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Compensation Acknowledgement

NOTICE: the purpose of this document is for you, the client, to advise FXDD as to the compensation you have agreed to pay your designated Trading Agent and/or your Introducing Broker. Please be advised that FXDD is not responsible for calculating incentive fees or management fees and will assume the calculations provided to it by the Trading Agent or Introducing Broker to be correct. Please also note that if your IB has requested FXDD to mark up the spread (widen the spread on the prices) being streamed to you, that FXDD does not participate in the additional pip(s) being added to the pricing and that the mark up will not be reflected on your trading statement as a separate line item. Further, please be advised that if your Introducing Broker or designated Trading Agent is charging a commission and managing your account under a limited power of attorney that there is an inherent conflict of interest in that arrangement.

I _____, the undersigned client, hereby agrees to, authorizes and acknowledges that the following fee(s) will be charged to my account and paid to the introducing broker or the authorized trading agent as set forth below. ***In the space next to the fee(s) that are to be charged to your account, write in the dollar amount, the number of pips, the percentage of Net Equity gain, the pip mark up or the management fee to be paid. More than one fee may be indicated. Leave the space(s) blank if that fee is not to be charged. Also, write in the name of the designated Trading Agent or Introducing Broker in the space provided below.***

- a) ___1___ Pip Markup per standard lot round turn traded
- b) _____ Dollars per standard lot round turn traded

All Net Equity losses will be carried forward indefinitely until offset by Net Equity gains for the consecutive month/s.

* Net Equity gain/losses will always be NET of trading and other commissions taking into account all realized and unrealized gains and losses.

I hereby agree that the Net Equity gain/loss shall be calculated by my designated Trading Agent or Introducing Broker and that I have authorized him/her to trade my account under a limited power of attorney.

The monthly Net Equity gain/loss shall be calculated as follows:

The Equity in my account, at 5 p.m. EST (USA) on the last business day of the month, will be adjusted by taking into account the deposits and withdrawals during the month and the Equity at the beginning of the month (being equal to the Equity in my account, at 5 p.m. EST (USA) on the last business day of the previous month) will be subtracted from it. The result will be the monthly Net Equity gain/loss, which has to be decreased by sum of all previous Net Equity Losses, if any. (Any additional

commission/s, fees, charges {if any} should also be subtracted from the Net Equity gain/loss.)

To avoid any misunderstanding, the Equity in my account, at 5 p.m. EST (USA) on the last business day of the month will be calculated by adjusting my current cash on deposit with the value of the unrealized P&L of my open positions. The unrealized P&L of my open positions will be calculated based on the market price for each particular currency pair (in which there is an open position) taken in the interval between 4.30 and 5 p.m. (3.30 and 4 p.m. if it is Friday). This market price should be within the daily high and low for each particular currency pair.

The above calculation guidelines are to be observed by my Trading Agent while calculating the monthly Net Equity gain/loss.

It is the sole responsibility of my Trading Agent to calculate the monthly Net Equity gain/loss and/or management fee accurately and in good faith, with the intent to preserve my interest, and also to present his/her calculations to me and to FXDirectDealer by the 5th of every month for the previous month.

I hereby specifically acknowledge and agree that there is an inherent conflict of interest in paying my Trading Agent a per trade commission. The more trades made in my account the more commission I will pay regardless of the profit or loss on those trades.

I also understand and agree that FXDirectDealer does not calculate the monthly Net Equity gain/loss or management fee nor will FXDirectDealer be obliged to check or verify in any way the monthly Net Equity gain/loss or management fee figures presented by my Trading Agent. I hereby indemnify and hold FXDirectDealer harmless against any and all losses, costs and expenses incurred in my account and/or errors made in calculating the monthly Net Equity gain/loss.

NAME OF DESIGNATED TRADING AGENT or INTRODUCING BROKER: **LOTUS BROKERAGE LLC**

Client Name: _____
(Print Name)
Client Signature: _____
Date: _____

Please fax a signed copy to: +1.212.937.3845, or sign and scan a copy to sales@fxdd.com