

# **CLIENT AGREEMENT**

MFX Broker Inc., hereinafter "Company" and the person who signed this Agreement and has filled the Form of registration, hereinafter "Client", have entered into this Agreement, hereinafter "Agreement".

The present Agreement defines the terms according to which the Company will render services to the Client concerning carrying out of operations in the financial markets.

## COMMON STATEMENTS

1. The Client guarantees that the present Agreement, Notification of risks, Grievance procedure, Partner Agreement, MFX Broker Inc. privacy policy and ECN Technical Regulation are carefully read and accepted by the Client as they define the terms according to which the Client cooperates with the Company;
2. The Client agrees that the Notification of risks, Grievance procedure, Partner Agreement, the Company's privacy policy and ECN Technical Regulation are an integral part of the present Agreement;
3. Regulations of the Partner Agreement do not extend to Clients –non-partners.
4. Regulations of ECN Technical Regulation extend only to the Clients who have ECN accounts.

Signing the Agreement the Client:

1. Accepts the terms of use of the trading account specified in this Agreement № \_\_\_\_\_ (hereinafter – "Account") which he/she has opened in the Company for operating in the financial markets;
2. Guarantees that he/she is a capable citizen, US non-resident, who has reached of majority, in case the Client is a person, or the capable organization, US non-resident, if the Client is a legal entity, and nobody beside the Client has the right of requirement or obligations on the operations made on trading account of the Client;
3. Approves that all the transactions on the Client's account are made according to the present Agreement;
4. Accepts that notices on transactions execution, orders of the Client and account statements will be considered to be final if the Client does not dispute them within 2 (two) working days from the moment of the notice delivery to the Client by e-mail or by other agreed means of communication.
5. Guarantees that personal data, given to the Company, according to the present Agreement and the registration Form are authentic; the Client agrees with including of his/her personal data into the Company's base;
6. In case of the personal data change, the Client is obliged to notify the Company about such changes. The similar notice should be issued in the form of an electronic letter (e-mail) and sent to [support@masterforex.org](mailto:support@masterforex.org);
7. If the Client is a person, he/she has to fill in the registration Form personally and if the Client is a legal entity the questionnaire of the Client has to be filled by the authorized person.

## 1. TERMS AND DEFINITIONS

«**Account history**» - the list of the full finished transactions and uncommercial operations under the trading account.

«**Advisor**» - an algorithm of a trading account management in the form of a program in specialized MetaQuotes Language 4, sending requests and instructions to the server with the use of the client terminal.

«**Ask**» - the bigger price in the quotation. The price on which the Client can buy.

«**Arbitration**» - the trading strategy using «Arbitration transactions».

«**Arbitrage trade**» is an operation, point of which is that the asset is bought at one market and its analogue is sold at another at the same moment. Thereby the difference in cost of these securities at different stock exchanges is fixed. It is easy to see that irrespective of the further movement of the market portfolio cost remains approximately constant (as counter transactions compensate each other). Further, when the difference in the prices changes in the favorable direction, the opposite arbitration transaction is made to fix the profit. Arbitration transaction is also the one, which consists only of purchase (sale) of a financial asset at one market without sale (purchase) of its analogue at another market provided that between quotations of these two connected markets there is an essential price rupture at the moment of opening or closing of a position.

**Balance** - cumulative financial result of all finished transactions and uncommercial operations (except for credit operations) on the trade account.

«**Bar (a candle)**» - an element of a chart including opening and closing prices, and also the maximum and minimum prices for the certain period (minute, 5 minutes, days, week etc.).

«**Bid**» - the smaller price in the quotation. The price on which the Client can sell.

«**Chart**» - quotations flow presented in a graphic form. The maximum (high) of a bar/candle is the maximum Bid for the period, the minimum (low) is the minimum Bid, the closing price (close) – the last Bid of a bar/candle, the opening price (open) is the first Bid of a bar/candle.

«**Client**» - a person or a legal entity entered into agreement with the Dealer regarding trading operations in the terms of margin trade and concluded the contract with MFX Broker Inc. on client terminal rent.

«**Client log-file**» - a file created by the client terminal which registers up to a second all inquiries and the orders sent by the Client to the Dealer.

«**Client terminal**» - software product MetaTrader4.by means of which the Client can receive information about the trades at the financial markets (in the volume defined by the Company) online in order to carry out the technical analysis of the markets, to make trading operations, to expose/change/delete orders, and also to receive messages from the Dealer and the Company. Is in available on the Company website (<http://www.masterforex.org/en/files/mt4setup.exe>).

«**Closed position**» – result of the second part of the finished transaction.

«**Contract specification**» - main trading conditions (a spread, a lot size, a minimal volume of transaction, a change move of a transaction volume, an initial margin, a margin for locked positions etc.) for each tool. The information is available at [http://masterforex.org/en/fortraders/cotract\\_spec/index.html](http://masterforex.org/en/fortraders/cotract_spec/index.html)

«**Credit**» the sum of operations of crediting/debiting of credit funds for Client's trade account.

«**Credit leverage**» is ratio between the margin and trading operation volume. For example, the credit leverage 1:500 means that for transaction realization it is necessary to have a sum of 500 times smaller, than a sum of transaction,

on the trading account at the Dealer.

«**Currency pair**» - object of a trading operation with the base of one currency cost change relative to another currency cost.

«**Dealer**» - an employee of the Company who processes inquiries and orders of Clients, executes stop out and margin call (in the regulations text it is written from the small letter).

«**Disputable situation**» - 1) a situation when the Client thinks that the Dealer has violated one or more provisions of this regulation because of his activity or inactivity; 2) a situation when the Dealer thinks that the Client has violated one or more provisions of this regulation because of his activity or inactivity.

«**Equity**» – a current state of the account. It is calculated by the formula: «balance»+«floating profit/floating loss»+«credit».

«**Fast market**» - the condition of the market characterized by rapid trend changes at a small time interval. It is frequently followed by price gaps. As a rule, it occurs exactly before and/or after one or several events:

- The publication of economic indicators of the countries of the big seven (G7), having high degree of influence on the financial markets;
- The announcement of decisions on interest rates of the central banks or their committees;
- Performances and press conferences of the heads of the Central Bank, Ministers of Finance and the presidents of G7 countries;
- Accomplishment of currency interventions by the state organizations
- Terrorist attacks of national (state) scale;
- Natural disasters which have caused introduction of emergency state (or similar restrictive measures) in the suffered territories;
- The beginning of war or military operations;
- Political force-majeur events: resignations and appointments (including by results of elections) representatives of executive power of the states;
- Other events, making significant impact on dynamics of an instrument's rate.

«**Finished transaction**» - consists of two opposite trading operations of an equal volume (opening and closing of position): a purchase with next consequent sale or a sale with next consequent purchase.

«**Floating profit/loss**» - non-fixed profit/loss in open positions with current rate values.

«**Force majeure**» - events that can be neither foreseen nor prevented. As a rule these circumstances are as follows:

- natural disasters;
- wars; - terrorist attacks;
- actions of government, legislative and executive government authorities;
- hacker attacks and other illegal acts against servers.

«**Free margin**» - funds on a trading account, which can be used for the opening of new positions. Calculated by the following formula: equity — margin.

«**Hedged margin**» - maintenance demanded by the Dealer for opening and maintenance of blocked positions. For each instrument it is specified in the contract specification.

«**Informational trading complex MetaTrader**» - see «Trading platform».

«**Initial margin**» - cash security demanded by the Dealer for opening of positions. For each instrument it is defined in the contract specification.

«**Inquiry**» – the instruction of the Client to the Dealer on quotation reception. The inquiry is not the obligation of the Client to make the transaction.

«**Instrument**»/«**Tool**» - currency pair.

«**Limit & Stop Level**» - price range (in point) from current market price, inside of which you may not set Stop Loss, Take Profit and suspended order. In case of setting order inside the range the server will give the "Invalid Stops" message and will not receive the order.

«**Locked position**» - long and short positions of identical volume opened at the same instrument on one trading account.

«**Long position**» – instrument purchase in view of a rate increase. Regarding to currency pairs: purchase of a base currency for quotation currency.

«**Lot**» - an abstract designation of quantity of the base currency, accepted in a trading platform.

«**Lot size**» - a number of shares, articles, a basis currency in one lot defined in the specification of contracts.

«**Margin for locked positions**» - maintenance for opening demanded by the Dealer and maintenance of locked positions. For each instrument it is defined in contracts specifications.

«**Margin Call**» - a state of the account at which the Dealer has the right, but is not obliged to close all open positions of the Client because of a Free margin lack. «Margin level» rate at which a situation of «margin call» occurs on the account is specified in the present Agreement.

«**Margin Level**» - the relation of equity to necessary margin expressed in percentage. It is calculated by the formula:  $(\text{equity}/\text{margin}) * 100 \%$ .

«**Margin Trade**» – carrying out of trading operations with the use of a credit leverage when the Client has possibility to make a transaction with the sums considerably exceeding the amount of his/her own funds.

«**Market conditions different from normal**» - see «thin market» or «fast market».

«**Market opening**» - a continuation of trade operations after weekends, holidays or after a break between trading sessions.

«**Necessary margin**» - cash security demanded by the Dealer for maintenance of open positions. For each instrument it is defined in contracts specifications.

«**Non-commercial operation**» - replenishment of the account as well as funds withdrawal from the trading account or operation of granting (return) of the credit.

«**Normal market conditions**» - market conditions, satisfying each of the following conditions:

- Absence of considerable breaks in quotation delivery within a trading platform;
- Absence of rapid dynamics of the price;
- Absence of essential price gaps.

«**Non-market quotation**» - the quotation, satisfying each of the following conditions:

- Presence of essential price gap;
- Return of the price in a small period of time to initial level with formation of price gap;
- Absence of rapid dynamics of the price before occurrence of this quotation;
- Absence of macroeconomic events and/or corporate news, making considerable impact on an instrument rate at the moment of this quotation occurrence.

The company has the right to remove information about a non-market quotation from the quotations base of the server.

«**Obvious error**» - a Client's position opening/closing or an execution of his order by the Dealer at the price essentially different from the price for this instrument in a quotation flow at a point in time of this commitment; any other Dealer's activity or inactivity concerned with his obviously erroneous identification of the market price level in a certain time period.

«**Open position**» - a result of the first part of a full done transaction. In consequence of the opening of a position the Client takes the following obligations:

- to make the opposite transaction of the same volume.
- to support equity not lower than 20% of a necessary margin.

«**Order**» - a Client's instruction to the Dealer to open/close a position, dispose, delete or change an order level.

«**Order level**» - a price specified in an order.

«**Pending order**» - an order of the Client to open a position at the price level pointed in the order.

«**Point**» - a unit of a rate low order.

«**Price that has preceded non-market quotation**» - a price of a minute bar closing followed by a minute bar with a non-market quotation.

«**Price gap**» - any of the two following situations:

- a Bid of a current quote is bigger than an Ask of the previous quote;
- An Ask of a current quote is less than a Bid of the previous quote.

«**Price gap of market opening**» - any of the two following situations:

- Bid quotes of market opening are bigger than Ask quotes of market closing;
- Ask quotes of market opening are less than Bid quotes of market closing.

«**Quotations base**» - the information about a quotations flow.

«**Base currency**» - the first currency in a designation of currency pair which the Client can buy or sell for quotation currency.

«**Quotation currency**» - the second currency in a designation of currency pair for which the Client can buy or sell base currency.

«**Quotations flow**» - a sequence of quotes for each instrument coming to the trading platform.

«**Quoting**» - process of granting to the Client of quotations for transaction fulfillment.

«**Rate**» - for currency pair: cost of unit of the base currency, expressed in quotation currency.

«**Stop out**» - the order of compulsory closing of a position generated by a server.

«**Server**» - a software MetaTrader Server 4.xx, by force of which the following operations are realized: a processing of the Client's instructions and requests; an assignment of information about trade operations on financial markets in real time (in a volume defined by the Company) to the Client, a consideration of the mutual obligations between the Client and the Dealer and also an adherence to specifications and restrictions.

«**Server log-file**» – a file created by the server which registers up to a second all inquiries and orders sent by the Client to the Dealer, and also result of their processing.

«**Short position**» - instrument sale in view of a rate fall. Regarding currency pairs it is sale of base currency for quotation currency.

«**Spike**» - a quote fitting the following conditions:

- an occurrence of an essential price gap;
- a price return to the initial level in short period with an appearance of a price gap;
- an absence of impetuous price dynamics before an appearance of this quote;
- an absence of macro economical events and/or corporate news, influencing a course of an instrument, at the moment of its appearance.

«**Spread**» - a difference between Ask and Bid quotes stated in points.

«**Swap**» - a payment for overnight holding of an open position. It can be both positive, and negative. The table with «swap» values of each instrument is presented on the web-site of the Company. By the moment of edition of the given regulations the relevant information has been available at the following address:

[http://masterforex.org/en/fortraders/cotract\\_spec/index.html](http://masterforex.org/en/fortraders/cotract_spec/index.html)

«**Trading account**» - a unique personified register for the operation accounting in the trading platform where full finished transactions, open positions, non-trading operations and orders are reflected.

«**Trading operation**» - a buying or a selling of any instrument by the Client.

«**Trading platform**» - a total of program and technical tools providing the reception of the information about transactions on financial markets in real time, a transaction making, an accounting of mutual obligations between the Client and the Dealer and also an adherence to specifications and restrictions. It consists of the server and the client terminal in a simplified form for the purposes of this regulation.

«**Trading platform time**» - time zone where any events in a server log-file are fixed. At the moment of the given regulations edition it is GMT+2.

«**Trailing Stop**» is the following algorithm of Stop Loss order management:

- If the profit on an open position does not exceed the Trailing Stop value, no actions to undertake;
- As soon as the profit of an open position exceeds the Trailing Stop value, send to the server an order of placing Stop Loss order at a distance of the Trailing Stop value from the current price;
- As soon as comes the quotation at a distance exceeding the Trailing Stop value from Stop Loss exposed, send to

the server an order of this order level change so that it was at a distance of the Trailing Stop value from the current price.

Trailing Stop functioned only when the client terminal is started, connected to the Internet and successfully authorized on a server.

«**Trailing Stop value**» - Trailing Stop parameter set by the Client.

«**Ticker**» - a unique identification number assignable in the trading platform to each opened position or a pending order.

«**Thin Market**» - a state of the market when quotations are rarer than those in normal market conditions during a long time period . As a rule such state of the market is typical of Christmas holidays, national holidays in G7 countries in the period from 11:00 P.M. (Moscow time) till 3:00 A.M. (Moscow time) etc.

«**Vendor**» - the MetaQuotes Software Corp. company, the trading platform creator.

«**Volume of transaction**» – a number of lots multiplied by lot size.

«**Web-site of the Company**» - the web-site of MFX Broker Inc. available at [www.masterforex.org](http://www.masterforex.org)

## 2. SERVICES OF THE COMPANY

### 2.1. The definition of company services

**2.1.1.** The services of the Company are any interactive programs or services, offered by the Company, which allow the Client to:

- Connect with the company or authorized service provider of a third party;
- Receive information or quotations from the company or authorized service provider of a third party;
- Conduct transactions on financial markets over the Company using «MetaTrader 4.0» trade terminal (software), which includes electronic data transfer, transferred by the Client of the Company with the help of a personal home or professional computer, connected with a modem or other device to authorized network of data transfer, set by the Company.

**2.1.2.** By signing the present Agreement, the Client confirms that he or she is aware of the rules of communications and also agrees that he or she is entitled to give instructions only through the Client terminal, in the corporate online chat or by telephone.

**2.1.3.** The services of the Company include the pack of «MetaTrader 4.0» information programs, means of technical analysis and services of any third party information provider, offered together with the services of the Company.

**2.1.4.** The Client confirms that the Company can change, add, rename or leave without changing the Services of the Company, offered according to this Agreement without prior notification. The Client also confirms that the Agreement is applied as well to the Services, that can be changed, added or renamed in the future in addition to the Services that are provided to the Client now.

**2.1.5.** In relation to trade operations of the Client, the Company performs only their fulfillment, it does not provide fiduciary management and does not give any recommendations.

**2.1.6.** Unless in cases specifically set in this Agreement the Company is not obliged to:

- control and inform the Client of the status of his trade operation;
- close any open position of the Client;
- assume to execute Client's orders at quotations different from those offered to the Client through «MetaTrader 4.0» trade platform.

## 3. REQUESTS PROCESSING

### 3.1 Processing of inquiries of the Client

**3.1.1.** In the process of conducting trade operations, the «Instant Execution» and «Quotation flow» mechanisms are used.

**3.1.2.** The Client order made through the Client terminal in general cases passes the following stages:

- The Client makes electronic order;
- The Client terminal sends request or order to the server;
- If stable connection between the Client terminal and the server is available, order of the Client gets to the server and is checked for correctness;
- At this point the record “request was accepted by server” appears in the log-file of the trading terminal.
- The server sends the result of check to the Client's terminal after processing of the Client's request.
- If stable connection between the Client terminal and the server is available the first one gets results of his request or order processing.

**3.1.3.** The Client can cancel earlier sent orders only while they are staying in queue, but the Company does not guarantee their accomplishment due to peculiarities of the MetaTrader 4 platform.

**3.1.4.** The time of order or request processing depends on the quality of connection between the Client terminal and the server of the Company and also on the market condition. In ordinary market conditions the time of Client request or order processing usually takes 2-5 seconds. In market conditions, different from ordinary, the time of Client requests and orders processing can be increased.

**3.1.5.** Client's request can be rejected in following cases:

- At market opening, if the Client makes a request before the first quotations are received by the trade platform;
- Under market conditions, different from ordinary ones;
- When the Client lacks free margin to open positions for the requested volume. In such cases in the window of the Client terminal one can read “No price” or “Lack of funds”.

**3.1.6.** The main device for making orders by the Client of the Company is the Client terminal. The Client is entitled to make orders by prone via Company operator only in case it is impossible to submit such an order through client terminal because of technical reasons.

### Archive

**3.1.7.** In case a trading account is not used by the Client for more than 90 (ninety) calendar days, such account

becomes unavailable for trading operations conduction. The account is moved to archive, if during the mentioned period the Client do not login to the trading account and do not conduct any trading or balance operations. In order to make the trading account available for trading again, the Client should send an email with a request to recover the account from archive. The email must be sent not later than 25 (twenty five) calendar days since the moment when the account was moved to archive. The period mentioned above starts from the next day after the day when the account was moved to archive. When the period of 25 (twenty five) calendar days expires, the trading accounts that were not requested to be recovered from archive, are deleted from the Company's data base without a possibility to recover them.

**3.1.8.** If a deposit operation was not done in first 10 (ten) working days after the registration, the Company has a right to archive such account.

### **Trading operations**

**3.1.9.** A sale operation is made at the Bid price. A purchase is made at the Ask price.

### **Trading strategies**

**3.1.10.** Transactions made by the Client at non-market quotations can be declared invalid:

- if the transaction has been opened at a non-market quotation, it can be cancelled;
- if the transaction has been closed at a non-market quotation, it can be cancelled;

**3.1.11.** The Company does not allow the use of Arbitration strategy of trade by the Client in the connected markets (for example, currency futures and currencies spot). In case if the Client uses Arbitration in an obvious or implicit manner the Company has the right to cancel transactions of the Client, having provided reasons for Arbitration transactions cancel.

### **Spreads**

**3.1.12.** The Company underpins the fixed spread featured on the website in case of force majeure absence. Current spreads are available on [http://masterforex.org/en/fortraders/cotract\\_spec/index.html](http://masterforex.org/en/fortraders/cotract_spec/index.html). Positions transfer for the next day.

### **Rollover**

**3.1.13.** A SWAP charge for open positions kept overnight starts at 11:59:30 P.M.. Current Swaps are available on [http://masterforex.org/en/fortraders/cotract\\_spec/index.html](http://masterforex.org/en/fortraders/cotract_spec/index.html) On Wednesday night a triple SWAP is charged.

### **Dividend adjustment**

**3.1.14.** For CFD Stocks trading , a certain procedure is provided by the company, in order to interchange dividend distribution for base instruments of these contracts. A base instrument dividend adjustment is performed for opened positions for CFD contract on a shareholders' registration day (EX-DIVIDEND DATE). In case of long position a dividend amount is credited, in case of short position it is charged off. Dividend adjustment schedule and amounts can be found here: [http://masterforex.org/en/fortraders/cotract\\_spec/index.html](http://masterforex.org/en/fortraders/cotract_spec/index.html).

## **Pending orders limitations**

**3.1.15.** Pending orders placing limitations Company has a right to cancel Client's pending orders in case if Equity amount doesn't fulfill pending order requirements.

## **Changing of trading conditions**

**3.1.16.** Company has the right to change margin requirements, spreads, modes of execution of orders and other trading conditions also because of national and international holidays having notified Clients not less than 5 working days prior to changes coming into force. Thus all changes of trading conditions are applied both to already open positions, and to newly opened ones.

**3.1.17.** The company reserves the right to change Limit and Stop level at the time of important economic news or indicators coming out in accordance with contracts specification.

**3.1.18.** In case of abnormal market conditions as well as in case of huge quantity of same-direction Client requests in a short period of time, the spread stated in the contracts specification can be increased individually for one order or for all Clients until the market conditions come to normal.

## **Leverage**

**3.1.19.** The credit leverage is set by the Client by himself. When the balance is less than \$10 000 maximum leverage is 1:500. When the balance is \$10 000 - \$50 000 maximum leverage is 1:200. When the balance is more than \$50 000 maximum leverage is 1:100.

**3.1.20.** The Dealer has the right to change the credit leverage in case the maximum credit leverage is exceeded.

**3.1.21.** The transactions opened with a leverage, not fitting the account balance, can be cancelled, if the mentioned transactions could not be made with the maximum possible leverage for current balance of the account.

**3.1.22.** The necessary condition of for changing leverage is absence of opened positions in the account which leverage is going to be modified. According to the Client's wish the leverage can be changed once in 24 hours.

**3.1.23.** During the period of low liquidity of currency markets (00:00-07:00 GMT+2), in case of emergency, Client's leverage can be reduced without preliminary notification.

## **3.2. Opening of the position**

**3.2.1.** Position opening is done by sending of an instruction or an order from the client terminal to the server of the Company. The following details of an instruction or an order are required:

- instrument's name;
- transaction volume.

**3.2.2.** As on 20.09.2006 transactions can be done by Instant Execution technology with the following trading instruments: EURUSD, GBPUSD, USDJPY, USDCHF, AUDUSD, USDCAD, NZDUSD, NZDUSD, EURGBP, EURCHF, EURJPY, EURAUD, EURCAD, EURNZD, GBPCHF, GBPJPY, GBPAUD, GBPCAD, GBPNZD, CHFJPY, AUDCAD, AUDJPY, AUDCHF, AUDNZD, CADJPY, CADCHF, NZDCAD, NZDCHF, NZDJPY, GOLD, SILVER. The Company notifies The Client about all the

changes in the table of quoted currencies no less than 5 working days in advance.

**3.2.3.** In order to open a position on buying/selling Client has to send a request from the client terminal. To open a buy position Client should press “Buy” button on the client terminal window, after that the order proceeds to server. To open a sell position Client should press “Sell” button on the client terminal window, after that the order proceeds to server.

### **Processing of Client's orders to open a position**

**3.2.4.** A position opens if an amount of a free margin is enough for a position opening. A free margin level is recounted automatically.

**3.2.5.** A position does not open if an amount of a free margin is not enough for a position opening. The “NOT SUFFICIENT FUNDS” message appears in the order window.

**3.2.6.** The server offers a new Bid/Ask price if a quote has changed at the moment of a Client’s instruction or a request processing. A new Requote window with new prices appears in this case. The Client should press the “OK” button within 3 seconds in case of new prices acceptance.

**3.2.7.** A Client’s instruction for position opening is considered to be done and position is open after an appearance of a fit note in the server log-file. Every new position gets the ticker serial number.

### **3.3. Position closing**

**3.3.1.** The Client should fill in the following obligatory parameters during position closing with the help of the client terminal:

- a closed position ticker
- a transaction volume

**3.3.2.** The Client should press the “Close position” button in an order of the trading terminal to send an command on position closing. Processing of Client’s orders on position closing.

**3.3.3.** The server offers a new Bid/Ask price if a quote has changed at the moment of processing Client’s order or request. A new Requote window with new prices appears in this case. The Client should press the [OK] button within 3 seconds in case of new prices acceptance.

**3.3.4.** A Client’s order of position closing is considered to be processed and position closed after an appropriate note appears in server log-file.

### **3.4. Description of orders**

#### **Orders**

#### **3.4.1. Types of orders**

**«Buy Stop»** – supposes opening of the buying position at the price higher than the current price at the moment of order submission;

**«Sell Stop»** – supposes opening of the selling position at the price lower than the current price at the moment of order submission;

«**Buy Limit**» – supposes opening of the buying position at the price lower than the current price at the moment of order submission;

«**Sell Limit**» – supposes opening of the selling position at the price higher than the current price at the moment of order submission.

**3.4.2.** To close position there can be used the following orders:

«**Stop Loss**» – supposes closing of the before opened position at the price, less profitable for the Client than the current price at the moment of order submission;

«**Take Profit**» – supposes closing of the before opened position at the price, more profitable for the Client than the current price at the moment of order submission;

**3.4.3.** The Client has the right to change and delete any delayed order before its activation, except those cases when current instrument price is at the “stop” level for this delayed order.

### **Orders execution**

**3.4.4.** The algorithm of Stop Loss and Trailing Stop orders management is not a technical development of MFX Broker Inc. Using this algorithm the Client assumes all the risks connected with its work. The MFX Broker Inc. is not responsible for any consequences aroused by the algorithm of Stop Loss and Trailing Stop management.

**3.4.5.** An order will be placed in the execution line in the following cases:

- A Sell Stop order is placed in the execution line at the moment when a Bid price in a quote stream is equal to or lower than the order level;
- A Buy Stop order is placed in the execution line at the moment when an Ask price in a quote stream is equal to or higher than the order level;
- A Sell Limit order is placed in the execution line at the moment when a Bid price in a quote stream is equal to or higher than the order level;
- A Buy Limit order is placed in the execution line at the moment when an Ask price in a quote stream is equal to or lower than the order level;
- Take Profit is an order of an open purchase position when a Bid price in a quote stream becomes equal to or higher than the order level;
- Stop Loss is an order of an open purchase position when a Bid price in a quote stream becomes equal to or lower than the order level;
- Take Profit is an order of an open sale position when an Ask price in a quote stream becomes equal or lower than the order level;
- Stop Loss is an order of open sell position when an Ask price in a quote stream becomes equal to or higher than the order level;

**3.4.6.** Execution of orders in case of price gaps is regulated by the following rules:

- a delayed order, an opening level and Take Profit of which have got in the price gap, is cancelled with a [cancelled/gap] note in the comment;
- a Take Profit order, the level of which is in the price gap, is executed at the price pointed out in an order;
- a Stop Loss order the level of which is in the price gap is executed at the first price after the price gap. In this case there is a [sl/gap] note in the order comment;
- delayed Buy Stop and Sell Stop orders are executed at the first price after the price gap. In this case there is a [started/gap] note in the order comment;

- delayed Buy Limit and Sell Limit orders are executed at its posted price. In this case there is a [started/gap] note in the order comment;

In cases of small price gaps the orders may be executed in a customary mode at the pointed prices.

**3.4.7.** In case when at Client's trading account there are simultaneously:

- margin level equaling 140% or less;
- 60% of position aggregate volume is at one trading instrument and has one set (sell or buy);
- the given part of the aggregate position was generated 24 hours before market closing;
- The Company has the right to set a take profit level for orders, included in this all-in-all position, for given instrument on a market closing ask price, deducting 1 point for sell orders, or bid price - adding 1 point for buy orders.

### **3.5. Period of orders' validity and setting. Parameters and conditions of setting**

**3.5.1.** Orders can be placed, deleted or changed by the Client only when an appropriate instrument transaction is allowed. The information about trading hours for each tool is available at [http://masterforex.org/en/fortraders/cotract\\_spec/index.html](http://masterforex.org/en/fortraders/cotract_spec/index.html)

**3.5.2.** The following operation factors must be set by the Client during a sending of a delayed order placement instruction:

- a name of a tool
- an amount of a transaction (volume)
- an order type (Buy Stop, Sell Stop, Buy Limit, Sell Limit)
- a price level of an order placement.

**3.5.3.** The server, receiving a delayed order, checks a trading account for free margin, adds a new position to the list of open positions, recounts an aggregate Client position and a free margin.

**3.5.4.** In normal market conditions the order is executed by a server under the specified price, without slipping.

**3.5.5.** The order is considered executed after corresponding record in a server log-file appears.

### **3.6. Compulsory closing of positions**

**3.6.1.** When Margin level less than 20% at the Client account appears margin call. The company has a right to close position of the Client, but is not obliged. The decision on closing of positions is made by Dealer.

**3.6.2.** The company has a right of compulsory closing of open positions of the Client without prior notification of the last one if the current condition of the trading account (equity) is less than 10 % of necessary margin for sustaining of open positions.

**3.6.3.** The current state of the account is controlled by a server which in case of execution of a condition of point 3.6.2. of the given Agreement, generates an order on compulsory closing of a position (stop out). Stop out is executed at a current market price as the general turn with orders of Clients. Compulsory closing of a position is accompanied by corresponding record in a log-file of a server with the comment "stop out".

**3.6.4.** In case of execution of a condition of point 3.6.2. of the given Agreement, with the presence of several open

positions at the Client, firstly closes the position with the greatest floating losses.

**3.6.5.** The company guarantees that after closing of last position on the trading account there will be a balance in about of 0 % - 10 % margin, which is necessary for sustaining of this last compulsorily closed position.

**3.6.6.** If after compulsory closing on the account of the Client there is a negative balance, compensation is charged to the trading account by which the balance is led to zero.

## **4. DEPOSITING\WITHDRAWAL OF FUNDS**

### **4.1. Deposit of money on the trading account of a Client**

**4.1.1.** Client can deposit on his account using payment systems, available in the personal area.

**4.1.2.** In case of impossibility to proceed with automatic transfer of money, the request will be executed within 24 hours from the moment of creating the request for transfer.

**4.1.3.** Depositing the trading account by any payment system the commission for transfer is paid by the Client.

### **4.2. Withdrawing the money from trading account of the Client**

**4.2.1.** Client can withdraw the money from his trading account only with the same payment systems, which were used in point 4.1.

**4.2.2** In case, when depositing of account is made by different methods, the withdrawal of funds is proceeded with the same methods in proportional ratio concerning deposited sums of money.

**4.2.3.** The withdrawal of money from the trading account of the Client is done within 3 working days from the moment of creation the request for withdrawal.

**4.2.4.** Withdrawing of funds from trading account, the commissions of payment systems are paid by the Client.

**4.2.5.** Having open positions, the request for withdrawal of funds is processed at the general basis. In this case the responsibility for possible compulsory closing of positions lays down on the Client.

**4.2.6.** The Client has a right to cancel the request for withdrawal of funds before the moment of accepting it in processing and getting the status "accepted".

**4.2.7.** The Client bears full responsibility for reliability of the data, specified in the request for withdrawal funds.

### **4.3. Internal transfers**

**4.3.1.** The Client has no right to transfer the funds from the own account on to another Client's account in frame of the Company. Except for the scheme of internal tranfers such as: from the Refaral to the Partner or from the Partner to the Referral.

**4.3.2.** The internal funds' transfer is allowed providing the account is going to be charged-off has an authorized status.

**4.3.3.** The Client bears the responsibility for reliability of the data specified in the request for internal transfer.

**4.3.4.** The request for internal transfer is processed within 2 working days from the moment of its creation.

#### **4.4. Taxes**

**4.4.1.** The MFX Broker Inc. Is not a fiscal agent.

**4.4.2.** The MFX Broker Inc. strongly recommends not to violate the legislation of Client's country of residence/citizenship and pay all the taxes fully on time.

## **5. PROCEDURE FOR CONSIDERATION AND ARRANGEMENT OF CLAIMS AND CONTRADICTIONS ON DEALS**

**5.1.** In case if a disputable situation appears the Client has a right to claim. Claims are accepted within two working days from the date of the occurrence of its cause.

**5.2.** The claim should be sent in the form of e-mail to the Claims department's address: [claims@masterforex.org](mailto:claims@masterforex.org). All claims sent in any other form will not be accepted.

**5.3.** A time limit for a Client's claim consideration by the Company is not more than 10 working days: The Company admits a claim only by financial charges to a trading account within one working day in case of admission of Client's claim as reasonable. The company considers other claims, not pointed in this Agreement, referring to usual market policy and internal policy of the Company.

**5.4.** A Client's claim should contain the following data:

- a full name
- an account number
- a date and time of a disputable situation
- a ticker of a disputable position or an order
- a description of claim without emotions

**5.5.** The Company has a right to reject claim not passing the conditions of 5.1, 5.2, 5.4 points.

**5.6.** The Company has a right to cancel Client's transactions not passing the conditions of this Agreement.

## **6. CLIENT'S IDENTIFICATION**

**6.1.** The Company has a right to require a confirmation of identity of the Full Name pointed in the registration form. The company can ask the Client to send an email with a notarially certified or not certified (at the discretion of the Company) passport copy.

## 7. RISKS

The aim of this notification is to provide the Client with the information about risks, connected with trading operations on the financial markets, and to warn the Client about possible financial losses. In this notification we can't mention all the potential risks because of wide variety of possible situations.

### 7.1. Leverage effect

**7.1.1.** When conducting trade operations on "margin trading" conditions the slightly little change of the course can greatly influence the balance of trade account of the Client because of leverage. When the market is moving against Client's position, he can suffer damages in size of initial deposit and any other additional funds, deposited by him to support open positions. The Client is fully responsible for accounting all risks, using financial resources and selection of corresponding trading strategy.

**7.1.2.** We recommend to support Margin Level at 100% and higher, and also always set Stop loss orders in order to limit potential losses.

### 7.2. Risks of financial instrument volatility

**7.2.1.** The large row of instruments has significant ranges of price changes within the day which means high possibility of receiving both profit and loss on trade operations.

### 7.3. Technical risks

**7.3.1.** The Client accepts risks of financial losses because of troubles with information, communication, electronic and other systems.

**7.3.2.** When conducting trade operations with usage of client terminal the Client takes risks of financial loss which can appear as a result of:

- Failures of hardware, software and bad connection quality on the side of the Client;
- Undue work of Clients equipment;
- Incorrect settings of client terminal;
- Not timely update of clients terminal;
- The Client does not know instructions, described in built-in help of the terminal.

**7.3.3.** The Client realizes that when making trade operations by telephone there can be difficulties in connecting with duty operator in the moments of peak loads (for example, broadcasting of global economic news).

### 7.4. Not typical market conditions

**7.4.1.** Client recognizes that in market conditions different from normal, the time of processing client orders can increase.

### 7.5. Risks of trade platform

**7.5.1.** The Client recognizes that in the queue of orders/requests on the server there can be only one order or request. An attempt to send any new order or request will be rejected. In addition to that "Order is locked" is

displayed in "Order window".

**7.5.2** The Client recognizes that the only reliable source of information about quotation flow is main server, servicing real-clients. The quotation basis on client terminal can't serve as reliable source of information about quotation flow because in case of unstable connection between client terminal and the server, part of quotations from the flow can not reach the client terminal.

**7.5.3.** The Client recognizes that closing of submission window/modification/deletion of order and also window of position opening/closing doesn't change an order or request, already received by dealer for processing.

**7.5.4.** The Client takes the risk to conduct unplanned trade operations in case of sending repeated order before the moment of receiving information about the results of processing his previous order by the dealer.

**7.5.5.** The Client recognizes that order for simultaneous modification of the postponed level order and Stop loss and/or Take order profits level, received for processing after the order has been executed, will be executed only in part of Stop loss and/or Take profit order level modification of orders opened for this position order.

## **7.6. Risks of communication imperfectness**

**7.6.1.** The Client takes risks of all financial loss caused by the fact that he or she did not receive or received with delay any of the notifications from the Company.

**7.6.2.** The Client recognizes that information sent via e-mail in not encrypted way is not protected from unauthorized access.

**7.6.3.** The Client agrees that the Company is entitled messages not received by the Client via internal mail of client terminal within 3 calendar days from the moment of sending of the message.

**7.6.4.** The Client bears full responsibility for keeping confidentiality of information, received from the Company and takes risk of all financial damages caused by unauthorized access of third parties to his or her trade account.

## **7.7. Risks of force-majeure circumstances**

**7.7.1.** The Client takes the risk of financial damages caused by force-majeure circumstances.

## **8. REGULATING CLAIMS AND DISAGREEMENTS**

### **8.1. The order of reviewing and regulating claims and disagreements.**

**8.1.1.** Appearance of claims and disagreements.

**8.1.1.1.** All claims should correspond to p. 5 of this Agreement.

#### **8.1.2. Information source to confirm sufficiency of claim.**

**8.1.2.1.** Log file of the server is the main source of information when reviewing disputed situation. Information in the log file of server has absolute priority against other proofs when reviewing disputed situation and also including information placed in log file of client terminal.

**8.1.2.2.** If in the log file of the server there is absent corresponding entry confirming Client's intention, this is the basis for considering the claim as invalid.

### **8.1.3. Compensation payout**

**8.1.3.1.** In case if the claim is considered as valid, regulation is made only if form of compensation payment, charged to the trade account of the Client.

**8.1.3.2.** The company doesn't compensate the profit not received by the Client, if the Client had intention to conduct some actions but didn't conduct them by some reason.

**8.1.3.3.** Company doesn't compensate moral damage to the Client.

**8.1.3.4.** The term of the reviewing claims by the Company about the quality of service makes 10 days. After the reviewing is finished, the Client will get message with the results of reviewing at the contact address, indicated by him.

**8.1.3.5.** The company credited trade account of the Client with a reimbursement payment within 1 business day from the moment of making positive decision in the disputed situation.

### **8.1.4. Cases of rejecting to consider a claim.**

**8.1.4.1.** Claims on not processed orders, submitted within the period of maintenance works on the server are not accepted in case if the Client was notified about such works by internal mail of the trade platform or in any other way. Not receiving of such notification is not the basis for making claims.

**8.1.4.2.** Claims on the time of order execution are not accepted independently from the time period which dealer required to execute an order and independently from the time when the entry about the order appeared in the log file.

**8.1.4.3.** Disputed situations, not included into the following Agreement, the Company reviews at its own discretion, orientating to generally accepted world practice.

## **9. FORCE MAJEUR**

**9.1.** Force majeure circumstances include (not limited by):

- Any action, event or phenomenon (including but not limited by, any strike, mass disorders or civil disorders, terror acts, floods, extraordinary meteorological conditions, earthquake or fire, wars, rebellions, labor disputes, accidents, actions of government, failures in connection or power supply, troubles with equipment or software etc), which by grounded opinion of the Company leads to the destabilization of market or markets of one or several instruments
- Stop of working, liquidation or closing of some market or absence of any event, on which the Company bases the quotations, or applying on not standard trading conditions on any market or in correspondence to any such event.

**9.2.** The company having enough reason for that is entitled to define limits of force-majeur circumstances. When force majeure circumstances appear the Company must in proper way make appropriate steps to notify the Client

about such circumstances.

**9.3.** The Client agrees that the Company or any third party, providing services to the Company, doesn't bear responsibility for any loss or damage caused by force majeure circumstances.

**9.4.** In case of force majeure circumstances the Company is entitled (without infringement of other rights of the Company pursuant to this Agreement and Rules) without prior written notification and at any time make one of the following steps:

- To increase margin requirements;
- To close any or all open positions at the price which the Company reasonably considers as fair;
- To stop or change application of one or all provisions of this Agreement and/or Rules while availability of force majeure circumstances makes impossible to follow these provisions;
- To perform or not to perform any actions against the Company, the Client and other Clients, if the Company reasonably considers it appropriate under the following conditions;
- To review all financial results of Client transactions, getting under force-majeur circumstances by changing the prices of opening/closing or full termination of transactions.

## 10. CONNECTION WITH THE CLIENT

**10.1.** In order to connect with the Client the Company uses the following means of communication:

- inside mail of trade platform
- e-mail
- telephone
- post messages
- announcements in corresponding parts of the Company site.

To connect with the Client the Company will use requisites of the Client, indicated at the opening of account or changed according to the current Rules.

**10.2.** Correspondence (documents, announcements, confirmations, reports etc) will be considered as received by the Client:

- In one hour after sending to his or her e-mail;
- Immediately after sending by internal mail of the trade platform;
- Immediately after sending by fax;
- In 7 calendar days from the moment of post sending;
- Immediately after placing announcement of the corporate site.

**10.3.** Everyday Client receives Daily confirmation of all his trades via e-mail.

**10.4.** Any event in MasterForex company and any new service, which demands input of registration data is announced on our site and a message in traders terminal is sent. Not announced event or service is not valid.

## 11. RESPONSIBILITY

**11.1.** The Client guarantees that he/she:

- will be the only trading account holder or holder's official representative;
- will be responsible for confidentiality of his usernames, passwords;
- will be responsible for all the consequences of actions performed using his usernames and passwords;
- will be responsible for his transactions on financial markets;
- agree, that his telephone conversations with the Company can be recorded to magnetic or electronic carriers in order to keep all Client's operations secure.

**11.2.** The Company guarantees that all the data provided by the Client is confidential and not to be exposed. In case if of such exposition, the occurred disputable situation is managed according to the present Agreement.

**11.3.** The Client agrees that the Company or any other third party, involved into providing services to the Client, is not responsible for any troubles with telephone line or internet connections, or any breakdowns in work which don't depend on the Company or a provider of means of information or any other third party.

## 12. DISSOLUTION OF THE AGREEMENT

**12.1.** This Agreement takes effect from the moment of the Client's trading account opening.

**12.2.** This Agreement ceases to be valid in the following cases:

- One of the parties would like to cancel the Agreement
- in case of full withdrawal of funds from trading account by the Client;
- in case of breaking conditions of this Agreement by the Client, The Company reserves the right to stop providing services to the Client and to suggest immediate funds withdrawal.

**12.3.** If the Company ceases it's activity:

- the Company warns the Client one month before the ceasing;
- the Company withdraws all the funds that are on the Client's account at the moment.

**12.4** In case of the Client's death:

- the right of funds withdrawal goes to legitimate heir of the Client;
- the right of client's account use and performing trading operations is not demised.

**12.5.** The Client agrees that the Company has a right to limit the Client's access to his account or to the Company's services without any notification in case of having not enough funds on Client's trading account.

**12.6.** This Agreement is considered to be cancelled from the moment when the Company no longer provides it's services to the Client.

### 13. PAYMENT DETAILS:

Company	Client
MFX Broker Inc.	Name:
Beneficiary's Account Number (IBAN): LV66 CBBR 1121 6459 0001 0	ID number:
Beneficiary's Address MARBELLA Housing development, 50 Street, Torre 2000 Building, Apartment 10, township of BELLA VISTA, PANAMA	Address:
Bank Name AS AKCIJU KOMERCBANKA BALTIKUMS	Phone number:
Bank SWIFT Code CBBRLV22	E-mail:
Bank Address MAZA PILS IELA 13, LV-1050, RIGA, LATVIA	Trading account number:
MFX Broker Inc.	Personal wallet number:
	Payment details:
	The name of the Bank:
	Bank Swift code:
	Bank account number:
	Bank account number (IBAN):

**Parties signatures:**

\_\_\_\_\_ / MFX Broker Inc. / \_\_\_\_\_ / \_\_\_\_\_ /