex, in connection with over the counter ("OTC") spot foreign exchange transactions, (the "Service").
- 1.2. **Margin.** The Service may involve margined transactions, requiring Client to deposit cash to secure its obligations under this Agreement ("Security Margin").
- 1.3. **Direct Relationship.** Unless otherwise agreed in writing, Bforex and Client each enter into this Agreement as principal and Bforex will not accept an undisclosed/unapproved principal acting through Client. With regard to such a principal, Client agrees to provide Bforex with its identity, personal information, and other information that Bforex may seek.
- 1.4. **No Recommendation or Solicitation.** Bforex does not recommend, solicit, offer, advise, suggest, concur on the merits of, or otherwise provide any opinion whether to buy or sell any currency or to engage in any other transaction. Neither the availability of the Service nor any communication by anyone associated with Bforex should be construed in this manner.
- 1.5. **Errors.** Quotations provided by Bforex, via third parties or otherwise, may be incorrect for any reason. Following a transaction involving such quotation errors, Bforex in its discretion reserves the right to correct the affected account balance. Any dispute arising from such errors or corrections will be resolved on the basis of the fair market value of the relevant currency at the time of the error.
- 1.6. **Market Fluctuations.** Client acknowledges that the market for currency is subject to sudden changes due news events and other announcements, acts of war or terrorism, power failures, strikes or civil commotions, business trends, political developments, fluctuations in other financial and commodity markets, and other factors beyond Bforex's control. Bforex may determine in its sole discretion that an emergency or exceptional market condition exists, in which case it reserves the right to impose trading limits or special terms, cancel or suspend any transaction, or close an account.
- 1.7. **Minimum Duration of Trade.** Any transaction closed within 120 seconds from opening time shall be regarded as "Scalping". Bforex shall reserve the right to cancel such transactions without prior notice.

2. Client Instructions and Order Execution

- 2.1. Client may provide oral or written instructions to Bforex to place an order. Written instructions may be given by letter, fax, the Bforex website, cellular or other electronic means of communication. Oral instructions may be given in person or by telephone, but Bforex may require written memorialization of such instruction. Once an instruction has been given, it cannot be rescinded, withdrawn or amended without Bforex's express consent. Bforex shall not be obligated to confirm instructions.
- 2.2. Bforex may request new instructions from Client, which shall provide them promptly.
- 2.3. Client shall advise Bforex of the identity of any persons authorized to give instructions. Such notice shall be in writing and shall set out the names and specimen signatures of the persons so authorized. Any such authority may be revoked by notice in writing by the Client but such revocation shall only be effective upon written confirmation by Bforex
- 2.4. The Client will be solely responsible for all orders, and for the accuracy of all information, transmitted via the Internet using Client's name or personal identification code. Such transmission shall not give rise to a binding contract between Bforex and Client until Bforex accepts or acts upon it.
- 2.5. The Client is aware that all open trades shall be closed each business day by 22:00GMT. The Client may instruct Bforex to open a new transaction at market opening time. Such instructions shall be subject to the Bforex trading conditions as it appears on its website.
- 2.6. Bforex shall not be liable, and Client shall defend, indemnify, and hold harmless Bforex, for any loss, expense, cost or liability, arising from error in instructions; instructions or other communications transmitted over the Internet; Client's failure to notify of revocation of authority; Client's failure to issue new instructions on Bforex 's request; remedial measures by Bforex in its

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absolute discretion upon such failure; Bforex 's actions on instructions transmitted via the Internet using Client's name or personal identification code or from an individual who appears mistakenly to Bforex to be an authorized person; or Bforex 's refusal for any reason or no reason to act upon instructions.

- 2.7. Withdrawal Instructions- The Client may withdraw all or part of the funds deposited with Bforex upon the fulfillment of the following accumulative conditions:
- 2.7.1. It has provided all compliance or any other required documents to Bforex.
 - 2.7.2. It has completed and signed the designated Bforex "Withdrawal Request Form", providing all the necessary information stated in the form.
 - 2.7.3. It does not hold any open positions in the Client's trading account with Bforex.
 - 2.7.4. It had sent the completed "Withdrawal Request Form" to the Bforex Client support via fax or e mail.
- 2.8. Bforex shall execute the Client's withdrawal within 96 working hours once all the above conditions are met and upon approval of such by the Bforex Back Office Department. The Client acknowledges that fund transfer times may vary according to its account type, issuing bank, intermediary bank, receiving bank, destination country or any other 3rd party involved in the transfer of funds. Bforex shall not be liable for any fund transfer delay caused by such 3rd party.
- 2.9. The Client acknowledges that the requested transfer of funds may be charged with additional transfer fees from 3rd parties to the transfer. Bforex does not charge any withdrawal fees. In addition, the Client acknowledges that in case the received funds are converted to any other currency other than US Dollars, some exchange fees may apply.
- 2.10. The Client acknowledges that Anti Money Laundering Regulations does not allow the transfer of fund to any 3rd party other than the beneficial owner of the Bforex trading account. In addition, Bforex may require further documentation regarding the origin of funds and/or the beneficial owner.

3. Client Representations

The Client hereby represents that:

- 3.1. it has read and understood, and agrees to the terms and conditions of this Agreement;
- 3.2. it understands the high degree of risk associated with foreign currency trading subject to unknown market movements and other factors which can give rise to losses exceeding the Client's original Security Margin, and that it can afford to lose the sums that it remits to Bforex and incur additional losses;
- 3.3. it does not have any legal disability with respect to, and is not subject to any law or regulation which prevents its performance of, this Agreement or any contract contemplated by this Agreement;
- 3.4. it has obtained all necessary consents and has the authority to enter into this Agreement (and if the Client is a corporation or similar entity, it is properly empowered and has obtained necessary authority pursuant to its organizational charter);
- 3.5. subject to this Agreement, all sums remitted to satisfy the Security Margin are and shall at all times remain free from any charge, lien, pledge or encumbrance;
- 3.6. it is in compliance with all laws to which it is subject including, without limitation, all tax laws and regulations, exchange control requirements and registration requirements;
- 3.7. the information provided by it to Bforex is complete, accurate and not misleading;
- 3.8. the foreign exchange market is unregulated and as such, it understands that will not benefit from any statutory or other compensation scheme in respect of the Services;

4. Margin Requirements

- 4.1. The Client shall remit to Bforex such amounts of money as required by Bforex, in a currency acceptable to Bforex, to cover Client's Security Margin and any account debit balance.
- 4.2. Bforex will have no obligation to ensure Security Margin requirements have been satisfied by the Client before effecting an order and the Client's payment obligations will not be diminished by any failure by Bforex to enforce payment of outstanding Security Margins prior to entering into the transaction.
- 4.3. Bforex may use any money received from the Client in order to satisfy Bforex obligations related to such Client to any third party and Bforex shall not be obliged to account to the Client for any resulting income received by Bforex.
- 4.4. The Client shall promptly deliver any money payable by it under a third-party contract in accordance with both the terms of that contract and with any instructions given by Bforex for the purpose of enabling Bforex to perform its obligations under such contract.

DATE: NAME: SIGNATURE:



- 4.5. Bforex may (but shall not be obligated to) convert into another currency at an exchange rate acceptable to Bforex any Client monies held by it as Bforex considers necessary or desirable to satisfy Client's obligations and liabilities.
- 4.6. If the Client fails to satisfy a required Security Margin or other sum due under this Agreement, Bforex may close out any or all open positions without prior notice and apply any proceeds thereof to payment of any amounts due to Bforex. Bforex reserves the right to return funds deposited by Client at any time with or without reason.

5. Spread rates, Margin and Leverage

- 5.1. Bforex reserves the right to modify Security Margin requirements in line with the size of the Client's deposit, size of transactions, market conditions characterized by particular volatility or lack of liquidity, or other factors determined by Bforex. Bforex reserves the right to offer different spread rates in accordance with the size of the Client's Security Margin and/or positions.
- 5.2. Client is wholly responsible for verifying the activity of its accounts, as well its Security Margin requirement. Such requirements are available upon request or on the Bforex website.

6. Right of Pledge, Lien, Set-Off and Retention

Bforex shall, at any time and without prejudice to any other rights Bforex may have, be entitled to combine or consolidate separate Client accounts, offset against each other the balances of any Client accounts (regardless of designation or currency of the account) or offset each balance individually. For any Bforex claims arising from Services relating to Client, irrespective of the maturity dates of such claims or of the currencies in which they are denominated, Bforex shall have a right of lien and pledge, and a right of retention, on all assets or security held in Client's name or otherwise deposited with Bforex, or any guarantee or indemnity given to or owed Bforex by Client.

7. Default

Without prior notice to, or receipt of further authority from the Client, Bforex shall have the right to close out all or any part of any position or account of Client, upon or at any time after the occurrence of any of the following events:

- 7.1. Client fails to make any payment due under this Agreement promptly;
- 7.2. Client fails to observe or perform in whole or in part any of the provisions of this Agreement or commits a breach of this Agreement;
- 7.3. Client maintains parallel accounts for the purpose of arbitraging Bforex promotions or policies, in Bforex's sole discretion;
- 7.4. Client dies, is declared absent or becomes of unsound mind;
- 7.5. A bankruptcy petition is filed in respect of the Client or, if a partnership, in respect of one or more of its partners or, if a company, any steps are taken or proceedings initiated or protection sought under any applicable bankruptcy reorganization or insolvency law by it in respect of itself or against it including, without limitation, the taking of any steps for the appointment of a receiver, trustee, administrator or similar officer to be appointed over its undertaking or assets or any part of them;
- 7.6. Client performs a credit card chargeback. In this case, any Client accounts will be frozen and all positions will be closed at the end of the trading day in a manner prescribed by Bforex;
- 7.7. Bforex or the Client is requested to close out a position or any part of a position by any governmental or regulatory agency or authority;
- 7.8. Bforex considers it necessary for its own protection;
- 7.9. The Client acknowledges Bforex's right to close out all or any part of any open position of the Client held by Bforex should a negative result of these positions lead to surpass the required Security Margin.
- 7.10. Client who engages or suspected in what is deemed, illegitimate, unlawful, unethical system abuse, system arbitrage, quotation arbitrage or any other trade that may be deemed at one point or another as a violation of trading standards be it based on the amount of time the transaction was opened or by virtue of the fact that the trade was opened inadvertently at an incorrect price, time, or instrument.

8. Internet and electronic trading

Bforex shall not be liable for any claims, losses, damages, costs or expenses, caused directly or indirectly, by any breakdown or failure of any transmission or communication system or computer facility, whether belonging to Bforex, Client, any market, or any settlement or clearing system.

DATE: NAME: SIGNATURE:



9. Tape recording of Conversation

The Client acknowledges that Bforex may record all telephone conversations between the Parties. Such recordings or transcripts thereof shall remain the property of Bforex and Client consents to their use as evidence by Bforex in any dispute or anticipated dispute between the Parties under this Agreement. Any such recordings or transcripts made by Bforex may be destroyed by it in accordance with its usual practice.

10. Amendments to the Agreement

Bforex reserves the right to amend this Agreement at any time by posting on the Bforex website.

11. Jurisdiction

The Agreement will be interpreted in accordance with the law of the British Virgin Islands. For any disputes arising under this Agreement, the Parties hereby submit to the exclusive jurisdiction of the courts sitting in the British Virgin Islands. The Parties agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply.

DATE: **NAME:** **SIGNATURE:**

RISK DISCLOSURE

The following statement does not disclose all risk associated investments, and is meant to inform users that trading foreign exchange, also known as Forex or FX, may result in substantial loss of funds and/or complete loss of funds in excess of your initial margin funds, and therefore should only be undertaken with risk capital. Risk Capital is defined as funds that are not necessary to the survival or well-being of the user.

If you do not thoroughly understand the risks involved in foreign exchange trading - do not trade. Bforex strongly recommends that any user considering trading foreign exchange currency or commodities, should first thoroughly read this risk disclaimer and understand risks and losses inherent to Forex trading.

It is your responsibility to carefully consider your investments prior to committing funds for foreign exchange trading. Before you consider undertaking any transactions with Bforex, you should carefully consider whether such trading is suitable in light of your own financial position and investment objectives. Foreign exchange trading is commonly known as a double-edge sword as the risks or losses involved are equivalent to the potential to gain.

Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit losses to the intended amounts. Market conditions may make it impossible to execute such orders. You may be called upon at short notice to deposit additional margin funds. If the required funds are not provided within the prescribed time, your position may be liquidated. You will remain liable for any resulting deficit in your account. You should therefore carefully consider whether such trading is suitable in light of your own financial position and investment objectives.

Certain market conditions may make it difficult or impossible to execute orders at a stipulated price.

A spread position may be as risky as a simple long (or short) position and can be more complex.

The high degree of leverage that is obtainable in Spot Foreign Exchange Trading because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

The insolvency of Bforex or of a Bank or Broker used by Bforex to effect transactions on your behalf may lead to your positions being closed out against your wishes.

The Client is hereby advised that the transactions undertaken through the dealing services of Bforex may be of a speculative nature. They may give rise to large losses within a relatively short period of time, which cannot be forecast and which may sustain a total loss of the funds deposited with Bforex. These losses may be attributed to adverse market movements, to position build-up or to the accumulation of commission and charges relating to the transactions.

The Client's attention is expressly drawn to the fact that the nature of the transactions executed on his instruction, by Bforex may be non-readily realizable in the case of a currency traded so irregularly or infrequently that it cannot be certain that a price will be quoted at all times or that it may be difficult to effect transactions at a price which may be quoted owing to an absence of a counter party.

The foreign currency trading that you are entering into is not conducted on an exchange. Bforex may act as counterparty in these transactions and, therefore, may act as the buyer when you sell and the seller when you buy. As a result, Bforex interests may be in conflict with yours, unless otherwise specified in your written agreement or other written documents. Bforex establishes the prices at which it offers to trade with you; the prices Bforex offers might not be the best prices available and Bforex may offer different prices to different Clients. Additionally, since Bforex may act as the buyer or seller in the transaction, you should carefully evaluate any trade recommendations you receive from Bforex or any of its solicitors.

DATE: NAME: SIGNATURE:

DECLARATION OF BENEFICIAL OWNER

FIRST NAME:

LAST NAME:

The contracting party hereby declares:

That the contracting party is the only beneficial owner of the funds deposited with Bforex,

OR

That the beneficial owner of the funds deposited with Bforex is:

(If an individual)

First Name:

Last Name:

D.O.B:

Nationality:

Full Address:

(If a company)

Company Name:

Legal Form:

Country:

Date of Incorporation:

Registered Address:

The contracting party is obligated to communicate without delay, any changes concerning the beneficial owner(s). The contracting party has been made aware that an intentional erroneous completing of this form constitutes creating a false document.

CLIENT NAME:

PLACE & DATE:

DATE: NAME: SIGNATURE: