

## GAIN Capital Managed Account (MAC) Program – Individual Applicant

Thank you for choosing GAIN Capital. To make it easy and convenient to open your account, we've included all the necessary forms in this application packet. Completing the application process is an easy process:

**Step 1: Complete the Customer Account Application (p. 2-3), read and sign the MAC Term Sheet (p.4-5), and read the Customer Agreement and Risk Disclosure (p. 6-10) and sign on page 10.**

- **Non U.S. Residents:** Also complete the *W-8BEN Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding Form*

**Step 2: Provide photo ID. Required of all authorized signers on this Account.**

In response to the US Patriot Act, it is GAIN Capital's policy to obtain a photocopy of our customer's government-issued photo identification in order to verify personal information provided on this application.

- **U.S. Residents:** One (1) form of photo ID, i.e. a driver's license or other government-issued document that bears a photograph AND provides proof of residence as represented on this application. If your photo ID does not include address information (i.e. passport), you must submit one additional form of identification as proof of address (i.e. utility bill, bank/brokerage statement, etc.).
- **Non U.S. Residents:** Two (2) forms of identification, including one (1) photo ID (i.e. passport or any other government-issued document evidencing nationality or residence and bearing a photograph), AND one (1) proof of address as represented on this application (i.e. utility bill, drivers license, bank statement, etc.).

**Step 3: Send your completed, signed application (in its entirety) and applicable tax form, along with required photo ID(s) to GAIN Capital:**

**via FAX**  
ATTN: New Accounts  
+1.908.731.0777

**via MAIL:**  
GAIN Capital, Inc.  
35 Technology Dr.  
Warren, NJ 07059

**Step 4: Fund your account**

Cash deposits are not accepted, which includes money orders, traveler's checks or other cash equivalents. Under no circumstances will GAIN Capital make or receive payments via third parties.

- **Wire Transfer - The fastest way to fund your account**  
*Bank wires are typically received and credited to client's account within 1-2 business days.*

**Wire to:**

GAIN Capital Customer Funds  
Citibank, N.A.  
717 Avenue of the Americas, New York, NY 10010  
ABA # 021000089  
A/C # 26500310

- **Certified Bank or Cashier's Check** - Once received, Certified Bank or Cashiers Checks are typically credited to client's account within one (1) business day.
- **Personal or Business Check** - Funds sent via personal or business check take 5-10 business days (from date of receipt) to clear and be credited to client's trading account, according to our banking partner's posted schedule. This can vary depending on the bank and state of issue. International checks may take several weeks to clear.
- **Individual Retirement Account (IRA) Transfers**  
If you wish to transfer funds from an IRA, please contact a GAIN Account Executive for an IRA application package. DO NOT complete this application

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If you have questions or require assistance completing the application, please call us at 1.877.GAINCAP (toll free within North America) or +1.908.731.0700 (int'l) or email us at [clientservices@gaincapital.com](mailto:clientservices@gaincapital.com).

## Managed Account (MAC) Program Account Application – Individual

This Application must be completed in full or it will not be processed. GAIN Capital will not disclose, share or sell your personal information to third parties. You must be at least 18 years of age to open an account. Please type or print clearly.

Select One (1) MAC Strategy:  GAIN MAC  GAIN MAC Aggressive

### ACCOUNT INFORMATION

Name to Appear on Account: \_\_\_\_\_

Account Mailing Address (complete only if different than home address)

Address: \_\_\_\_\_ Apartment/Suite: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Country: \_\_\_\_\_

Telephone number for account transaction information: \_\_\_\_\_

Email Address (this will be our primary method of contacting you): \_\_\_\_\_

Initial Deposit: \$ \_\_\_\_\_ Deposit Method?  Wire  Check (Check #: \_\_\_\_\_)

Were you referred to us?  YES  NO If Yes, by whom? \_\_\_\_\_

If No, how did you hear about us? \_\_\_\_\_

Select a password for your Account: \_\_\_\_\_

Must be 6-8 characters and is case sensitive. Remember your password; you will need it to log in to the trading platform once your account is activated

### PERSONAL INFORMATION

Full Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Social Security or Tax ID #: \_\_\_\_\_

Home Address (P.O. boxes not accepted): \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Country: \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

U.S. Citizen?  YES  NO If NO, what country? \_\_\_\_\_

### EMPLOYMENT STATUS

(Check one)  Employed  Self-employed  Retired  Student/Homemaker  Unemployed

If you selected Employed, provide the following information:

Employer's Name: \_\_\_\_\_ Years There: \_\_\_\_\_

Nature of Business: \_\_\_\_\_ Position: \_\_\_\_\_ Telephone: \_\_\_\_\_

Employer's Address: \_\_\_\_\_

**FINANCIAL INFORMATION**

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Total estimated annual income? \$ \_\_\_\_\_

Net worth? (assets minus liabilities) \$ \_\_\_\_\_

Risk capital (if lost would not change your lifestyle), including initial deposit in this Account? \$ \_\_\_\_\_

**BANK REFERENCE**

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**This section MUST be completed by all non-U.S. residents.** Your signature authorizes GAIN Capital's banking partner to contact the financial institutions listed below to verify your account standing, and also authorizes the financial institution listed below to release information regarding your account.

Bank Name: \_\_\_\_\_

Bank Address: \_\_\_\_\_

Account Number: \_\_\_\_\_ ABA # or Swift #: \_\_\_\_\_

Name of person to contact at bank: \_\_\_\_\_ Telephone Number: \_\_\_\_\_

*Remainder of this page left intentionally blank*

## Managed Account (MAC) Program - Term Sheet

### TRADING PHILOSOPHY

The profitability and hence success of GAIN's Managed Account (MAC) program is based on the ability of key trading personnel to identify short- and medium-term opportunities in the major currency pairs. GAIN performs rigorous analysis and evaluates both technical and non-technical factors to find such opportunities. GAIN's strategy is to uncover numerous possible investments and derive the investments with the highest success probability. Senior trading staff reviews all possible investments before initiating a trade.

GAIN's MAC trading staff utilizes proprietary technical analysis processes to uncover "mini-trends" that may result in many modest gains over the course of a month. A mini-trend normally encompasses only a few days or may occur intraday. This approach is contrary to many traders who look for a few or a single mega-trend on which they may base their performance for a quarter or a whole year. GAIN utilizes multiple technical strategies that result in a composite signal as to the relative strength of particular mini-trends. Staff considers only the strongest signals from this group for investment. Once the MAC trading staff identifies a mini-trend with a good risk/reward profile, they execute the appropriate trades.

In addition to technical analysis, the MAC trading staff continuously monitors market sentiment in order to further refine the strongest mini-trends. Expertly gauging market sentiment is an important factor in optimizing performance. For example, in periods of highest uncertainty or overreaction to a news item, prices may be skewed to a point where an entry or exit may not be most advantageous to achieve maximum positive returns. It is in these instances where MAC trading staff optimizes technically based mini-trends by integrating expert judgment. Other times, staff may determine that market conditions or price action warrant a neutral position. This is an important component of GAIN's strategy, as staying "out of the market" during certain periods can be crucial to building steady, positive returns over time. These neutral positions will result in funds not being invested as the GAIN MAC book is neither long nor short for such period.

GAIN's ability to identify mini-trends can be an attractive alternative to the mega-trend approach, particularly during periods with no recognizable mega-trend. Conversely, in successfully identifying mini-trends, GAIN may also take advantage of a large portion of a mega-trend. In such instances, staff will re-initiate particular trades as long as the technical analysis process, coupled with the appropriate market sentiment, continue to produce the strongest signals. The use of leverage is another key component of GAIN's strategy. GAIN will increase the leverage of the MAC portfolio when a transaction exhibits a high probability of success and has a superior risk/return profile. The leverage on the MAC portfolio will range from zero to a maximum of 50:1.

**Minimum Deposit:** \$50,000

**Available Strategies:** 1) GAIN MAC: Utilizes discretionary and technical trading disciplines combined with moderate leverage (typically between 1:1 and 5:1) to minimize return volatility. Ideal for those seeking a moderate risk, lower return investment strategy.

2) GAIN MAC Aggressive: a higher risk/higher reward alternative for investors seeking capital appreciation. GAIN MAC Aggressive appropriates higher leverage (typically between 1:1 and 10:1) and advanced short-term trading practices to capitalize on both market volatility and fundamental-based trends.

**Deposits:** At anytime. Deposits received prior to the first of the month will be invested at a money market rate of interest until the beginning of the next calendar month, at which time they are invested in the FX market, market permitting.

**Withdrawals:** Written notice three (3) Business Days before the last trading day of the month is required for any account withdrawals. Requests received during the current calendar month are processed following the last trading day of that month. Requests received less than three (3) Business Days before the last trading day of the month are processed following the last trading day of the following month.

**Account Balance:** Account Balance is sum of deposits, interest income, and realized profits less withdrawals, realized losses and fees.

**Account Value:** Account Balance +/- Unrealized P/L

**Reporting:** Clients will have the ability to view account activity & balances online at any time.

Client Initial Here \_\_\_\_\_

**Currency Pairs:** Only G7 currencies are traded, including EUR/USD, USD/JPY, GBP/USD, USD/CHF, USD/CAD, AUD/USD, EUR/JPY, EUR/GBP, EUR/CHF, GBP/JPY, AUD/JPY, CHF/JPY, EUR/AUD, GBP/CHF.

**Fee Structure:** An annualized 2% management fee is assessed monthly at a rate of 1/12<sup>h</sup> of 2% of the closing balance following the final trading day of the month.

In addition, a performance fee equal to 20% of Trading Profits (Realized + Unrealized P/L) is assessed on a monthly basis. Trading Profits shall be determined from the end of the last month for which a performance fee was earned by GAIN Capital or, if no performance fee has been earned previously by GAIN Capital, from the date that the Account began to receive trading advice to the end of the month applicable to such Fee. **However, no subsequent performance fees will be payable to GAIN Capital until the Customer's Account has overcome any trading losses being carried forward to achieve new Trading Profits ("high water mark").**

GAIN Capital is not required to earn back previously paid performance fees. If any payment of performance fees is made to GAIN Capital because of Trading Profits and the Customer's Account thereafter fails to earn high water mark Trading Profits or experiences losses for any subsequent Fee Period, GAIN Capital will be entitled to retain such amounts of performance fees previously paid to it in respect of such Trading Profits.

**Transaction Fee:** In order to avoid any conflict of interest between GAIN's market making desk and our Managed Account (MAC) program, all trades for the MAC Program are executed directly through one of GAIN's bank liquidity providers. GAIN Capital charges a transaction fee of up to a ¼ pip per trade (approximately \$2 per lot).

*The undersigned acknowledges having received, read and understood the GAIN Capital Managed Account Program Term Sheet and agrees to all of the provisions contained therein.*

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

## Managed Account (MAC) Program - Customer Agreement

This Agreement sets forth the terms and conditions governing your Managed Account ("MAC") at GAIN Capital, Inc. an affiliate of GAIN Capital Group ("GAIN Capital") and all Contracts and other transactions in this Account with GAIN Capital. In this Agreement, the undersigned customer is referred to as "Customer" or "You."

1. **DEFINITIONS.** Terms capitalized in this Agreement are defined in the Glossary as found on GAIN's website at [www.gaincapital.com/glossary](http://www.gaincapital.com/glossary).
2. **SERVICES PROVIDED.** Subject to the terms and conditions of this Agreement and acceptance of Customer's application to open an Account with GAIN Capital, GAIN Capital will maintain one or more Accounts in Customer's name and will effect cash settled and physically settled transactions with and for Customer in the international Over-the-Counter Foreign Currency (foreign exchange) markets on a spot basis, and provide such other services and products as GAIN Capital may, in its sole discretion, determine from time to time in the future. GAIN traders will determine the timing, amounts, and appropriate leverage associated with all of the trades in your Managed Account. Unless expressly stated otherwise in writing, all Contracts and other transactions entered into between GAIN Capital and Customer shall be governed by the terms of this Customer Agreement, as amended from time to time.
3. **REPRESENTATIONS AND WARRANTIES.** As of the date hereof, and during the term of the Managed Agreement and of each Contract and other transaction in Customer's Account and any date on which GAIN Capital's Customer Agreement and/or Risk Disclosure Statement is revised, updated or amended, Customer represents and warrants to GAIN Capital and agrees for the benefit of GAIN Capital that:
  - 3.1. if Customer is a natural person, Customer is of sound mind, legal age (18 years old in the United States) and legal competence.
  - 3.2. if Customer is not a natural person, (i) Customer is duly organized and validly existing under the applicable laws of the jurisdiction of its organization; (ii) execution and delivery of this Agreement and all Contracts and other transactions contemplated hereunder and performance of all obligations contemplated under this Agreement and all Contracts and other transactions contemplated hereunder have been duly authorized by Customer; and (iii) each person executing and delivering this Agreement and all Contracts and other transactions contemplated hereunder on behalf of Customer performing the obligations contemplated under this Agreement and any Contract and other transaction contemplated hereunder on behalf of Customer, has been duly authorized by Customer to do so.
  - 3.3. execution and delivery by Customer of this Agreement and all Contracts and other transactions contemplated hereunder, and performance of all of Customer's obligations contemplated under this Agreement and any Contract and other transaction contemplated hereunder, will not violate any statute, rule, regulation, ordinance, charter, by-law or policy applicable to Customer.
  - 3.4. Customer has full beneficial ownership of Customer's Account. Customer has not granted and will not grant a security interest in Customer's Account with GAIN Capital (other than the security interest granted to GAIN Capital hereunder) to any person without GAIN Capital's prior written consent. Customer has full beneficial ownership of all collateral and will not grant any security interest in any Collateral to any person (other than the security interest granted to GAIN Capital hereunder) without GAIN Capital's prior written consent.
  - 3.5. Customer will execute and deliver all documents, give all notices, make all filings and take such other actions as GAIN Capital, in its sole discretion, deems necessary or desirable to evidence or perfect any security interest in favor of GAIN Capital or to protect GAIN Capital's interests with respect to any Collateral.
  - 3.6. Customer has read and understands the provisions contained in this Agreement, including, without limitation, GAIN Capital's Risk Disclosure Statement, Customer will review the Agreement each time it is amended.
4. **MUTUAL AGREEMENTS.**
  - 4.1. **Deposits.** Customer must deposit a minimum of US\$50,000 to GAIN Capital in order to establish a GAIN Capital Managed Account (the "Account"). Deposits to Customer Accounts will be accepted in U.S. Dollars and all account balances will be computed and reported in U.S. Dollars.
  - 4.2. **Trading Authorizations.** Customer authorizes GAIN Capital to purchase and sell physically settled and cash settled Foreign Exchange Contracts and Cross Currency Contracts on a spot basis for Customer's Account. GAIN traders will determine the timing, amounts and appropriate leverage associated with all of the trades in Customer's Account. All such transactions shall be for the account and risk of the Customer. Customer understands that GAIN Capital will employ leverage in managing the Customer's Account and that Customer's Account may lose substantial or total value.
  - 4.3. **Sub-Manager(s).** Customer acknowledges that GAIN Capital may, in its sole discretion, allocate up to 25% of a Customer's Account to one or more Sub-Managers. GAIN Capital retains the sole and exclusive right to select the Sub-Managers that GAIN Capital deems appropriate. The Sub-Manager is granted authorization to purchase and sell physically settled and cash settled spot Foreign Exchange and Cross Currency Contracts for Customer's Account, and provide other such products as the Sub-Manager may, in its sole discretion, determine from time to time in the future. The Sub-Manager will determine the timing, amounts and appropriate leverage associated with all trades in the allocated portion of your Managed Account. All such trades will be for the account and risk of the Customer.
  - 4.4. **Exclusivity.** GAIN Capital's services are not rendered exclusively for the Customer, and GAIN Capital shall be free to render similar services to others.
  - 4.5. **Deposits and Withdrawals.** The Customer may withdraw funds from the Account on the last day of the calendar month. Payments from a Customer Account require a Withdrawal Request form completed in full and signed by all required parties. Written notice three (3) Business Days prior to the last trading day of the month is required for any account withdrawals. Requests received less than three (3) Business Days prior to the last trading day of the month are processed following the last trading day of the following month. Requests received during the current calendar month are processed following the last trading day of that month. Customers may add funds at anytime. Deposits received during a calendar month will not be invested until the beginning of the succeeding month but will earn a money market rate of interest until such time as the funds are invested.
  - 4.6. **Transaction Fees.** In order to avoid any conflict of interest, GAIN Capital will bypass its own market making desk and execute all trades for the Managed Account Program through a 3rd party Foreign Exchange Market Making Desk ("Liquidity Provider"). GAIN Capital will

charge up to a 1/4 pip handling charge ("transaction fee") per trade (approximately \$2 per lot). Transaction fees will be deducted from Customer's Account on a monthly basis.

- 4.7. **Miscellaneous Fees.** GAIN Capital may charge for incidental banking related fees such as wire charges for deposits/withdrawals and returned check fees. GAIN Capital reserves the right to change its fee structure at any time without notice.
- 4.8. **Agreements and Understandings.** The Customer agrees to inform GAIN Capital immediately if the Customer is dissatisfied with GAIN Capital's decisions or actions. GAIN Capital makes no guarantee that any of its services will result in a profit to the Customer. The Customer understands the risks of Foreign Exchange Trading and fully understands the GAIN Capital Risk Disclosure document. The Customer assumes the responsibility for losses that may be incurred.
5. **SECURITY AGREEMENT.** In order to secure any indebtedness or other obligations at any time owing from GAIN Capital to GAIN Capital's liquidity providers including, without limitation, indebtedness or other obligations to such liquidity providers that result from taking positions on behalf of MAC accounts, Customer hereby assigns, pledges and grants to GAIN Capital a security interest in and right of setoff against: (i) all of Customer's Accounts with GAIN Capital; (ii) all Contracts, cash, securities and other property in Customer's Account at GAIN Capital or delivered or otherwise provided by Customer to secure its indebtedness or other obligations to GAIN Capital or in GAIN Capital's possession or control for any purpose (including safekeeping); and (iii) all products and proceeds of the foregoing (collectively, (i), (ii) and (iii) are referred to as "Collateral"). At any time, in GAIN Capital's sole discretion and without prior demand or notice, GAIN Capital may apply any or all cash (or sell or buy in any such Contracts, securities or other property and apply the proceeds therefrom) to any such indebtedness or other obligations, notwithstanding that such indebtedness or other obligations arise in an Account other than the Account in which the cash, Contracts, securities or other property were held or generated. Notwithstanding Section 9-207 of the New York Uniform Commercial Code, GAIN Capital shall have the right to sell, pledge, rehypothecate, assign, invest, commingle and otherwise use any Collateral it holds (including, but not limited to, using the Contracts as collateral for a loan to GAIN Capital) free from any claim or right of any nature whatsoever of the Customer, including any equity or right of redemption by the Customer and to register any Collateral in the name of GAIN Capital, its custodian or a nominee for either. Any failure by GAIN Capital to enforce its rights hereunder shall not be deemed a future waiver of such rights by GAIN Capital. GAIN Capital is irrevocably appointed as attorney-in-fact for Customer and is authorized, without notice to Customer, to execute and deliver any documents, give any notice and to take any actions on behalf of Customer, including the execution, delivery and filing of financing statements, that GAIN Capital deems necessary or desirable to evidence or to protect GAIN Capital's interest with respect to any Collateral.
6. **LIQUIDATION OF ACCOUNTS.** In the event of: (a) an Event of Default; or (b) any other circumstances or developments that GAIN Capital, in its sole discretion, deems appropriate for its protection, GAIN Capital may, in its sole discretion sell or purchase any or all Contracts carried on behalf of Customer. This action may be taken without prior notice of sale or purchase or other notice to Customer, Customer's legal representatives, heirs, executor, administrator, trustee, legatee, successors or assigns and regardless of whether the ownership interest is held individually or jointly with others. Any prior demand or notice of sale or purchase shall not be considered a waiver of GAIN Capital's right to sell or buy at any time in the future without demand or notice as provided above. In liquidation of Customer's Long Positions and Short Positions, GAIN Capital may, in its sole discretion, offset in the same settlement or it may initiate new Long Positions or Short Positions in order to establish a spread or straddle that in GAIN Capital's sole judgment may be advisable to protect or reduce existing positions in Customer's Account. Any sales or purchases may be made according to GAIN Capital's judgment and in its sole discretion in any interbank, Over-the-Counter or other exchange market where such business is then usually transacted or at a public auction or private sale, and GAIN Capital may purchase the whole or any part thereof free from any right of redemption.
7. **FUTURES COMMISSION MERCHANT.** GAIN Capital is an affiliate of GAIN Capital Group which is a member of the National Futures Association (NFA) and is regulated by the Commodity Futures Trading Commission (CFTC). As a Futures Commission Merchant (FCM), GAIN must uphold the highest standards and business practices and is subject to strict financial requirements and reporting. NFA ID# 0339826. For more information on the NFA and its policies visit <http://www.nfa.futures.org>.
8. **INTRODUCING BROKERS.** If Customer's account has been introduced to GAIN by an Introducing Broker ("IB"), Customer understands and acknowledges that GAIN may compensate Introducing Broker for introducing Customer to GAIN and that such compensation may be on a per trade or other basis. The following is an allocation of responsibilities for each entity. It is intended to be a general disclosure and not a definitive enumeration of each and every responsibility. The Introducing Broker shall have the following responsibilities with respect to Customer's account:
  - Contacting, soliciting and/or communicating with Customer regarding investment opportunities and objectives.
  - Complying with all laws, rules and regulations applicable to any arrangement or understanding that IB and Customer may have.
  - Determining commissions and fees, whether on a per trade basis or other basis, to be charged for Customer's transactions.

As the clearing firm for Customer's account, GAIN Capital shall have responsibility for performing the following services:

- Opening, approving, servicing and monitoring Customer's account(s), including obtaining and verifying new account information as required by law and regulation.
  - Maintaining account records on Customer's behalf.
  - Keeping custody of funds on Customer's behalf (while they are in GAIN's physical possession), and segregating such funds as required by applicable law.
  - Executing transactions in Customer's account(s).
  - Debiting from Customer's account any commissions or fees owed to IB or other third party.
  - Preparing and transmitting to Customer monthly or, if appropriate, quarterly account statements, by mail or electronically.
  - Responding to inquiries or complaints regarding Customer's account.
9. **FOREIGN ACCOUNTS.** Customers not residing in the United States ("Foreign Accounts") may be asked to comply with requests for special information by GAIN Capital as required by any governmental unit or regulatory agency. This includes, but is not limited to, special calls for information. In the event of a special call for information, GAIN Capital or its agent shall be required to obtain the information set forth by any governmental unit or regulatory agency requesting information. In addition, failure to respond to a special call may cause transactions to be prohibited (other than offsetting trades) for Customer. Foreign Accounts must copy and forward an official form of picture identification and must provide a bank reference before Customer is approved for trading.
  10. **COMMUNICATIONS.** Reports, statements, notices and any other communications from GAIN Capital may be transmitted to Customer by (x) placement on GAIN Capital's Website; or (y) United States mail or other delivery service to Customer's current address as reflected on GAIN Capital's records. Customer shall notify GAIN Capital immediately of any change in Customer's address by e-mail to [clientservices@gaincapital.com](mailto:clientservices@gaincapital.com) or by United States mail or other delivery service to GAIN Capital, Inc., Operations Group, 35 Technology Dr.

Warren, NJ 07059. All communications sent by GAIN Capital shall be deemed effective when deposited by GAIN Capital in the United States mail or with another delivery service, or when received by a transmitting agent (such as an Internet service provider) for transmission to Customer, whether actually received by Customer or not. All communications sent by Customer shall not be deemed effective until accepted by GAIN Capital.

11. **GAIN CAPITAL RESPONSIBILITIES.** GAIN Capital shall not be liable to Customer for any claims, losses, damages, costs or expenses, including attorneys' fees, caused, directly or indirectly, by any events, actions or omissions, including, without limitation, claims, losses, damages, costs or expenses, including attorneys' fees, resulting from civil unrest, war, insurrection, international intervention, governmental action (including, without limitation, exchange controls, forfeitures, nationalizations, devaluations), natural disasters, acts of God, market conditions, inability to communicate with any relevant person or any delay, disruption, failure or malfunction of any transmission or communication system or computer facility, whether belonging to GAIN Capital, Customer, any market, or any settlement or clearing system.
12. **INDEMNIFICATION.** Customer agrees to indemnify and hold GAIN Capital, its affiliates, employees, agents, successors and assigns harmless from and against any and all liabilities, claims, losses, damages, costs and expenses, including attorneys' fees, incurred by GAIN Capital arising out of: (i) Customer's failure to fully and timely perform its obligations hereunder; and (ii) any of Customer's representations and warranties made that may at any time be untrue or incorrect. Customer also agrees to pay promptly to GAIN Capital any and all claims, losses, damages, costs and expenses, including attorneys' fees, incurred by GAIN Capital in the enforcement of any of the provisions of this Agreement, any Contracts and other transactions hereunder, and any other agreements between GAIN Capital and Customer and the collection of any amounts due hereunder and there under.
13. **DISCLOSURE OF CUSTOMER INFORMATION.** GAIN Capital will not share or sell information regarding its customers and/or prospective customers, except to its employees, agents, partners, and associates as required in the ordinary course of GAIN Capital's business conducted on behalf of customers, including, but not limited to, GAIN Capital's banking or credit relationships. GAIN Capital may also disclose to federal or state regulatory agencies and law enforcement authorities information regarding Customer and Customer's transactions in response to a request for such information or in response to a court order or subpoena.
14. **JOINT ACCOUNTS AND/OR TRUST ACCOUNTS.** If more than one natural person executes this Agreement as Customer, all such natural persons agree to be jointly and severally liable for the obligations assumed in this Agreement. If this Agreement is executed by a trust, unincorporated association, partnership, custodian or other fiduciary, such Customer hereby agrees to indemnify, defend, save and hold free and harmless GAIN Capital for any liabilities, claims, losses, damages costs and expenses, including attorneys' fees, resulting directly or indirectly from breach of any fiduciary or similar duty or obligation or any allegation thereof, including attorneys' fees.
15. **AMENDMENTS.** Customer understands, acknowledges and agrees that GAIN Capital may amend or change this Agreement at any time. GAIN Capital will provide notice to Customer of any such amendment or change by posting the amendment or change to the Website or by sending an e-mail message to Customer. Customer agrees to be bound by the terms of such amendment or change on the earlier of: (x) ten (10) days after GAIN Capital has posted notice of such amendment or change to the Website; or (y) on the date of the entry of any Order other than a Liquidating Order. In the event that Customer objects to any such change or amendment, Customer agrees to liquidate Customer's Open Positions and instruct GAIN Capital regarding the disposition of all assets in Customer's Account within ten (10) Business Days after notice of the amendment or change has been posted to the Website. No waiver or amendment of this Agreement may be implied from any course of dealing between the parties or from any failure by GAIN Capital or its agents to assert its rights under this Agreement on any occasion or series of occasions. No oral agreements or instructions to the contrary shall be recognized or enforceable.
16. **TERMINATION.** Termination of Customer Account by Customer requires a Notice of Termination signed by all required parties, this written notice must be received three (3) Business Days prior to the last trading day of the month. Requests received less than three (3) Business Days prior to the last trading day of the month are processed following the last trading day of the following month. Requests received during the current calendar month are processed following the last trading day of that month. Termination of Customer Account by GAIN Capital shall be effective upon Gain Capital's mailing of a Notice of Termination signed by its properly authorized agent. Termination will be effective and Customer funds will be returned within three (3) business days subsequent to receipt of a Notice of Termination. The open positions and subsequent management of the Account shall be the sole responsibility of the Customer upon termination of this Agreement. Customer may request that GAIN liquidate open positions upon receipt of Notice of Termination.
17. **ENTIRE AGREEMENT.** This Agreement together with the Customer Account Application and all applicable Addenda thereto, embodies the entire agreement of the parties, superseding any and all prior written and oral agreements.
18. **RECORDINGS.** Customer acknowledges and agrees that any and all conversations between Customer and GAIN Capital principals, agents, employees or associates, including the GAIN Capital Trading Desk and customer service and operations desks may, at the option and in the sole discretion of GAIN Capital, be recorded electronically with or without the use of an automatic tone warning device. Customer further agrees to the use of such recordings and transcripts thereof as evidence by either party in connection with any dispute or proceeding that may arise involving Customer or GAIN Capital.
19. **BINDING EFFECT.** This Agreement shall be continuous and shall cover, individually and collectively, all Accounts of Customer at any time opened or reopened with GAIN Capital, irrespective of any change or changes at any time in the personnel of GAIN Capital or its successors, assigns, or affiliates. This Agreement, including all authorizations, shall inure to the benefit of GAIN Capital and its successors and assigns, whether by merger, consolidation, or otherwise and shall be binding upon Customer and/or the personal representatives, heirs, executor, administrator, trustee, legatees, legal representative, successors and assigns of Customer.
20. **LAW AND JURISDICTION; SEVERABILITY.** This Agreement is governed by, and shall be construed in accordance with the laws of the State of New York, United States of America without giving effect to any conflict of laws doctrine that would interfere with or prevent the application of this provision. With respect to any suit, action or proceeding ("Proceeding") relating to this Agreement, Customer irrevocably (i) submits to the exclusive jurisdiction of the State and federal courts located in the Borough of Manhattan, State of New York; (ii) agrees to service of process in any legal proceeding by sending copies thereof by registered or certified mail, if practicable (postage prepaid) to the other party at the address set forth in this Agreement or updated as provided in Paragraph 16 hereof (where service of process is being made by GAIN Capital); (iii) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceeding have been brought in an inconvenient forum; and (iv) further waives the right to object, with respect to such Proceeding, that such court does not have jurisdiction over such party. Alternatively, at the option of either GAIN Capital or Customer any proceeding hereunder may be submitted for arbitration before the American Arbitration Association at either their New York or New Jersey Office. Voiding of any clause of this Agreement by a court of competent jurisdiction shall not void the entire agreement and shall apply only to the specific clause.
21. **ACCEPTANCE.** This Agreement shall not be deemed to be accepted by GAIN Capital or become a binding contract between Customer and GAIN Capital until the signed Customer Account Application has been approved by GAIN Capital. In the event that there are any unauthorized

alterations or deletions to this Agreement or related documents such alteration and deletions shall not be binding on GAIN Capital and said original forms shall govern Account.

### Consent to Electronic Transmission of Account Statements

Customer hereby consents to receive account statements (monthly and daily statements) online. GAIN Capital will provide Customer with password-protected access to online reports. Customer will be able to generate daily, monthly and annual account statements detailing transaction activity, profit and loss statements, open positions, margin balances, account credits and debits, etc. Hard copies of monthly customer statements are available upon request only and may incur an additional charge. Statements are deemed received when made available to Customer by GAIN Capital, regardless of whether Customer actually accessed the statement. Customer is responsible for alerting GAIN Capital to any change in their e-mail address. This consent shall be effective until revoked by Customer in writing and received by GAIN Capital according to paragraph 15 of this Customer Agreement.

### Authorization To Transfer Funds

Customer hereby agrees that GAIN Capital may at any time and from time to time, in the sole discretion of GAIN Capital, apply and transfer from any of Customer's Accounts with GAIN Capital to any of Customer's other accounts, whether held at GAIN Capital or other approved financial institutions, any of the Contracts, currencies, securities or other property of Customer held either individually or jointly with others to another account.

### Agreement to Use Collateral

Customer authorizes GAIN Capital to sell, pledge, rehypothecate, assign, invest, commingle and otherwise use any Collateral held by GAIN Capital, including, but not limited to, using the Contracts as collateral for a loan to GAIN Capital, and, further dealing with the Collateral, as provided in the Customer Agreement (including, but not limited to Paragraph 6 thereof). Where Customer's Account consists of more than one Account, this authorization shall apply to all of Customer's Accounts with GAIN Capital. This Agreement to Use Collateral shall remain in effect so long as Customer's Account with GAIN Capital remains open or Customer has any obligations of any kind to GAIN Capital, under the Customer Agreement.

### Social Security / Tax ID Certification

Customer hereby certifies, under penalty of perjury, that (1) the number provided on the Customer Application is Customer's correct Social Security or Taxpayer Identification Number and (2) the ownership, or beneficiary, of Customer's Account is not subject to backup withholding under Section 3406(a)(1)(C) of the Internal Revenue Code.

### Risk Disclosure Statement

In consideration of GAIN Capital, Inc. ("GAIN Capital") agreeing to enter into Over-the-Counter ("OTC") Foreign Exchange Contracts on behalf of the undersigned (hereinafter referred to as the "Customer"), Customer acknowledges, understands and agrees that:

- 1. Trading Is Very Speculative and Risky.** Foreign Exchange Trading is highly speculative and is suitable only for those customers who (a) understand and are willing to assume the economic, legal and other risks involved, and (b) are financially able to assume losses significantly in excess of Margin or deposits. Foreign Exchange is not an appropriate investment for most retirement funds. Customer represents, warrants and agrees that Customer understands these risks; that Customer is willing and able, financially and otherwise, to assume the risks of Foreign Exchange Trading and that loss of Customer's entire Account Balance will not change Customer's life style.
- 2. High Leverage Can Lead To Quick Losses.** The leverage associated with Foreign Exchange Trading can result in significant losses due to price changes in Foreign Exchange Contracts and Cross Currency Contracts. Leveraged positions mean that a relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit: this may work against you as well as for you. There is even a chance you may sustain a total loss of funds.
- 3. Trading Decisions Are Based On Personal Judgments And Are Not Guaranteed.** The timing and direction of investment undertaken by GAIN Capital MAC trading staff is based solely on the judgment of said personnel. These market recommendations may or may not be consistent with the market positions or intentions of GAIN Capital, its affiliates and employees. Capital cannot and does not guarantee the accuracy or completeness thereof or represent that following such recommendations will result in profit to Customer's Account or reduce or eliminate the risk inherent in Foreign Exchange Trading
- 4. There is no Central Market or Clearinghouse Guarantee of Payment.** Foreign exchange trading conducted by GAIN Capital is not conducted on a regulated market or exchange. There is no clearinghouse and no guarantee by any other party. Customer must look only to GAIN Capital for performance on all Contracts in Customer's Account and for return of any Margin or Collateral. The insolvency of GAIN Capital or a default by GAIN Capital could cause Customer to lose the value of its Account and to suffer additional losses from Open Positions.
- 5. Past Performance is No Guarantee of Future Returns.** There is considerable exposure to risk in any foreign exchange transaction, including, but not limited to, the potential for changing political and/or economic conditions that may substantially affect the price or liquidity of a currency. The value of Customer's Account may vary or decline according to prevailing market conditions and although an account has previously obtained positive trading results, no assurance may be given that such will occur in the future.
- 6. No Guarantees Of Profit.** There are no guarantees of profit or freedom from loss in Foreign Exchange Trading. Customer has received no such guarantees from GAIN Capital or from any of its representatives. Customer is aware of the risks inherent in Foreign Exchange Trading and is financially able to bear such risks and withstand any losses incurred.

7. **Internet Trading.** Since GAIN Capital does not control signal power, its reception or routing via Internet, configuration of Customer's equipment or reliability of its connection, GAIN Capital shall not be liable for any claims, losses, damages, costs or expenses, including attorneys' fees, caused, directly or indirectly, by any breakdown or failure of any transmission or communication system or computer facility or trading or reporting software, whether belonging to GAIN Capital or Customer.)
8. **GAIN Capital Has Limited Liability.** GAIN Capital shall not be liable to Customer for any claims, losses, damages, costs or expenses, including attorneys' fees, caused, directly or indirectly, by any events, actions or omissions, without limitation, claims, losses, damages, costs and expenses, including attorneys' fees, resulting from civil unrest, war, insurrection, international intervention, governmental action (including, without limitation, exchange controls, forfeitures, nationalizations, devaluations), natural disasters, acts of God, market conditions, inability to communicate with any relevant person or any delay, disruption, failure or malfunction of any transmission or communication system or computer facility, whether belonging to GAIN Capital, Customer, any market, or any settlement or clearing system.
9. **Reporting Errors.** Customer must review and report immediately errors on statements. Failure to notify GAIN Capital immediately of any error or omission will bind Customer to the terms of such confirmation or statement, as the case may be.
10. **Diversification.** Your investment will not provide any benefit of diversification relative to your overall portfolio unless it is profitable and produces returns that are independent from the returns in your overall portfolio.

**GAIN CAPITAL, INC.**

**THIS IS A LEGALLY BINDING CONTRACT.**

**DO NOT SIGN UNTIL YOU HAVE CAREFULLY READ ALL OF THE FOREGOING COMPLETELY AND COMPLETED THE CUSTOMER ACCOUNT APPLICATION.**

**Your signature below acknowledges that you have carefully read, in its entirety, and understood the Customer Agreement, Social Security or Tax ID Certification, Authorization to Transfer Funds, Consent to Electronic Statements, Agreement to Use Collateral, and Risk Disclosure Statement, and that you agree to all of the provisions contained therein.**

**Your signature below further represents, warranties and certifies that the information provided by you in the Customer Account Application is correct and complete.**

Name of Applicant: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_