

General Terms and Conditions Regulating the Managed Forex Accounts

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”**- a 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 22:00 h (21:00 h on Friday) GMT, of the different types of currencies, every business day for the duration of the position, which quote is determined by PriorFX Limited to be accurate, respective and fair to the Client.
- 1.8. **“Maximum drawdown”**- the level of risk, accepted by the Client for the Managed Forex Account. It may vary from zero percent (0%) to one hundred percent (100%), where at zero the orders to the Client's account are put on hold, and at one hundred, 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 PriorFX Limited or by third parties.
- 1.13. **“Managed Forex Account”** or **“Account”**- the currency trading account in the name of the Client at PriorFX Limited. The client deposits funds into this account or withdraw funds from it, and PriorFX Limited 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 PriorFX Limited, whose strategies are offered to the Client by PriorFX Limited.

Section 2. Subject of the Agreement

- 2.1. Under this Agreement the Client requests and PriorFX Limited agrees to perform spot margin trade on currency pairs or CFDs on the Forex market on behalf of PriorFX Limited and at the Client's expense, with funds, which the Client keeps into his/her Managed Forex Account opened at PriorFX Limited.
- 2.2. Trading with funds from Clients' Managed Forex Accounts is performed on the basis of signals generated by the System.
- 2.3. Trading with funds from the Managed Forex account will be performed only on the market, where only trades with currency pairs and CFDs shall be executed.
- 2.4. Upon the execution of this Agreement the Client opens a Managed Forex Account at PriorFX Limited, 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 PriorFX Limited 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.
- 3.2. This Agreement remains in force for one (1) year (hereinafter referred to as 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 and trading platform of PriorFX Limited 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. The Company reserves the right to ask the client to top up his account or close it withdrawing remaining available funds if the account balance is falling below the limit specified in the Agreement notes or its equivalent in other currency.
 - 4.1.5. Deposit funds to the Managed Forex Account at any time.
 - 4.1.6. Change the current maximum drawdown he/she is willing to accept for the Managed Forex Account, upon having his/her application approved by PriorFX Limited. The maximum drawdown is specified in the Agreement notes.
- 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. PriorFX Limited 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 and CFDs on the 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 PriorFX Limited, 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:

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

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

- Depositing and withdrawing funds into and from the Account (except in the case of closing the Account).
- Change in the maximum drawdown.

4.4. PriorFX Limited is obliged to:

- Provide a statement of the methods and results from the management of the funds into the Managed Forex Account.
- Provide the Client with access to the current balance of the Managed Forex Account through PriorFX's website or trading platform. This access is secured by an account number and password.

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

5.1. By signing the Agreement, the Client opens a Managed Forex Account with PriorFX Limited, with the minimum required deposit specified in the Agreement notes or the equivalent in GBP, EUR, CHF or JPY.

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

5.3. PriorFX Limited will manage the Client's Forex Account using opening, closing and changing signals for currency and CFD 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 as specified in the Agreement notes.

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 or CFD at the quoted by the liquidity providers of PriorFX Limited, 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.

Section 6. Funds Deposit and Withdrawal

6.1. The Client can deposit funds to his/her Managed Forex Account via card payment or a bank wire transfer to the bank accounts of PriorFX Limited, indicated on the company's website – www.priorfx.com

6.2. The Client has to submit a prior request 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 day the request has been made. PriorFX Limited 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.

6.3. The Client cannot withdraw funds from his/her account if the account balance falls below the amount specified in the Agreement notes or its equivalent in the account's base currency as a result of the withdrawal without terminating the agreement.

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 PriorFX Limited for the management of the Forex Account:

7.1.1. Execution Commission – A percentage of the accumulated net profit for the Client specified in Annex I. 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 maximum reported gain is 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.

7.2. PriorFX Limited 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. PriorFX Limited 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. PriorFX Limited 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 PriorFX Limited to the Client, are paid into his/her Account at PriorFX Limited.

Section 8. Statements and Reporting

PriorFX Limited 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 at the end of each trading day if there was activity in the account.

Section 9. Declarations and Agreement by the Client. Indemnification of PriorFX Limited

9.1. By signing the Agreement, the Client declares that:

9.1.1. He/she will hold neither PriorFX Limited, 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 PriorFX Limited 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, PriorFX Limited 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, PriorFX Limited 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 PriorFX'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 PriorFX Limited and/nor its 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 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.

9.1.9. 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 taking into account the maximum drawdown specified by the client which PriorFX Limited provides subject to the terms and conditions of this Agreement. The System will initiate a closure of all open positions and discontinues further trading if the maximum drawdown level is reached thus limiting the losses.

9.1.10. He/she agrees and understands that if funds in the Account fall below the minimum specified in the Agreement notes or its equivalent in the base currency of the account, as a result of funds withdrawal by the Client, PriorFX Limited has the right to terminate the Agreement.

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

9.1.12. The Client declares that he/she understands that all trades subject to this Agreement will be spot currency trades and CFDs on margin executed at the best price available on PriorFX's liquidity.

9.2. The Client declares that he/she understands and accepts that trading as stipulated in this Agreement refers to spot currency and CFD trading and only.

Section 10. Conflict of Interests

10.1. The parties agree and accept the fact that under this Agreement PriorFX Limited 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. PriorFX Limited 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 PriorFX Limited 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 PriorFX Limited, 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 PriorFX Limited the ways in which PriorFX Limited should handle the remaining assets in the Client's account.

11.2.4. PriorFX Limited 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. PriorFX Limited 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 Register of Companies.

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 PriorFX Limited.

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.