

Managed Forex Account Customer Trading Agreement

No. _____ / _____ year

On this day, _____, Customer Trading Agreement for Managed Forex Account N° _____ / _____, is entered by and between the following parties:

1. Investment Intermediary Deltastock AD, 6 Stefan Stambolov Blvd, Sofia 1301, Bulgaria, BULSTAT N° 128042807, represented by Nikolay Trifonov Nedkov, Executive Director and Vasil Vladimirov Tassev, Procurator (hereinafter referred to as **Deltastock AD**), with license No. 045 Б/29.10.2007 by the Bulgarian National Bank,

And

2. Client Personal Information:

Full Name:					
Date of Birth:		Place of Birth:		Citizenship:	
Passport/ID #:			Date of Issue:		Date of Expiry:
Address:					
Zip code:		City:		State:	
Country:					

Whereas the customer, (hereinafter referred to as the Client), and together referred to as the Parties.

Section 1. General Terms

The general terms listed below will have the following meaning, whether in singular or in plural form:

1.1. **"Base currency"**- the currency, one unit of which is equal to N number of units of the second currency in the currency pair.

1.2. **"Currency pair"**- a pair of currencies forming a currency quote.

1.3. **"Trade Quantity"**- the number of base currency units indicated in the order.

1.4. **"Forex market"**- an unregulated market, where convertible currencies are traded worldwide among financial institutions.

1.5. **"Minimum order"**- the minimum amount of base currency allowed for trading. For the purposes of this Agreement, it is the amount of one unit base currency of the quoted currency pair.

1.6. **"Market order"**- it is executed at the moment of placing at the current price (quote) of the respective currency pair.

1.7. **"Quote/ price of market closing"** - the price at 24:00 h (23:00 h on Friday) Eastern European Time, of the different types of currencies, every business day for the duration of the position, which quote is determined by **Deltastock AD** to be accurate, respective and fair to the Client.

1.8. **"Risk coefficient"**- the level of risk, accepted by the Client for the Managed Forex Account. It may vary from zero (0) to one (1), where at zero the orders to the Client's account are put on hold, and at one, the level of risk is the highest and corresponds to the risk, shown in the selected by the Client strategy for signal generation by the System.

1.9. **"Margin"**- the guarantee amount into the Client's account, used for securing the open positions.

1.10. **"Net profit"**- the positive difference between the current account balance and the amount, initially deposited by the Client.

1.11. **"Revaluation of an open position"**- the daily credit or debit amount of the difference between the price(quote) of the trade execution and the price(quote) of market closing for the respective currency pair, applied to the Client's account in the base currency of the Account.

1.12. **"The System"**- a system of computer modelled automated strategies for generating signals for Forex trading, using different mathematical algorithms and technical analysis indicators, created and maintained by **Deltastock AD** or by third parties.

1.13. **"Managed Forex Account" or "Account"**- the currency trading account in the name of the Client at **Deltastock AD**. The client deposits funds into this account or withdraw funds from it, and **Deltastock AD** performs execution of currency trades following the signals generated by the System.

1.14. **"Spread"**- the difference between the "bid" and "ask" price in the quote of the currency pair.

1.15. **"Current balance"**- the current account balance is calculated at any given moment, by adding to the account balance the revaluations of the results from opened currency positions and the accrued result from the closed trades for the day, revaluated at the current market price, minus the margin amount, required for the opened positions.

1.16. **"Third parties"**- all parties other than **Deltastock AD**, whose strategies are offered to the Client by **Deltastock AD**.

Section 2. Subject of the Agreement

2.1. Under this Agreement the Client requests and **Deltastock AD** agrees to perform spot margin trade with currency pairs on the Forex market on behalf of **Deltastock AD** and at the Client's expense, with funds, which the Client keeps into his/her Managed Forex Account opened at **Deltastock AD**.

2.2. Trading with funds from Clients' Managed Forex Accounts is performed on the basis of signals generated by the System. The latter does not exclude managing the funds into the account in **Deltastock's** own discretion, in the cases stipulated under Art. 4.3.5.

2.3. Trading with funds from the Managed Forex account will be performed only on the Forex market, where only trades with currency pairs shall be executed.

2.4. Upon the execution of this Agreement the Client opens a Managed Forex Account at **Deltastock AD**, with a minimum account balance as specified below in this Agreement.

2.5. All gains or/and losses are instantly and automatically reflected into the Client's account upon closing every trade. All rights and obligations, which **Deltastock AD** acquires as a result of the trades under this Agreement, will be considered to be rights and obligations of the Client.

Section 3. Term of the Agreement

3.1. This Agreement takes effect on the Commencement Date, but not prior to funding has been received into the Client's Managed Forex Account to the amount not less than the required minimum, as defined in Art. 5.1. further below, for the Initial Term of one (1) year (hereinafter referred to as the Initial Term).

3.2. This Agreement remains in force for the Initial Term and shall continue for successive periods of one (1) year thereafter until terminated by either party giving to the other not less than fourteen (14) day prior written notice to expire on the last day of the Initial Term or thereafter on the last day of any successive one year term.

Section 4. Rights and Responsibilities of the Parties

4. The Client has the right to:

4.1.1. Receive a complete and accurate statement of the inflow and/or outflow of funds into and/or from his/her Managed Forex Account. The statement is provided according to the terms of Section 8. of this Agreement.

4.1.2. Have real-time access through the website of **Deltastock AD** to the current balance of his/her Managed Forex Account.

4.1.3. Show in Annex 1 to this Agreement, the strategy he/she wishes to be used by the System for the management of the assets, deposited into the Account.

4.1.4. Withdraw funds from the Managed Forex Account according to Section 6. of this Agreement and only as long as it does not fall below the minimum balance of 5000.00 BGN or their equivalent in other currency, required to be available into the Account.

4.1.5. Deposit funds to the Managed Forex Account at any time.

4.1.6. Change the current risk coefficient he/she is willing to accept for the Managed Forex Account, upon having his/her application approved by **Deltastock AD**. The risk coefficient is specified in Annex II to this Agreement.

4.2. The Client is obliged:

4.2.1. Not to perform any management of the funds into the Account (except funding and withdrawing according to the procedure described in Section 6 of this Agreement) for the term of this Agreement.

4.2.2. To accept all profit/losses from trades executed according to the terms of this Agreement.

4.2.3. To pay all the fees and incurred costs within the proper time frame, as specified in this Agreement.

4.3. **Deltastock AD** has the right to:

4.3.1. Manage the Client's funds in the Managed Forex Account according to the trading strategy selected by the Client.

4.3.2. Execute only non-cash spot trades on margin with currencies on the Forex market based on signals generated by the System.

4.3.3. Withdraw funds from the Managed Forex Account for the purpose of collecting fees and charging commissions, due by the Client to **Deltastock AD**, pursuant to the current Agreement.

4.3.4. To stop temporarily or fully the management of funds in the Managed Forex Account of the Client, when:

- a) The Forex market is closed for trading;
- b) Currency trading has been suspended for any reason;
- c) There are force majeure circumstances, which make the trading in foreign currencies impossible for a certain period of time;
- d) The market conditions are unfavourable for trading on the Forex market;
- e) The funds for management in the Account are insufficient for the execution of spot margin trades in currencies.

4.3.5. To manage the funds into the Client's Managed Forex Account in certain cases such as:

- a) Depositing and withdrawing funds into and from the Account (except in the case of closing the Account).
- b) Change in the risk coefficient.

4.4. **Deltastock AD** is obliged to:

4.4.1. Provide a statement of the methods and results from the management of the funds into the Managed Forex Account.

4.4.2. Provide the Client with access to the current balance of the Managed Forex Account through Deltastock's website. This access is secured by a unique username and password, chosen by the Client.

Section 5. Specifics and Steps in the Execution of the Agreement

5.1. By signing this Agreement, the Client opens a Managed Forex Account with **Deltastock AD**, with the minimum required deposit of 5000.00 BGN or their equivalent in USD, GBP, EUR, CHF or RON.

5.2. **Deltastock AD** trades on its behalf and for the Managed Forex Account of the Client. All the other Client's accounts at **Deltastock AD** are not subject to this Agreement.

5.3. **Deltastock AD** will manage the Client's Forex Account using opening, closing and changing signals for currency positions, generated by the System. The **Client** selects a strategy which generates signals to be automatically followed by the System.

5.4. The orders and trades with currencies under this Agreement have a minimum volume of one lot of the base traded currency.

5.5. All orders executed through the System for the Account of the Client are a purchase or sale of a defined volume (quantity) of the base currency against the sale or purchase of the respective quantity of a **second (counter - quoted)** currency at the quoted by

Deltastock AD exchange rate, which corresponds to the current price level of these currencies on the International Foreign Exchange Market.

5.6. The orders are executed electronically and only through the Managed Forex Account. All positive or negative exchange rate differences, as a result of all trades on margin, as well as some revaluation of current daily open positions, are placed on the same managed account. The obtained daily trading results are recalculated in the managed account's base currency every day using the daily closing exchange rate defined by **Deltastock AD** according to Art. 1.5.

Section 6. Funds Deposit and Withdrawal

6.1. The **Client** can deposit funds to his/her Managed Forex Account via cash payment or a bank wire transfer to the bank accounts of **Deltastock AD**, indicated on the company's website – www.deltastock.com

6.2. The Client has to submit a prior request by e-mail for the amount of money he/she wants to withdraw from his/her Managed Forex Account. The execution of the withdrawal request is carried out within the first five (5) days of the month following the month during which the request has been made. **Deltastock AD** transfers the requested amount for withdrawal (provided the minimum required amount for the Account has been maintained) to the bank account specified by the Client in Annex I of this Agreement or at a cash-desk in one of the company's offices.

6.3. The Client cannot withdraw funds from his/her account if the Account balance falls below 5 000 BGN or its equivalent in the account's base currency as a result of the withdrawal.

6.4. The Client can withdraw funds from his/her account not earlier than thirty (30) days after the account has been opened or after the Agreement has been executed, whichever date is the latest.

Section 7. Interest Rates, Fees and Commissions

7.1. The Client pays the following Interest Rates, Fees and Commissions to **Deltastock AD** for the management of the Forex Account:

7.1.1. Service fee- 2% annually. The fee is applied monthly to the ending account balance of the previous month by the 5th day of the current month.

7.1.2. Execution Commission - 20% of the accumulated net profit for the Client. The reporting of the results reported for the previous month is prepared by the 5th business day of the next month. In the cases where there is a negative profit for the given period, no commission is due by the Client. The commission for the previous month is applied and withheld, if the level of the last reported gain is reached and exceeded. The commission is withheld with accumulation by the 5th day of every month or in the cases of a withdrawal from the Account- at the date of the withdrawal.

7.1.3. According to the effective Tariff of **Deltastock AD**- Appendix No 2 to this Agreement.

7.2. **Deltastock AD** has the right to change at any time the fees and commissions it charges and collects from the Managed Forex Account for the execution of this Agreement. **Deltastock AD** is obliged to notify the Client in writing prior to the change, when the latter is effective for the Client after 7 (seven) business days of the receipt of the above

change notification. The Client has the right to terminate the Agreement within the term of the change notification, in case he/she does not accept these changes.

7.3. **Deltastock AD** collects the interest rates, fees and commissions due by the Client under this Agreement, by charging the Client's Account.

7.4. All payments, due by **Deltastock AD** to the Client, are paid into his/her Account at **Deltastock AD**.

Section 8. Statements and Reporting

Deltastock AD prepares and releases a daily statement of the executed trades under this Agreement. This statement will be sent to the e-mail address specified by the Client upon the expiration of 30 days after the execution date of the trades.

Section 9. Declarations and Agreement by the Client. Indemnification of Deltastock AD

9.1. By signing this Agreement the Client declares that:

9.1.1. He/she will hold neither **Deltastock AD**, nor its employees, managers, partners, or directors liable for the results of the limited management of his/her account. The previous sentence shall not be valid in the cases where there has been proved intentional or gross negligence of the respective person.

9.1.2. He/she agrees and accepts the fact that the limited management of the Account will be based on signals for opening, closing or changing of positions in currencies, generated by the System, using different mathematical algorithms and indicators of technical analysis - strategies, created and maintained by **Deltastock AD** or third parties - as chosen by the Client.

9.1.3. He/she agrees and accepts the fact, that when technical means for the limited management of his/her Account are used the general risk of using computer systems exists. The Client agrees that this risk may include: hardware, software and/or communication errors/disruptions, loss of data and/or unauthorized interference by third parties.

9.1.4. He/she agrees and accepts the fact that with the limited management of his/her Account, **Deltastock AD** acts as an intermediary as well as a counterparty when executing orders, based on trading signals generated by the System or by third parties. In those cases, **Deltastock AD** is not responsible for the timely and exact execution of the orders by third parties, as well as for any delays or price differences compared to **Deltastock's** signals and quotes.

9.1.5. He/she agrees and accepts the fact that all orders are executed as "market" orders, regardless of the order types, which generate signals by the System.

9.1.6. He/she agrees and accepts the fact that due to the high volatility of the Forex market as well as the time necessary for the execution of trades, the execution price may not correspond to the price generated by the trading signal of the System.

9.1.7. He/she will not hold neither **Deltastock AD** and/nor it's employees, partners and/or directors liable for any inaccuracies, errors or losses that has resulted from the trading strategies developed by third parties, if the Client has chosen such strategies.

9.1.8. He/she agrees and accepts the fact that in relation to lowering transaction costs and achieving better spreads and trade execution, it is possible for **Deltastock AD** to consolidate and allocate orders of its clients, including spot currency trades on the Forex market, in compliance with company's Policy for consolidation of orders and allocation of trades to Clients accounts, based on a signals generation system (Appendix 3).

9.1.9. He/she agrees and accepts the fact that trading currencies on the Forex market is a highly risky activity and that the individual who does not understand the risk associated with this kind of trading and is not prepared to accept the risk, should not sign this Agreement.

9.1.10. He/she agrees that the available funds in the Managed Forex Account may be lost partially or fully as a result of the limited account's management which **Deltastock AD** provides subject to the terms and conditions of this Agreement.

9.1.11. He/she agrees and understands that if funds in the Account fall below the minimum of 5000 BGN or its equivalent in the base currency of the account, as a result of funds withdrawal by the Client, **Deltastock AD** has the right to terminate the Agreement.

9.1.12. He/she agrees and accepts that in the cases this Agreement has been terminated by any reasons whatsoever, **Deltastock AD** has the right to immediately charge all due payments for the respective period of the management of the Account.

9.1.13. The Client declares that he/she understands that all trades subject to this Agreement will be spot currency trades on margin executed off exchange, i.e. on an unregulated market.

9.2. The Client declares that he/she understands and accepts that trading as stipulated in this Agreement refers to spot currency trading only. This Agreement does not include in any case trading with any derivatives and/or financial instruments according to the Public Offering of Securities Act and the Markets in Financial Instruments Act.

9.3. The subject of this Agreement and the trades executed on the Forex market, are not regulated by the Financial Supervision Commission (FSC) and the Client understands and accepts that he/she cannot raise any disputes, interpretations and irregularities regarding this Agreement to the FSC.

9.4. The Client accepts the fact that the funds he/she deposits into his/her account with **Deltastock AD** following the execution of the Managed Forex Account Customer Trading Agreement may not be guaranteed by the Investors Compensation Fund under Article 77a and the following articles under the Public Offering of Securities Act.

Section 10. Conflict of Interests

10.1. The parties agree and accept the fact that under this Agreement **Deltastock AD** engages itself in specific activities and it is possible that conflicts of interests may arise in the execution of trades for the account of the Client.

10.2. By signing this Agreement the Client explicitly gives his/her consent to **Deltastock AD** to execute trades for his/her account while acting as counterparty on the trade. **Deltastock AD** may not use discriminatory practices with respect to the Client (providing quotes, execution time) different from the practices it applies for any other client in the trade execution on the market.

10.3. The Client shall not hold Deltastock AD or its employees, associates and directors liable for the results from the execution of trades for the account of the Client on one hand and as the counterparty to those same trades, on the other.

Section 11. Commencement and Termination

11.1 This Agreement becomes effective on the date of receipt of the Client's minimum required funds into his/her account at **Deltastock AD**, pursuant to Art. 5.1. above.

11.2. This Agreement can be terminated before the expiration of the Initial Period or any successive one-year period in the cases where:

11.2.1. Both parties express mutual consent for the Agreement's termination in writing.

11.2.2. Both parties sign a prior 14 (fourteen) day written notice according to the Articles 3.1., 3.2., 7.2. of this Agreement.

11.2.3. Along with the written notice for the termination of the Agreement, the Client is obliged to substantiate to **Deltastock AD** the ways in which **Deltastock AD** should handle the remaining assets in the Client's account.

11.2.4. **Deltastock AD** may terminate this Agreement without prior notice in the cases where the Client has failed to perform his/her obligations under this Agreement.

11.2.5. **Deltastock AD** may terminate this Agreement without prior notice in the cases where the Client (being a legal entity) declares bankruptcy/insolvency, as well as in the cases of a company reorganization or deletion of the Client from the Trade Register.

11.2.6. In the cases of death or sickness, or other circumstances which directly affect the Client's ability to further fulfil his/her obligations under this Agreement. The Agreement shall be considered void on the day the relevant documents, certifying the circumstances, as stipulated above, have been submitted **to Deltastock AD**.

Section 12. Force Majeure Events

In the cases where one of the parties is hindered to fulfil its obligations with respect to this Agreement due to circumstances beyond its control, both parties agree that such circumstances can be accepted as a valid reason for the delay of the execution of the corresponding contractual obligations under this Agreement. Such circumstances can be, for instance, technical or communication disruptions, system failures, loss of data caused such failures, lightning, strikes, fire, changes in the legislation, terrorist attacks, military actions, important economic or political news, intervention from the authorities in the activities of the contracting parties and/or any other events that the parties are not able to predict, and the further execution of the Agreement is against the rules of justice and faithfulness.

Section 13. Miscellaneous

13.1. By signing this Agreement the Client officially declares that:

a) He/she accepts the General Terms applicable to contracts of **Deltastock AD**, accepted by a Protocol of 31.10.2007 at the General Meeting of the Board of Directors of **Deltastock AD**, the Tariff of Interest Rates, Fees and Commissions of **Deltastock AD**, approved by Protocol at a Meeting of **Deltastock's** Board of Directors on 30.12.2008 and effective as of 05.01.2009, and the Policy for consolidation of orders and allocation of

trades to Clients accounts, based on a signals generation system, as far as those documents are applicable to this Agreement.

b) He/she is aware of and accepts the potential risks associated with the execution of this Agreement, at the time he/she is signing this Agreement;

c) He/she has signed Appendix № 1 applicable to the Customer Trading Agreement of **Deltastock AD**.

d) He/she is obliged to sign a declaration under Art. 4, Paragraph 7 and under Art. 6, Paragraph 5, clause 3 of the Law on the Measures Against Money Laundering, in accordance with Appendix №4 to this Agreement;

e) He/she agrees to provide the personal information requested for the Customer Trading Agreement and its Appendices required for the signing and execution of this Agreement.

13.2. By signing this Agreement the parties state that this Agreement and all its clauses result from the individual negotiations between them. Each clause in the Agreement reflects the exact requests and understandings of both parties.

13.3. All the disputes arising from this Agreement or in relation to its execution, including the disputes regarding its interpretation, invalidity, execution or termination as well as the disputes concerning its severance or its adaptation to any new circumstances that might arise will be resolved by the Bulgarian Court of Arbitration at the Bulgarian Chamber of Commerce and Industry according to its regulations on lawsuits based on arbitration agreements.

13.4. All clauses in this Agreement are agreed upon individually between both contracting parties after each party has had the opportunity to read and understand each clause in advance, as well as to discuss and clarify its meaning with the other party to the extent reasonable and possible.

13.5. The Liabilities and Contracts Law, the Commercial Law and all their normative acts shall apply for all unsettled questions to this Agreement.

13.6. Integral parts of the Agreement are also: "Annex I"; "Annex II"; Information Card; Appendix № 2 "Tariff of Interest Rates, Fees and Commissions of **Deltastock AD**", Appendix № 3 "**Deltastock's** Policy for consolidation of orders and allocation of trades to Clients accounts, based on a signals generation system" and Appendix № 4 "Declaration under Art. 4, Paragraph 7 and under Art. 6, Paragraph 5, Clause 3 of the Law on the Measures Against Money Laundering".

13.7. Both parties received and signed this Agreement

For Deltastock AD:

For the Client:

Date:

Date:

Title: _____

Title: _____

Name: _____

Name: _____

Signature: _____

Signature: _____