



Learn to Trade Limited

and

Name:.....

Date:.....

**Profit Share Agreement** This Agreement shall come into force on the date of signing of this Agreement by both parties;

## BETWEEN

(1) **Learn to Trade Limited** a private company registered in England & Wales with company no. 4840493 whose registered office is at Unit 18, Quayside Lodge, William Morris Way, Fulham, London SW6 2UZ (hereinafter referred to as the "the Company");

## AND

(2) Name .....(hereinafter referred to as the "the Client").

## WHEREAS

- a) The Client will apply the Company Methodology only to Spread Betting to gain optimal returns.
- b) The Company will fund an ETX Capital Corporate Account for Clients to Trade using Company Methodology. The Company will receive a 40% share of new net profit while this provides the Clients with the remaining 60% share of new net profit.
- c) The Company and Client will participate in the profits of the Spread Betting as a joint enterprise as set out in this Agreement.
- d) Clients are not authorised to remove money from account or close account.

## 1. Definition

For the purpose of this Agreement, the following shall mean;

**Account** – shall mean the account with ETX Capital in the name of Learn to Trade Corporate Account which on the date signed of this Agreement shall be opened with Trade funds available of £10,000 with a Draw Down of 5%. The 5% will be shown as cash balance whilst the remainder will be as a waived margin. The account will have access to 21 liquid currency pairs, 3 Indices, Gold, Silver and Oil available to Trade (full list Appendix E)

**Broker** – shall mean ETX Capital or any other suitably FSA authorised Broker agreed by the Company;

**Company Methodology** – Learn to Trade approved Trading strategy; Ring High's and Ring Low's (key rules of this strategy attached Appendix G).

**Draw Down** – shall mean a loss from previous Watermark;

**Fund Rules** – shall mean the Company's rules for any Client carrying out Trades, in place from time to time in Appendix C;

**Instruments** – shall mean Spread Betting, Contracts for Difference (CFDs) and Foreign Exchange Trading;

**Markets** – shall mean Forex Markets;

**New Net Profit** – shall mean the amount of profit made on the Client account that has exceeded the previous Watermark and is finalised at the end of the current Quarter;

**Parties** – shall mean the parties to this Agreement;

**Paper Trading** – shall mean Trading on a demo account;

**Services** – are those as outlined in Appendix A to this Agreement;

**Trading Equipment** – shall mean the terminals, software, telephone, internet and other administrative facilities and equipment used by and provided by the Company;

**Trades** – shall mean the placing of Trades by the Client acting as principal with a third party Broker using the Instruments.

**Watermark** – shall mean highest profitable level the Client account reaches at the end of a Quarter (example Appendix F);

Except where the context otherwise requires words in the singular include the plural and vice versa.

For avoidance of doubt a Week is any consecutive seven day period, a Month is a calendar Month and a Quarter is a consecutive 3 month period.

Clause headings in the Agreement and Appendices are for ease of reference only and do not affect the construction of any provision.

## **2. Duties and Obligations of the Client**

- a) The Client shall act faithfully and diligently in the discharge of his duties under this Agreement.
- b) The Client will maintain total confidentiality and will not save as required by law, reveal any Company information whatsoever; information about the Services or business results to any third party person unless specifically requested to do so in writing by the Company.
- c) Upon Termination the Client has an obligation to return any and all information, documentation and results in connection with this agreement. Records relating to this Agreement can be retained for personal use only and cannot be used for commercial use.
- d) The Client represents and warrants to the Company that the execution, delivery and performance of this Agreement does not and will not violate any agreement or relationships now existing between the Client and any third party. The Client further represents and warrants that there are not and, so far as he is aware, will not become any contractual or other conflicts of interest on the part of the Client, but if any did arise the Client undertakes to immediately notify the Company in writing.

- e) The Client undertakes to use the amounts credited to the Account from time to time only for the purpose of making the Trades in accordance with the terms of this Agreement.
- f) The Client agrees to contribute such amounts to the Company, by payment into the Account, as may be required on the terms and in the manner set out in the section of the Fund Rules attached as Appendix C.
- g) The Client agrees, where the Client's Trades have made/are making a loss, to provide the Services in accordance with the section of the Fund Rules attached as Appendix D.
- h) The Client confirms that in making the Trades he will be acting as principal and not as agent for any other person.
- i) In the event of a Broker default on FSA Client money rules or goes into Liquidation, the Company will transfer net profit from date of Liquidation into a new brokerage account for the Client when reasonably possible.
- j) The Client undertakes that the Account will be opened and held with the Broker.
- k) Any interest that may accrue on the credit balance on the Account shall be credited to the Account and shall belong to the Company.
- l) The Client accepts that the funds in the account are owned by the Company.

### **3. Duties and Obligations of the Company**

- a) The Company will provide the ETX Capital Trading account to the Client for the purposes of Trading.
- b) The Company shall appoint:
  - i. A Company Risk Manager in respect of the Account who will work with the Client on a need to basis; and
  - ii. A coordinator at ETX Capital who will receive and act upon the instructions, howsoever received, from the Client.
- c) All major queries and points requiring clarification should be addressed to the relevant Company contact persons as defined in Appendix B to this Agreement. They have a duty to use their best endeavours to respond to the Client as soon as possible on all matters relating to the agreed work programme.

### **4. Term and Termination**

- a) This Agreement shall come into force on the date of signing by both parties and continue in force until terminated in writing by the Client or Company. This agreement may be terminated by the Client or Company with 1 weeks written notice. In the event of a termination of the contract for reasons other than those outlined in 4a, 60% of any accrued profits will be paid to the Client at the end of the current Quarter. This Agreement may be terminated by the Company and the

Client will forfeit his share with immediate effect and the Company is under no liability to make any further payment to the Client, if at any time the Client:

- i. Is guilty of any gross misconduct affecting the business of the Company; or
  - ii. Commits any serious or repeated breach or non-observance of any of the provisions of this Agreement or refuses or neglects to comply with any reasonable and lawful directions of the Company; or
  - iii. Is in the reasonable opinion of the Company negligent and incompetent in the performance of the Services in relation to the Fund Rules (see also Appendices); or
  - iv. Is declared bankrupt or makes any arrangement with or for the benefit of his creditors or has a county court administration order made against him under the County Court Act 1984; or
  - v. Is incapacitated (including by reason of illness or accident) from providing the Services for an aggregate period of 60 working days in any 52 week consecutive period. In the event of a termination of the contract for the Client being incapacitated any accrued profits will be paid to the Client at the end of the current Quarter; or
  - vi. Is guilty of any fraud or dishonesty or acts in any manner which in the opinion of the Company brings or is likely to bring the Client or the Company into disrepute or is materially adverse to the interests of the Company.
- b) The rights of the Company under clause 4a are without prejudice to any other rights that it might have at law to terminate this Agreement or to accept any breach of this Agreement on the part of the Client as having brought the agreement to an end. Any delay by the Company in exercising its rights to terminate shall not constitute a waiver thereof.
- c) The Client is required to inform the Company if they are in breach of any of the clauses in 4a. The Company retains the right to waive clauses; a waived clause can only be confirmed by the Company and Client signing a new amended contract.
- d) In the event that the Company suspects the Client is in breach of clause 4a, the Company will notify the Client of the suspected breach in writing and the Trading account will be suspended until further notice. All open Trades will be closed by the Company with immediate effect. The Company will give the Client the opportunity to dispute the decision. The Company will take all evidence into account before deciding whether to terminate the agreement or not.
- e) The Company at its sole discretion may terminate or suspend this Agreement in part or in full of services set out in Appendix A. In this circumstance the Company will be required to provide written notice of the contract termination and will be required to close all positions on the account with immediate effect.

## **5. Data Protection**

- a) The Client consents to the Company holding and processing data relating to him for legal, personnel, administrative and management purposes and in particular to the processing of any “sensitive personal data” (as defined in the Data Protection Act 1998) relating to the Client including, as appropriate:
  - i. Information about the Client’s physical or mental health or condition in order to monitor sick leave and take decisions as to the Client’s fitness for work;
  - ii. The Client’s racial or ethnic origin or religious or similar beliefs in order to monitor compliance with equal opportunities legislation; and
  - iii. Information relating to any criminal proceedings in which the Client has been involved for insurance purposes and in order to comply with legal requirements and obligations to third parties.
- b) The Client consents to the Company making such information available to those who provide products or services to the Company (such as advisors), regulatory authorities, governmental or quasi governmental organisations and potential purchasers of the Company or any part of its business.
- c) The Client consents to the transfer of such information to the Company’s business contacts outside the European Economic Area in order to further its business interests such as the promotion of Trading performance results.

## **6. Other Provisions**

Nothing in this Agreement is intended to, or shall be deemed to constitute a partnership or joint venture between the parties, constitute any party the agent of another party, or authorise any party to make or enter into as commitments for and on behalf of any other party save as provided in Appendix A.

## **7. Counterparts**

This Agreement may be executed by the different parties hereto on separate counterparts each of which when executed and delivered shall constitute an original and all such counterparts together constituting but one and the same instrument.

## **8. Assignment**

The Client shall not assign this Agreement in whole or part to any third party without the prior written consent of the Company.

## **9. Entire Agreement**

- a) Each party on behalf of itself acknowledges and agrees with the other party that:
- b) This agreement [and any other documents referred to in them] constitute the entire agreement and understanding between the Client and the Company and supersedes any previous

agreement between them relating to the provision of these Services (which shall be deemed to have been terminated by mutual consent);

- c) In entering into this Agreement neither party has relied on any pre-contractual statement; and
- d) The only remedy available to either party for breach of this Agreement shall be for breach of contract under the terms of this Agreement and shall have no right of action against any other party in respect of any pre-contractual statement. Nothing in this Agreement shall, however operate to limited or exclude any liability for fraud.

## **10. Applicable Law**

This Agreement shall be interpreted in accordance with the laws of England.

## **11. Notices**

All notices in connection with this Agreement to the respective party hereto shall be in writing (facsimile or registered letter) and in the English language. In witness hereof, the parties have executed this Agreement in duplicate.

Company:
Signature:.....
Name: .....
Date: .....
Company Risk Manager:
Signature:.....
Name: .....
Date: .....
Client:
Signature: .....
Name:.....
Date: .....



## APPENDIX A

### Services

- a) The Client will apply the Company Methodology only to Spread Betting to gain optimal returns.
- b) The Company will fund an ETX Capital Corporate Account for Clients to Trade using Company Methodology. The Company will receive a 40% share of New Net Profit while this provides the Clients with the remaining 60% share of New Net Profit.
- c) The Company and Client will participate in the profits of the Spread Betting as a joint enterprise as set out in this Agreement.
- d) Clients are not authorised to remove money from account or close account.

## APPENDIX B

**Company Risk Manager:** Tom Franklin  
**Address:** 18 Quayside Lodge, William Morris Way, Fulham, London SW6 2UZ  
**Tel:** +44 (0) 207 751 8900

**Client:** .....  
**Address:** .....  
.....  
.....  
.....

**ETX Capital:**  
**Name:** Rob Woolfe  
**Address:** Beaufort House  
15 St Botolph Street  
London  
EC3A 7DT  
**Tel:** +44 (0)20 7392 1455

## APPENDIX C

### Fund Rules

- a) Account will be open with a starting balance of £10,000 increasing to discretionary set levels of £15,000, £20,000, £30,000, up to £50,000.
- b) Trader account size will increase to next level if:
  - i. Minimum 3% or more return on the account Watermark level for 3 consecutive months.
  - ii. Max 0.5% risk first month, max 1% risk per Trade.
  - iii. If 2 consecutive Draw Down months either account is frozen or drop back a discretionary set level or Paper Trading
  - iv. Maximum Draw Down of 5% at any time, Trader will revert to Paper Trading.
- c) All Clients will ONLY use Company strategies, or those approved in writing by the Company Risk Manager
- d) Profit share 60% – 40% in favour of Client, released every Quarter.
- e) The Company will cover all Draw Downs up to 5%. Any Draw Down that exceeds 5% will be covered by the Client. The Company will invoice the Client for fees due in respect of Draw Downs above 5%. Payment must be made to the Company within 30 days of invoice.
- f) All Draw Downs and profits calculated on Watermark. For the first three months the Watermark is based on the initial starting deposit. In the event the Client is profitable in the first three months but hasn't qualified for a larger account, the new Watermark would be the Quarters ending account balance minus all profits made in that Quarter (i.e. the same Watermark, as the Quarter before). After the first quarter in the event that the Client qualifies for an increased Trading account size, the new Trading account amount would become the new Watermark.
- g) Company Risk Manager always has overall authority to review ALL accounts and act accordingly.
- h) Profits DO NOT include upsize of account, only profits made through Trading.
- i) Client will be paid out of the account 2 weeks after the Quarter has finished. This will be paid out as a performance bonus; the Client should invoice the Company for this.

## APPENDIX D

### STRUCTURE FOR PROVIDING THE SERVICES WHERE THE CLIENT IS MAKING A LOSS

The following structure applies to closed positions (i.e. Realised Profit/Loss):

All Clients must Trade at 0.5% risk per Trade during their first month. If the Clients first month is unprofitable they must carry on Trading on the risk used in the first month until they have a profitable month. Clients will only be able to increase their risk to 1% after their first profitable month.

Daily Loss	Action to Take	Return to Normal Trading After
0-0.5%	No Action	0
>0.5-1%	No Action	0
>1-1.5%	Review losing positions	0
>1.5-2%	Reduce stake per Trade down to 0.5% <b>(0.25% in the first month)</b>	After 2 profitable Trading days, back to 1% <b>(0.5% in the first month)</b>
>2%	Reduce stake per Trade down to 0.25% <b>(0.1% in the first month)</b>	After 2 profitable Trading days back up to 0.5% <b>(0.25% in the first month)</b> then 3 more days before full 1% <b>(0.5% in the first month)</b>

Weekly Loss	Action to Take	Return to Normal Trading After
0.5%-1.5%	No Action	0
>1.5%-2.5%	Review losing positions, reduce stake per Trade down to 0.5% <b>(0.25% in the first month)</b>	After 2 profitable Trading days, back to 1% <b>(0.5% in the first month)</b>
>2.5%	Reduce stake per Trade down to 0.25% <b>(0.1% in the first month)</b>	After 5 profitable Trading days, back to 1% <b>(0.5% in the first month)</b>

Monthly Loss	Action to Take	Return to Normal Trading After
0-2.5%	No Action	
>2.5-3.5%	Reduce stake per Trade down to 0.5% <b>(0.25% in the first month)</b> and review Trades with Company Risk Manager	After 1 profitable calendar month
>3.5-5%	Reduce stake per Trade down to 0.25% <b>(0.1% in the first month)</b> and review Trades with Company Risk Manager	After 1 profitable calendar month move back up to 0.5% <b>(0.25% in the first month)</b>
>5%	Account is frozen	Account is frozen

## APPENDIX E

### List of Currency Pairs Available in ETX Trading Account

AUDJPY  
AUDNZD  
AUDUSD  
CADCHF  
CADJPY  
CHFJPY  
EURAUD  
EURCAD  
EURCHF  
EURGBP  
EURJPY  
EURNZD  
EURUSD  
GBPUSD  
NZDCAD  
NZDCHF  
NZDJPY  
NZDUSD  
USDCAD  
USDCHF  
USDJPY

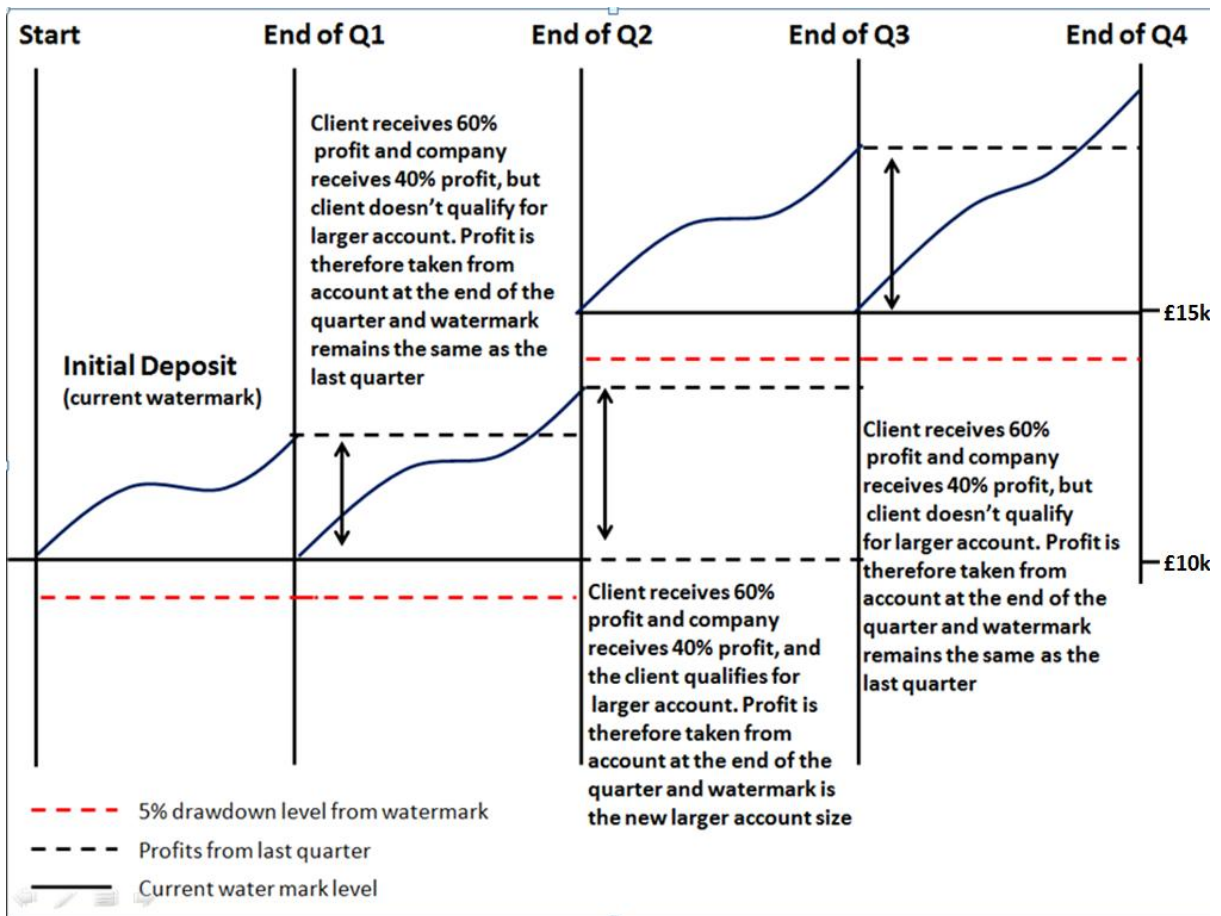
GOLD – ROLLING DAILY  
NYMEX CRUDE OIL  
SILVER – ROLLING DAILY

UK 100 – DAILY ROLLING  
SP 500 – DAILY FUTURE  
WALL STREET – DAILY ROLLING

*Please note that the Client can only Trade additional products if they have an email confirmation from the Company Risk Manager (Tom Franklin) confirming the additional products they are authorised to Trade.*

## APPENDIX F

### Watermark Level



For a period of three months from the Commencement Date the Watermark is based on the Starting Deposit. In the event the Client is profitable in the first three months of Trading but has not qualified for the next account level, the new Watermark would be the account balance at the end of the previous Quarter, minus all profits made in that Quarter. In the event the Client is profitable in the first three months of Trading and qualifies for an increased Trading account size, the new account size becomes the new Watermark level. The Watermark is calculated after the profits are shared. To qualify for the next account level the Client must achieve 3% profit per month for a consecutive 3 month period.

## APPENDIX G

### Key Rules of Strategy

#### Ring High (max 1% risk per trade)

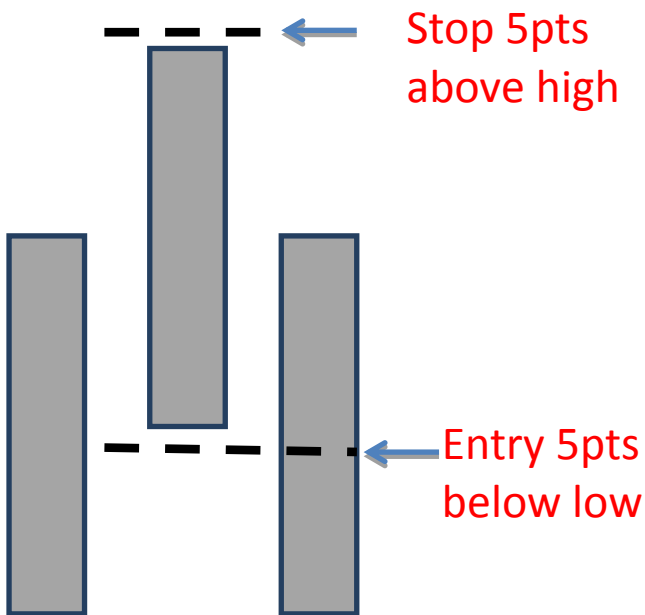
Entry is after the second bar has closed, if the low gets broken.

Entry is 5 pips (- spread) BELOW the low of the second / reversal bar.

Stop Loss is 5 pips (+ spread) ABOVE the high of the second / reversal bar

Trail the stop 5 pips (+ spread) ABOVE the high of each bar from DAY 3 onwards (as per the manual instructions)

Target = previous level of SUPPORT which should offer a 2% reward or greater





## Ring Low (max 1% risk per trade)

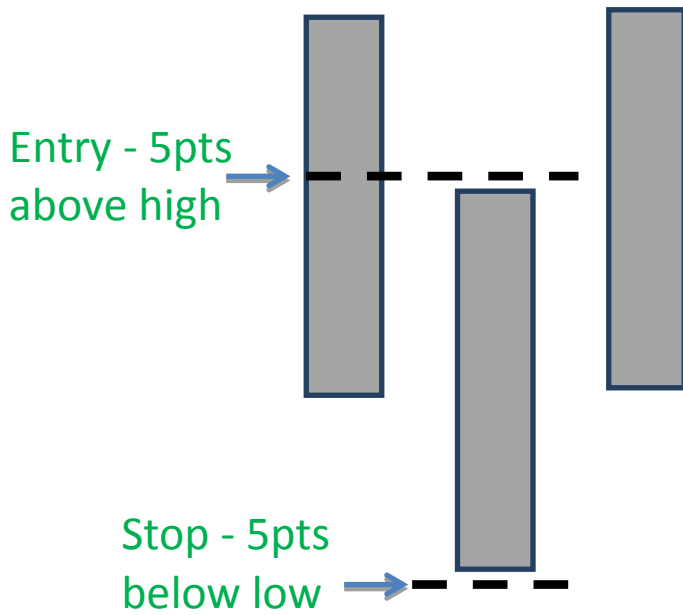
Entry is after the second bar has closed, if the high gets broken.

Entry is 5pts (+ spread) ABOVE the high of the second / reversal bar.

Stop Loss is 5pts (- spread) BELOW low of the second / reversal bar

Trail the stop 5pts (- spread) BELOW the low of each bar from DAY 3 onwards (as per the manual instructions)

Target = previous level of RESISTANCE which should offer a 2% reward or greater



## Checklist – Continuation Trades

The more factors the higher probability the opportunity. Score your opportunity for confirmation.  
4 POINTS OR MORE REQUIRED.

	LONG			SHORT	
Higher High's & Higher Low's ?	1		Lower Highs & Lower Lows?	1	
Above 50 & 200 EMAs ?	1		Below 50 & 200 EMAs ?	1	
Finding support off MA ?	1		Finding resistance off MA ?	1	
Horizontal support ?	1		Horizontal resistance ?	1	
RSI Convergence ?	1		RSI Convergence ?	1	
Bullish Price Action ?	1		Bearish Price Action ?	1	
No levels of resistance in the way ?	1		No major levels of support in the way ?	1	
Any FIB retracement support ?	1		Any FIB retracement resistance ?	1	
Trend Line Support	1		Trend Line Resistance ?	1	
	Total	TBC		Total	TBC

## Checklist – Trend Reversals

ALL FACTORS must be present before taking an opportunity.

	LONG			SHORT	
Strong Level of Horizontal Support ?	1		Strong Level of Horizontal Resistance ?	1	
RSI Divergence ?	1		RSI Divergence ?	1	
FIB Extension Level ?	1		FIB Extension Level ?	1	
Bullish Price Action ?	1		Bearish Price Action ?	1	
	Total	4		Total	4

## Checklist – Range Based Reversals

ALL FACTORS must be present before taking an opportunity.

	LONG			SHORT	
Strong Level of Horizontal Support?	1		Strong Level of Horizontal Resistance ?	1	
RSI Divergence ?	1		RSI Divergence ?	1	
FIB Extension Level ?	1		FIB Extension Level ?	1	
Bullish Price Action ?	1		Bearish Price Action ?	1	
Flat MAs ?	1		Flat MAs?	1	
	<b>Total</b>	<b>5</b>		<b>Total</b>	<b>5</b>

*Please note that the Client can only Trade additional strategies if they have an email confirmation from the Company Risk Manager (Tom Franklin) confirming the Client is authorised to Trade additional strategies, along with the specific rules for these strategies.*

Email:

Please fill in the form and then print to PDF and email the completed file to:  
[protrader@learntotrade.co.uk](mailto:protrader@learntotrade.co.uk)