



“PAMM Account™ 5 Service” Regulations

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1. General Provisions

1.1. These Regulations define the terms and conditions under which the Company provides the “PAMM Account™ 5 Service” to clients.

1.2. The “PAMM Account™ 5 Service” is designed to put Investment accounts, belonging to Investors, under the control of the Manager, who makes transactions on financial markets in the interests of the Investors. The PAMM Account is intended to combine Investment accounts into a single Managed trading account.

1.3. The Manager serves as an agent of the Investor in relation to the Investment account and does not provide trust management of the Investor’s funds.

1.4. Only the Manager can carry out trading operations on the Investment account.

1.5. Only the Investor can deposit/withdraw funds to/from the Investment account.

1.6. All calculations on PAMM Accounts and Investment accounts and the payment of all types of remuneration to the Manager and Manager’s Partners are carried out by the Company.

1.7. Only the Manager may issue complaints to the Company regarding the failure to fulfill or the improper fulfillment of any obligations related to trading operations on the Investment account.

1.8. The Company will keep Investors’, Managers’ and Partners’ information confidential from third parties.

2. Manager’s Capital

2.1. By contributing the Manager’s Capital, the Manager serves as an Investor in his/her own PAMM Account, thus guaranteeing that the interests of the Investors will be pursued.

2.2. When registering a PAMM Account, the Manager’s Capital is posted to the Manager’s Investment account.

2.3. Remuneration based on the Investment account is not calculated, and therefore not payable.

2.4. If the remaining balance on the Manager’s Investment account is less than or equal to the Manager's Capital, the balance will only be returned to the Manager upon liquidation of the PAMM Account.

2.5. The Manager can only adjust the “Manager’s Capital” parameter upwards.

3. Manager’s Proposals

3.1. The Manager’s Proposal (“Proposal”) is the Manager’s offer to potential Investors to create Investment accounts in the Manager’s PAMM Account.

3.2. The Proposal consists of a set of parameters that the Company uses to calculate the Manager’s Remuneration, and also defines other conditions for creating Investment accounts in the PAMM Account.

3.3. Acceptance by the Investor of the Proposal creates no contractual obligations for either party and under no circumstances leads to the creation of a contract between the Investor and the Manager.

3.4. The terms and conditions for activating a Proposal are published on the Company’s website.

4. Trading Interval

4.1. The Trading Interval on the Investment account begins on the day of activation (when the first deposit is made) of the Investment account.

4.2. The Trading Interval lasts one month.

4.3. The end of a Trading Interval designates the beginning of the following Trading Interval.

5. Deposits and Withdrawals to/from the Investment Account

5.1. A request must be submitted in myAlpari in order to deposit or withdraw funds to/from an Investment account.

5.2. When submitting a request to deposit funds, the amount being deposited will be debited from the Investor's PAMM wallet. If the deposit currency of the Investment account is not the same as that of the PAMM wallet, the deposit will be converted at the Company rate.

5.3. Deposit requests are fulfilled in accordance with the settings of the Manager's Request Planner.

5.4. An Investor cannot cancel a request to deposit or withdraw funds.

5.5. Funds are withdrawn to the same PAMM wallet from which the funds were deposited to the Investment account. If the deposit currency of the Investment account is not the same as that of the PAMM wallet, the funds will be converted at the Company rate.

5.6. After executing a request to withdraw funds from the Investment account, the remaining Balance on the Investment account must be above the minimum Balance required by the Manager's Proposal.

5.7. To withdraw all funds from the Investment account, the Investor must submit a request to Close the account.

6. Manager's Partner

6.1. To register a Manager's Partner ("Partner"), the Manager must include the Partner's PAMM wallet number in his/her list and set up the terms of the partnership in the PAMM terminal.

6.2. There are two possible types of Partners: Acquisition Partner and Auxiliary Partner.

6.3. The Manager must set the percentage of his/her own Remuneration from the profit earned from all Investors of the PAMM Account that the Acquisition Partner will receive.

6.4. The Manager must set the percentage of his/her own Remuneration from the profit earned from all Investors of the PAMM Account that the Auxiliary Partner will receive.

6.5. An Investor is considered to have been acquired by the Partner if the Investor indicates the Partner's PAMM wallet (using one of the methods described on the Company's website) when registering their Investment account.

6.6. The Remuneration paid for the acquisition of the Investment account will be fixed and will be equal to the current amount of Remuneration set for the Partner in question.

6.7. The Partner's Remuneration is calculated by the Company according to the set terms of partnership between the Partner and the Manager. The Partner's Remuneration is calculated at the moment the Manager's Remuneration is debited from the Investment account according to the agreed upon Proposal.

7. Calculations and Transfers

7.1. Data are collected and calculations are made on the PAMM Account and Investment accounts each minute.

7.2. All calculations regarding open trading positions are made based on the closing price of the minute bar for the instruments in question.

7.3. The Balance of the Investment account is calculated according to the following rules:

- a. every deposit increases the Balance by the amount deposited;
- b. every withdrawal decreases the Balance by the amount withdrawn;

c. at the end of the Trading Interval, and after the Remuneration has been paid, the Balance of the Investment account becomes equal to the Equity of the Investment account.

7.4. The Equity of an Investment account (“Equity”) is calculated according to the following rules:

- a. every trading operation on the Investment account increases/decreases the Equity by the amount of the profit/loss for that operation;
- b. payment of the Manager’s Remuneration decreases the Equity by the amount of the Remuneration;
- c. every deposit increases Equity by the amount of the deposit;
- d. every withdrawal decreases Equity by the amount withdrawn, under the condition that the Equity is more than or equal to the Balance;
- e. every withdrawal decreases the Equity proportionally to the Balance on the operation, under the condition that the Equity is less than the Balance;

7.5. The Company calculates the Manager’s Remuneration based on the following formula:

$$(\text{equity} - \text{balance}) * \text{fee} / 100,$$

where:

equity – Equity of the Investment account;

balance – Balance of the Investment account;

fee – Manager’s Remuneration in accordance with the level stated in the Manager’s Proposal.

When the Manager’s Remuneration value is positive, it is paid in the following cases:

- a. at the end of a Trading Interval on the Investment account;
- b. when the Investment account is closed;
- c. when the PAMM Account is liquidated.

7.6. The Company transfers funds to the relevant accounts on the calculation day.

8. Obligations of the Manager, Investor and Manager’s Partner

8.1. The Manager, Investor, and Partner guarantee to:

- a. hold all responsibility for compliance with legislation, including, but not limited to, currency, tax and other legislations of the country of residence including full responsibility for commercial activity on compensated management of Investor’s accounts;
- b. provide true and accurate information when registering as a Company Client and when completing all documents related to these Regulations;
- c. to be completely and fully aware of and understand the meaning, terms and conditions of all accepted Company Regulatory Documents;
- d. to fully understand the consequences of one’s actions in the enforcement of these Regulations.

8.2. Should this guarantee be breached, the Manager agrees to resolve disputes and settle complaints of third parties resulting from his/her management of Investor’s accounts at his/her own expense and using his/her own authority.

8.3. The Manager, Investor and Partner do not have the right to give third parties access passwords to the trading platform, myAlpari or the PAMM terminal and agree to keep them secure and confidential. All actions related to the fulfillment of these Regulations and/or usage of login and password are considered executed by the holder of said information. The Company does not bear responsibility for the unauthorized use of registration data by third parties.

8.4. The Manager, Investor and Partner do not have the right to:

- a. assume responsibility on behalf of the Company or put the Company under any obligations;
- b. use the Company’s brand name and/or trademark;

- c. publish or assist in any publications related to the Company in mass media, publish or distribute any articles and letters related to the Company or assist in the writing of such articles and letters in any newspapers, magazines and other periodicals, Internet blogs and forums without the Company's permission;
- d. make any guarantees and/or promises, or make any claims in relation to any payments on behalf of the Company or using the brand name and/or trademark of the Company;
- e. perform any other actions that may cause any damage to the Company or raise any complaints directed towards the Company by third parties.

8.5. Should as a result of the Manager's failure to comply with these Regulations there be filed lawsuits (complaints) against the Company, all losses suffered by the Company shall be fully compensated by the Manager.

9. PAMM Account Liquidation

9.1. The liquidation of a PAMM Account leads to the liquidation of all Investment accounts in a PAMM Account.

9.2. The Manager can initiate a PAMM Account's liquidation by making a liquidation request in myAlpari. All positions on the PAMM Account must be closed.

9.3. The Company can initiate the liquidation of a PAMM Account. All open positions will immediately be closed.

9.4. A request for a PAMM Account's liquidation is fulfilled within an hour.

10. Effective Duration and Amendments

10.1. These Regulations come into force for Company Clients the moment they are accepted in myAlpari and cease to be effective the moment the Client Agreement is terminated.

10.2. The Client acknowledges that the Company has a right to introduce amendments to the provisions of these Regulations at any time having given the Client written notification about the planned changes three calendar days in advance. Such amendments shall come into force and become binding for the Client from the date specified in the notification.

10.3. For the purpose of these Regulations the following means of communication are considered to be a written notification:

- a. email;
- b. mail;
- c. announcement on the Company News page on the Company's website.

11. Risks

11.1. The Company does not guarantee profit. Positive trading results in the past do not guarantee positive trading results in the future.

11.2 The Manager, Investors and Partners accept possible financial losses such as direct losses or lost profit resulting from the following risks:

- a. the risk that the Manager does not have qualification and knowledge required to manage Investors' funds;
- b. the risk that the Manager may not observe Investors' interests or may carry out fraudulent operations in relation to Investors' funds;
- c. the risk that the Manager may lose control over the PAMM Account;
- d. the risk that third parties may gain access to management of the PAMM Account;
- e. the risk that the Manager, Investor or Partner may misunderstand or misinterpret the Regulations;
- f. the risk that complaints may be submitted untimely by the Manager to the Company concerning the completion of operations on the Investment account of the Investor;

- g. the risk of unforeseen delays upon transferring funds transfer between accounts or untimely execution of deposit/withdrawal requests or the closing/liquidation of an Investment account;
- h. the risk of a PAMM Account's liquidation.

11.3. Under no circumstances does the Company bear responsibility for the occurrence of such risks and their consequences.

12. Miscellaneous

12.1. All types of agreements drawn between the Company and its Clients on executing the terms and conditions of these Regulations may be concluded through post, email, fax or any other method of communication allowing the verification of the document's origin from the Company or the Client.

12.2. Should one or more provisions of these Regulations become invalid, null and void by any reason, it shall not affect the validity of any other provision hereof.

12.3. Should a clear interpretation of terms be absent from the text of these Regulations, they shall be governed first by the interpretation of terms in the Client Agreement, and secondly by those in other Regulations.

Alpari NZ Limited