

Partner Agreement

Profiforex (hereinafter referred to as the "Company") and the physical or legal party (hereinafter referred to as the "Client"), hereby agree to the terms of the following contract (hereinafter referred to as the "Agreement").

Terms and Interpretation

Company refers to the legal entity Profiforex, which supports trade execution and all necessary settlements with the Client in concordance with this Agreement.

Client refers to an individual or a company that makes conversion arbitrage deals with the Company according to the quotations provided by the Company.

Agent means an individual or a company, acting on the basis of this Agreement and on behalf of the Company.

Conversion arbitrage deal means the deal between the Company and the Client for the buying or selling of the contract for currencies. This deal means that at least two opposite deals should be made on the buying and selling of the contract of equal volume.

Sub-account refers to a special personal account for internal accounting. The Client opens this account in the Company, and the account maintains a record of mutual commitments (the results of deals made in accordance with this Agreement) between the Company and the Client. The sub-account can be used for trading as well as to receive the Agent's commission fee.

Base currency is the monetary unit by which the account, all balances, commission fees and payments are calculated and represented.

Open position refers to buying (selling) deals that aren't covered by the opposite selling (buying) of the contract.

Floating profit/loss refers to non-fixed profit/loss on open positions at current market prices.

Working hours of the Company indicates such a time period, during the working week, when the trading terminal of the Company supports the execution of deals with standard currency contracts. The exceptions are weekends, holidays, periods of temporary changes in the internal order of the Company, and periods of time in which it's impossible to provide services due to technical reasons. In such cases the Company will take all measures necessary to inform the Client about changes in working hours and provide the Client with an opportunity to eliminate currency risks.

Lot refers to the unit of transaction value.

Transaction is the entire range of trading operations when money turns from the base currency into the quote currency and backwards.

Balance is the amount of money in the Client's account after the last transaction for any time period.

Auto-referral (auto-referral system) is a system prohibited by the regulations. In such a system the Client simultaneously becomes his/her own Agent. Such systems can be created in preliminary collusion, but no real Client is attracted.

Spread means the difference between the Ask and Bid prices.

Swap storage refers to the amount of money that is charged or added to the Client's sub-account for holding the position overnight.

Equity means the current composition of the trading account. The formula by which to calculate equity is: Balance + Floating + Swap. This is the amount on the Client's account minus current loss plus current profit on open positions.

Current market rate is the current rate of making deals on a particular contract (for currencies or indices) on the interbank market or the exchange.

Margin refers to the margin required by the Company to maintain open positions. It is equal to 1% of the contract value on the open position (if the leverage is 1:100).

Free margin refers to funds on the trading account that may be used to open a position. The formula by which to calculate the free margin is: Free Margin = Equity - Margin.

Margin level characterizes the account condition. The formula by which to calculate the margin level is: Margin level = (Equity/Margin)*100%.

Stop-out level is a condition of the sub-account when open positions are closed by the Company on current quotations. The Company reserves the right to close the most unprofitable positions when the margin level is equal to 15%, in order to stave off a negative balance in a volatile market. The last position is closed at the margin level equal to 15%. For deposits exceeding \$1000, there is the other principle: Margin Call/Stop-out level - 80%/60%.

Margin trading is the situation in which trading operations are processed using leverage, when the Client has the opportunity to close a transaction that exceeds his finances.

The above-listed terms act within the framework of this Agreement, the appendices and supplementary agreements.

1. Subject of Agreement

- 1.1 The Company and the Agent assume fiduciary liabilities concerning the attraction of Clients who make conversion arbitrage deals on mutually concerted contracts for currencies, standard contracts for indices and futures contracts.
- 1.2 The Agent assumes the rights and liabilities stipulated in this Agreement concerning the attraction of Clients; promotion of software for trading through the Internet; the secondary accounting of Clients' transactions; the calculation and accounting of financial results for mutual settlements between the parties; and other rights and liabilities as stipulated in this Agreement.
- 1.3 The Agent unconditionally agrees that all attracted Clients are the Clients of the Company.

2. Rights and Responsibilities of the parties

- 2.1 The Agent is liable:
 - a. To open an account in the Company. Commission fees for the deals of attracted Clients will be credited to said account. The Agent can also use this account for trading and obtain profits from the deals conducted on the Forex market;
 - b. To attract Clients;
 - c. To provide additional information support to Clients when necessary.
- 2.2 The Agent has the right to:
 - a. Plan and carry out marketing and advertising campaigns by him/herself. Such campaigns can, when necessary, be implemented with the consent of the Company;
 - b. Take other actions as stipulated in this Agreement and the appendices to this Agreement;
 - c. Create a website where it is obligatory to place the following information and functions:
 - Information article about the world financial market and explanation of trading rules;
 - Promotion of software: Client terminal MetaTrader-ProfiForex;
 - Dissemination of news free of charge or on a reimbursable basis;
 - Dissemination of other information and technical analysis free of charge or on a reimbursable basis;
 - Other information agreed in content between the parties;
 - d. Make real-time accounting of trading results of attracted clients, and monitor the number of attracted clients through the manager part of the terminal MetaTrader-ProfiForex (installed by the Company for the Agent).
- 2.3 The Company is liable:
 - a. To install the manager part of the terminal MetaTrader-ProfiForex for the Agent, in case the Agent obtains status as a "representative office".
 - b. To explain to the Agent the manner of concluding agreements and other documents with Clients.

- c. To accept Clients' payments on the Company's accounts and to carry all risks and responsibilities for settlements with Clients, which are based on the agreements, contracts and other documents concluded between the Company and the Client;
- d. To open sub-accounts in the Company's trading system for the Clients attracted by the Agent;
- e. To provide the Client with the opportunity to make trading transactions within the system through login and password, as set by the Agent and agreed with (provided to) the Client;
- f. To transmit information regarding the process and the results of Clients' trades through the manager part of the terminal MetaTrader – Profiforex.
- g. To carry out the full accounting of Clients' transactions;
- h. To close Clients' accounts and organize settlements;
- i. To organize, be in charge of and carry out technical consulting and servicing of the software at the disposal of Clients and Agents.

2.4 The Company has the right to:

- a. Receive from the Agent a report on the progress and the results of campaigns designed to attract Clients;
- b. Take other actions stipulated in this Agreement and the appendices.

2.5 Joint liabilities of the parties:

- a. To define volumes and proportions of profits' distribution, taking into consideration the variants and terms of work with Clients;
- b. To discuss and define for Clients the specific terms of activity (deposit size, commission fee, etc.);
- c. To maintain accounting and comparative check of the results of Clients' trading transactions, to calculate Clients' trading profit or loss and to carry out settlements between each other once a month.

3. Representative Office

3.1 The Agent has the right to obtain status as a representative office.

3.2 When the Agent obtains the status of a representative office, he or she becomes solely liable for working under the laws of the country in which the representative office is located. The Company shall bear no responsibility for the legality of the agent's actions in that particular country.

3.3 The following things are necessary in order to obtain the status of a representative office:

- a. The Agent should have a representative office website;
- b. The Agent should have an office in the city where the representative office is established;
- c. The Agent should be willing to promote his/her own services as well as those of the Company.

3.4 The representative office has the right to obtain the Manager part of MetaTrader:Profiforex.

3.5 The representative office has the right to increase the spread size for its own group and receive double the standard commission fee.

3.6 When the Agent obtains status as a representative office, the respective parties to this Agreement can sign it in printed form.

4. White Label Status

4.1 White Label status allows the Agent to work with Clients on his/her own behalf.

4.2 The Client gets the terminal with the Agent's labels.

- 4.3 Under certain circumstances the Agent can establish his own sub-dealing center, in which case he can set any commission fee and his own trading terms.
- 4.4 To obtain White Label status, it is necessary to buy the MetaTrader 4 set from the developer, Metaquotes, according to that company's terms.

5. Determining Incomes and Mutual Settlements

- 5.1 The Company undertakes to pay to the Agent, who hasn't obtained the status of a representative office or a White Label partner, a reward in the amount of one pip for each transaction completed by the Client.
- 5.2 When necessary, the comparative check of calculations on the results of Clients' trading transactions, as attracted by the Agent for the past months, is conducted on dates: 1-5 of each month.
- 5.3 Payments between parties are made on dates: 5-10 of each month.
- 5.4 The parties define and cover their tax and other liabilities before third parties by themselves.
- 5.5 The Company reserves the right to dissolve the Agreement if the Agent hasn't paid any amount on his/her liabilities before the Company, and if the Agent has caused material or moral damage.
- 5.6 If the Agent has obtained status as a representative office, the Company reserves the right to suspend the payment of commission fees if the Agent attracts fewer than five new Clients per month.
- 5.7 The Company reserves the right not to pay commission fees on Clients' deals that were made by exploiting any imperfection in the trading terminal or telecommunications system.
- 5.8 The Company reserves the right to dissolve the Agreement if, after 6 months from the date of signing this Agreement, the Client base of the Agent consists of fewer than five active Clients.
- 5.9 The Company reserves the right to change the terms of trading, as well as the size of the commission fee. In such a case the Company is obliged to inform the Agent not less than a week before the changes come into effect.
- 5.10 The Company reserves the right not to pay commission fees on such Clients' deals that were made using pipsing advisors or other such advisors that overload the server.
- 5.11 The Company reserves the right to cancel a reward if the Agent is incriminated in the use of an auto-referral system, whereby he/she is the Agent and the Client simultaneously.
- 5.12 In the event Agents, who use the trading system jointly and make identical deals, become referrals for each other, they shall be perceived as users of auto-referrals.
- 5.13 If the Agent's client base consists of less than three referrals and/or the Agent gets more than 50% from one referral (for any reference period), the Company shall have the right to cancel the Agent's commission fees after appropriate notification.

6. Transferring and Assigning the Client

- 6.1 The list of Clients from whom the Agent gets commission fees can be viewed in the partner area.
- 6.2 The Agent can transfer the Client to his/her account as soon as the Client has registered. To transfer the Client, the Agent should provide, by e-mail, the name, family name and account number of the Client.

6.3 The Client who is already assigned to a particular Agent cannot be transferred to another Agent.

7. Complaint/Dispute Resolution

7.1 If the Agent doesn't agree to the Company's decision, he/she should send a written description of the complaint to the Company's official website <http://www.profiorex.com/> and send such notification to any of the Company's operating e-mails.

7.2 The parties undertake to resolve questions of dispute through good-faith negotiations or, if negotiation proves impossible, under the existing international laws.

8. Special Conditions

8.1 The Company is neither an Internet provider nor a provider of other types of connections. Therefore, the Company assumes no responsibility for any default on its commitments if such default is attributable to the failure of connection.

8.2 The Agent does not have the right to divulge any information received from the Company in the process of joint activity during the life of this Agreement and a period of three years after it is dissolved.

9. Liabilities of the Parties

9.1 The parties are liable for the non-fulfillment of the obligations specified in this Agreement.

9.2 The parties are relieved of responsibility for the partial or total non-fulfillment of their obligations under this Agreement due to force-majeure circumstances (fire, floods, earthquake, etc.) and normative documents, which are obligatory for at least one party, came into action after the signature of this Agreement and made the Agreement impracticable.

9.3 The party for whom the fulfillment of obligations becomes impossible shall advise the other party of the commencement and expected duration of the above-mentioned circumstances (stipulated in item 9.2), doing so within five (5) days.

10. Duration and the Final Provisions of the Agreement

10.1 This Agreement becomes effective when the Agent registers an account on Company's official website, www.profiorex.com.

10.2 The Agreement is valid for the duration of one year. If none of the parties has expressed the desire to terminate this Agreement, it shall automatically be extended for the next year. The maximum duration of this Agreement is not stipulated.

10.3 The Agreement can be terminated by either party at any time.