



Forex System Selector TERMS OF BUSINESS

© FOREX CAPITAL MARKETS LTD

Please date and sign page 6 of the Forex System Selector Terms of Business document and complete the Transfer Form / Service Fee Authorisation form. Both pages must be submitted in order for your request to be processed.

Return to:

Forex Capital Markets
145 Leadenhall Street
2nd Floor
London EC3V 4QT
United Kingdom
Fax: +44 (0) 207 398 4051

FOREX SYSTEM SELECTOR TERMS OF BUSINESS

This Agreement is made between Forex Capital Markets Limited ("FXCM UK"), the undersigned Client (the "Client") and Forex Capital Markets LLC ("FXCM US"). It sets forth the terms and conditions relating to all of the Client's foreign currency investments traded through the Forex System Selector (the "Programme").

FXCM UK has introduced the Client to FXCM US in connection with the Programme for FXCM US to enable the Client to build and create Portfolios, on the terms and conditions set forth herein. The introduction has been made in compliance with the FSA's Financial Promotion Rules and applicable regulatory requirements.

In this Agreement, "Account" or "Client Account" means all over-the-counter foreign exchange accounts that the Client now has or at any time may have with, at or through FXCM UK or its successors, including accounts from time to time closed and then re-opened.

The Forex System Selector ("FSS") ("Programme") is a software comprised of various algorithmic trading strategies designed to enable Clients to build and create trading portfolios which will automate execution and manage strategies selected by the Client.

For the purposes of this Agreement, Portfolio means the combination of strategies created by an individual client via the Programme.

For the purposes of this Agreement, Strategies are the automated trading algorithms.

PART 1: RELATIONSHIP BETWEEN THE CLIENT AND FXCM US

1. INTRODUCTION

1.1 Clauses 1 to 4 of this Agreement shall govern the relationship between the Client and FXCM US.

2. SERVICES

2.1 The Client hereby designates FXCM US as its platform to build and maintain a Portfolio. FXCM US agrees to execute the Portfolio selections as designated by the Client in accordance with the provisions of this Agreement. In providing Portfolio maintenance services to the Client, FXCM US shall maintain the Client's Account in accordance with the trading strategies and computerised algorithms of the strategies offered through the Programme.

2.2 FXCM US agrees to act as directed by the Client, to exercise its powers and to perform its duties under this Agreement at all times with the degree of diligence, prudence and care and in the manner in which a reasonable platform would use in the conduct of an enterprise of similar character with similar aims.

2.3 FXCM US shall act in good faith and in accordance with all applicable laws.

2.4 FXCM US shall not have possession or custody of all cash and/or foreign currency investments due to or from the Client Account or any responsibility or liability with respect to such custody.

2.5 It is understood that FXCM US has investment responsibilities for other individuals ("Other Accounts") and that FXCM US or any of its directors, officers, agent or employees may buy, sell or trade in any foreign exchange investments for their respective accounts ("Affiliated Accounts"). The Client agrees that FXCM US may exercise investment responsibility and take such other action with respect to Other Accounts and Affiliated Accounts which may differ from the investment decisions taken or the timing or nature of action taken with respect to the Client Accounts, provided that FXCM US acts in good

faith and provided further that it is FXCM US's policy to allocate, within its reasonable discretion, investment opportunities to the Client Accounts over a period of time on a fair and equitable basis relative to the Other Accounts and the Affiliated Accounts.

2.6 In the event of an emergency or in the event of extreme market volatility, as determined by FXCM US in its absolute discretion, FXCM US can instruct FXCM UK to intervene and manually override any system programmes.

3. FEES AND CHARGES

3.1 The consideration of FXCM US for its services under this Agreement shall be notified to the Client and collected from the Client by FXCM UK.

4. LIABILITY AND INDEMNITY

4.1 The Client agrees that, in the absence of gross negligence, fraud or willful default, FXCM US nor any of its officers, directors, employees, consultants, agents or Affiliates will be held liable for any act or omission in the course of or in connection with the participation in the Programme other than as permitted by law. The Client shall indemnify FXCM US, its principals, officers, directors, employees, agents, successors and/or assigns from all losses and/or liability including reasonable Solicitors and/or Accountants fees incurred or resulting from this Agreement provided there has been no judicial determination that such liability was the result of gross negligence or recklessness or fraud or willful default by FXCM US and further provided that the conduct that was the basis for such liability was not undertaken in the actual and reasonable belief that it was in the best interest of the Client's Account.

4.2 FXCM US shall not be liable to the Client or any person for any damages caused directly or indirectly to the Client or such person if FXCM US is unable to perform any of its obligations under this Agreement because of any event beyond the control of FXCM UK or FXCM US, including, but not limited to, natural disasters, acts of God, war, terrorism, actions or decrees of governmental bodies, failures of technology equipment or communications equipment or networking equipment (a "**Force Majeure Event**"). Upon the occurrence of a Force Majeure Event, FXCM US shall give the Client written notice and FXCM US shall use commercially reasonable efforts to resume performance. Upon receipt of such notice, all of FXCM UK or FXCM US obligations under this Agreement shall be immediately suspended for the duration of such Force Majeure Event. The Client acknowledges that FXCM US can accept and execute orders only if actually received or generated and then on a "not held" basis (i.e. FXCM shall not be held responsible for the execution of the order at the price indicated or otherwise).

PART 2: RELATIONSHIP BETWEEN THE CLIENT AND FXCM UK

5. INTRODUCTION

5.1 Clauses 5 to 10 of this Agreement shall govern the relationship between the Client and FXCM UK and are supplemental to and forms part of the Terms of Business in place between FXCM UK and the Client (the "Terms of Business") as such agreement may be amended and reinstated or further supplemented.

5.2 To the extent there is any inconsistency between the Terms of Business and this Agreement, the latter shall prevail.

5.3 Defined terms in the Terms of Business shall have the same meaning when used herein unless the context otherwise requires.

6. SERVICES

6.1 FXCM UK shall effect transactions in foreign currency exchange markets in accordance with the Terms of Business at the direction of FXCM US. FXCM UK will be the Client's counterparty to executed foreign currency transactions. FXCM UK will not manage any of the Client's foreign exchange investments or Accounts in any circumstances involving the exercise of discretion by FXCM UK.

6.2 The Client directs FXCM UK, as its broker and custodian, to follow the instructions of FXCM US (or its designee) with regard to all transactions under this Agreement and, in particular, with regard to those matters set out at clauses 2.6 of this Agreement. The Client authorises FXCM UK to provide all necessary and applicable information to FXCM US concerning the assets and transactions effected in each Client Account.

6.3 All transactions for the Client will be consummated by payment or delivery by FXCM UK, or such depositaries or agents as may be determined by FXCM UK in writing, as custodian for the Client Accounts, of all cash and/or foreign currency investments due to or from the Client Account

6.4 The Client will be sent Account statements and periodic performance measurement reports as further set out in the Terms of Business. The Client should carefully review all such material and promptly report any discrepancies to FXCM UK. While FXCM UK will review the overall trading of FXCM US as executed by the Programme, FXCM UK will not be obligated to monitor each transaction directed by FXCM US for conformity with the Client's investment objectives or restrictions other than as set out in the Terms of Business.

7. FEES AND CHARGES

7.1 Fees for the services provided to the Client by FXCM UK under this Agreement will be notified to the Client from time to time.

8. ACCOUNTS

8.1 An Account must be opened prior to entering into any transaction with FXCM UK in relation to the Programme.

8.2 If the Client has an existing FXCM UK Account and the Client instructs FXCM UK to open a similar type of Client Account in respect of the Programme, the Client agrees that the Terms of Business and related documentation for the Client's existing Account will apply with full force and effect to each Programme Account.

8.3 If the Client does not have an Account with FXCM UK, the Client agrees to open such an Account and execute the applicable FXCM UK Terms of Business agreement. The Client agrees that all the Terms and Conditions of that agreement, as amended, and all related or incorporated documents, will apply to each Client Account in the Programme.

8.4 The Client must select the Strategies to be included in the Portfolio. The Client acknowledges that the Strategies provided by the Programme and selected by the Client maintain varying risks of loss depending on the particular Strategy chosen by the Client for the Client's Portfolio.

8.5 The Client should be diligent to closely scrutinise what transpires in the Client Account. FXCM UK shall send the Client a confirmation of every trade made under the Programme and any transactions on the Account and a profit and loss statement showing the financial results of each transaction closed out for the Account as further set out in the Terms of Business. In lieu of sending trade confirmation and/or Account activity via postal mail, FXCM UK will provide the Client with access to view its Account at any time using the internet with an on-line log in. FXCM UK shall make statements available showing the ledger balance, the exact positions in the Account, the net profit or loss in all contracts, closed for the

given period and the net unrealised profit and loss in all open contracts figures to the market. The Client should carefully review these statements on a daily basis and if the Client has any questions should contact FXCM UK immediately. Any discrepancies on Account statements must be reported to FXCM UK, in writing, within 24 hours of its occurrence.

9. MARGIN

9.1 The Client shall provide to and maintain with FXCM UK as counterparty, as applicable, Margin in such amounts and in such form as FXCM UK, in its sole discretion, may require in accordance with the Terms of Business. FXCM UK may change the Margin requirements at any time.

9.2 FXCM UK does not offer a guaranteed stop loss facility. A Client Account is automatically closed out at the point when Margin will not cover any losses in the Account.

10. CUSTODY

10.1 The Client authorises FXCM UK to act as custodian for assets in each Client Account which will be maintained in one or more central asset Accounts as may be agreed to by FXCM UK and the Client.

PART 3: CLAUSES COMMON TO THE CLIENT, FXCM UK AND FXCM US

11. INTRODUCTION

11.1 Clauses 11 to 16 of this Agreement shall govern the relationship between the Client, FXCM UK and FXCM US.

12. TERMINATION

12.1 In the event that the Client wishes to keep the Client Account open but not participate in the Programme, the Client agrees to submit a written request to FXCM UK. If funds are withdrawn, but the Client's Account is kept open, the Client will need to deposit the minimum Margin amount, as detailed in Clause 9 above, in the Account.

12.2 FXCM UK or FXCM US may terminate this Agreement forthwith upon notice in writing to the Client at any time. Termination shall not affect any transactions previously entered into and shall be without prejudice to any accrued rights and obligations of either the Client or FXCM UK or FXCM US. The Client shall be responsible for any open positions in its Account at the time that this Agreement is terminated. The Client agrees to permit FXCM UK to execute offsetting orders for any open positions in the Client Account at the time the Agreement is terminated.

13. COMPLAINTS AND COMPENSATION

13.1 If the Client has any complaint about FXCM UK or FXCM US's performance under this Agreement, the Client should direct that complaint to FXCM UK's Compliance Officer, who will investigate the nature of the complaint in accordance with FXCM UK's complaints handling procedure to try to resolve it. A copy of FXCM UK's complaints handling procedure is available on request.

13.2 The Client acknowledges that it will not be eligible to make a complaint to the Financial Ombudsman Service ("FOS") in respect of the performance of FXCM US under the terms of this Agreement. FXCM US, being an Overseas Person as defined under FSA Rules, is not subject to the jurisdiction of the FOS. This does not affect the Client's right to make a complaint to the FOS about FXCM UK's performance under this Agreement or any applicable Terms of Business in place between the Client and FXCM UK. Information and rules relating to the FOS can be accessed on www.financialombudsman.org.uk.

13.3 The Client may also be an eligible participant in the Financial Services Compensation Scheme in relation to FXCM UK.

14. DISPUTE RESOLUTION

14.1 Without prejudice to the Client's rights to refer a complaint to the FOS, as set out in clause 13 above, the parties will attempt to negotiate a settlement of any claim or dispute between them arising out of, relating to or in connection with this agreement including any question regarding its existence, validity or termination. If the matter is not resolved by negotiation the parties will refer the dispute to mediation. The mediation will take place in London, England (or such other place or places as the parties may agree) and will be initiated by one party giving written notice to the other that negotiations to settle the claim or dispute have failed.

14.2 Following such notice the parties will attempt to agree upon a Mediator. If the parties are unable to agree upon a Mediator or if the Mediator agreed upon is unable or unwilling to act, either party shall, within 14 days after (a) written notice by one party to the other of a failure to agree upon a Mediator, or (b) written notice to either party that the agreed upon Mediator is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution ("CEDR") for the appointment of a Mediator.

14.3 Following the selection or appointment of a Mediator the parties will attempt to resolve the claim or dispute through mediation in accordance with the rules of CEDR.

14.4 Notwithstanding any of the forgoing, any party may seek from a court any interim or provisional relief that may be necessary to protect the rights or property of that party, pending resolution of the dispute in accordance with the procedure set forth above.

15. REPRESENTATIONS

15.1 The Client acknowledges that he has been apprised of the fees generated by the Programme and the impact this may have on its performance. The Client understands the limitations of hypothetical back testing and real time track records in predicting future performance. The Client has made enquiries and conducted research into the Programme sufficient to make an informed investment decision. FXCM UK or FXCM US cannot imply or guarantee that the client will make a profit in the Programme.

15.2 The Client is aware that FXCM US may use an electronic trading system to generate instructions to FXCM UK to execute trades which exposes the Client to risks associated with the use of computers and data feed systems relied on by FXCM US. The Client agrees to accept such risks, which may include, but are not limited to, failure of hardware, software or communication lines or systems and/or inaccurate external data feeds provided by third party providers and further agree to hold FXCM US and FXCM UK harmless from any losses in the Client Account associated with these risks.

15.3 The Client acknowledges that Orders for execution by FXCM UK are automatically generated through the application of the FXCM US Programme (which implement the trading strategies).

15.4 The Client acknowledges and understands that FXCM UK will only be responsible for using its commercially reasonable efforts to execute, in a timely manner, the signals and instructions generated by FXCM US.

15.5 The Client is aware that because the risk factor is high in foreign currency exchange trading only genuine "risk" funds should be used in such trading. Any Client that does not have the requisite funds that may be subject to a total loss should not participate in the Programme. FXCM UK or FXCM US cannot guarantee profits or to limit the extent of losses.

16. **GENERAL**

16.1 Any variation to this Agreement must be in writing and must be signed by all of the parties.

16.2 This Agreement shall terminate forthwith in the event of its assignment.

16.3 This Agreement and all matters arising from or in connection with it will be governed by English law.

16.4 This Agreement constitutes the entire agreement, and save as aforesaid supersedes any previous agreements, between the Parties relating to the subject matter of this Agreement.

16.5 The invalidity, illegality or unenforceability of any provision of this Agreement does not affect the continuation in force of the remainder of this Agreement.

16.6 A failure to exercise or delay in exercising a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies.

16.7 No single or partial exercise of a right or remedy provided by this Agreement or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

16.8 Subject to this clause, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 (the Third Parties Act) to enforce any term of this Agreement but this does not affect any right or remedy of a third party which exists or is available apart from the Third Parties Act.

Primary Account Signature:	Joint Account Signature:
Print Client Name:	Print Client Name:
Today's Date (MM/DD/YYYY):	Today's Date (MM/DD/YYYY):



Forex Capital Markets, LTD
145 Leadenhall Street, 2nd Floor Rear
London EC3V 4QT
Tel: 44 (0) 20 7 398 4050
Fax: 44 (0) 20 7 398 4051
www.fxcm.co.uk

TRANSFER FORM / SERVICE FEE AUTHORISATION

Account Holder's Name: _____ **My Program Provider:** _____
Account Number: _____ **Trader Account Number:** _____

SERVICE FEE AUTHORISATION

PURSUANT TO THE AGREEMENT, FOREX CAPITAL MARKETS LTD ("FXCM") WILL COLLECT AND REMIT TO THE PROGRAM PROVIDER THE TRANSACTION-BASED SYSTEMS TRADING COMMISSION (THE "COMMISSION") CHARGED TO THE ACCOUNT HOLDER BY THE PROGRAM PROVIDER. SUCH COMMISSION SHALL EQUAL THE AMOUNT INDICATED BELOW PER TRANSACTION. FXCM WILL NOT SHARE IN ANY COMMISSIONS CHARGED BY THE PROGRAM PROVIDER.

FXCM is hereby authorized to deduct from my account and make systems trading commission payable to Program Provider.

Services Provided: _____

Systems Trading Commission per Round Turn Lot \$ _____ per mini lot.

FXCM will hereby facilitate the above instructions without further direction or confirmation from the Client unless otherwise notified in writing.

Because the risk factor is high in the foreign exchange market trading, only genuine "risk" funds should be used in such trading. If Trader does not have the extra capital the Trader can afford to lose; Trader should not trade in the foreign exchange market. No "safe" trading system has ever been devised, and no one can guarantee profits or freedom from loss. In fact no one can even guarantee to limit the extent of losses. In cases where Trader receives trading advice from above broker, the undersigned understands that it is his/her responsibility to closely scrutinize all advice before placing a trade.

IN CONNECTION WITH FOREIGN EXCHANGE TRADING CARRIED THROUGH FXCM, THE INTRODUCED COUNTERPARTY SIGNING BELOW HEREBY RATIFIES AND CONFIRMS THAT HE HAS AGREED TO BE CHARGED A COMMISSION AND TO COMPENSATE THE PROGRAM PROVIDER FOR SERVICES. THE UNDERSIGNED ACKNOWLEDGES HAVING RECEIVED, READ AND UNDERSTOOD THE FOREGOING COMMISSION ACKNOWLEDGEMENT.

TRANSFER FUNDS TO CREATE A NEW FOREX SYSTEM SELECTOR ACCOUNT

All new accounts are created with an identical account profile (address, referring agent etc.) as the existing account at FXCM's discretion. The undersigned client (the "Client") understands and accepts that by signing below, they have requested for funds to be transferred out of the FXCM account and into another FXCM account in accordance with FXCM's compliance and administrative procedures. Available margin must exist in order for funds to be transferred, as removal of funds may result in a Margin Call (as defined in the Terms of Business). The Client shall hold FXCM harmless of any and all claims regarding such funds transfer upon proper credit to the below named FXCM account.

(A temporary password will be assigned to your new account)

Amount to Transfer (Minimum \$1,000): _____

Please check here if the first account will be closed.

Please note if you wish to refund a closed account you will be issued a new account number. To keep your account open you must maintain a minimum balance of \$100 USD in Standard accounts and \$50 USD in Mini accounts.

Primary Account Holder Signature:

Print Name: _____

Today's Date: M M / D D / Y Y Y Y

Joint Account Holder Signature:

Print Name: _____

Today's Date: M M / D D / Y Y Y Y