



# Terms of Business

**Professional and Retail – FX Securities CFDs Futures**

Tickmill UK Ltd

July 2020



This document sets out the relationship between you and us in relation to services we provide you. Please read it and all the accompanying documents carefully. If there is anything in the documents you do not understand, please contact us as soon as possible. Remember that investing in and dealing on the markets is risky and it is possible to lose some or all your capital. Investing and dealing in leveraged instruments such as foreign exchange, contracts for differences, options, futures and certain types of listed securities carries a higher level of risk - it is possible to lose the whole of your initial investment or margin and you may end up owing more and sometimes your potential losses can be unlimited.

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## 1. INTRODUCTION AND RISK WARNING

1.1 Tickmill is a trading name of Tickmill UK Ltd (the “Company”, “us”, “we”, “our”, “ours” or “ourselves” as appropriate) and is authorised and regulated by the Financial Conduct Authority (“FCA”) for the conduct of investment business with registration number 717270. The FCA’s registered office is at 12 Endeavour Square, London, E20 1JN.

1.2 The Company’s Principal and Registered Office is at 3rd Floor, 27 - 32 Old Jewry, London EC2R 8DQ27 (registered company number 09592225). We can be contacted by email at [clientservices@tickmill.co.uk](mailto:clientservices@tickmill.co.uk).

1.3 These Terms contain terms of the contract between you and Tickmill UK Ltd under which we will provide services to you. You should read these Terms carefully. These Terms are legally binding and supersede any previous agreement between us in relation to the services we provide you.

1.4 These Terms come into effect on the day we open your account or, for subsequent versions, as notified to you. These Terms can only be amended in writing and except where changes are required by law or regulation, we shall give you at least 5 Business Days written notice of any change to them. By dealing with us or continuing to deal with us on or after the date we have notified to you of these Terms coming into effect you are deemed to have accepted these Terms.

1.5 Capitalised terms used in these Terms are explained in the Glossary in Schedule A or within the clause in which they are used.

1.6 These Terms and all Transactions are always subject to Applicable Laws and Regulations. This means:

- a) if something in these Terms conflicts with any Applicable Laws and Regulations, the Applicable Laws and Regulations will prevail.
- b) any action we take or omit to take in compliance with any Applicable Laws and Regulations shall be binding on you and shall not create any liability for us or any of our Employees; and
- c) nothing in These Terms shall exclude or restrict any duty or obligation of ours under Applicable Laws and Regulations.

1.7 Time will be of the essence in respect of all your obligations to us under these Terms and any Transaction. That means that if you do not do something by the required time you will have broken your contract with us, and we may be able to take action against you.

1.8 These Terms are supplied to you in English and we will communicate with you in English.

1.9 Foreign Exchange trading and trading on Margin and in Leveraged Instruments is risky. Please read very carefully the risk warnings contained in the documents accompanying these Terms and on our website. You should always remember that:

- a) you should not trade unless you are willing to lose the whole amount committed, which may be substantially more than the Margin required.
- b) in some Transactions you may be exposed to unlimited losses.
- c) you need to monitor your positions and ensure sufficient funds available to cover margins.
- d) if using an Electronic Service, you must ensure you are fully conversant with its terms of use and mode of operation, including its Order types and characteristics.

## 2. YOUR RIGHT TO CANCEL

2.1 You have the right to cancel your agreement with us up to 14 days from the day on which these Terms first come into effect, provided there have been no Transactions outstanding relating to an Instrument whose price is dependent on fluctuations on the financial market outside TMUK’s control. To exercise your right of cancellation, you must notify us in writing within 14 days of the day on which these Terms first come into effect.

## 3. CLIENT CATEGORISATION

3.1 The FCA Rules require us to classify each client as one of:

- a) an Eligible Counterparty.
- b) a Professional Client; or
- c) a Retail Client.

## 4. DEALINGS BETWEEN US AND ABSENCE OF ADVICE

- 4.1 Unless otherwise agreed between us in writing, we will act as principal (and not as agent on your behalf) in respect of Transactions in relation to CFDs/FX.
- 4.2 For ETD products, we will act as an Agent on your behalf.
- 4.3 You will act as principal and not as agent, attorney or representative for any other person in respect of a Transaction. Therefore, unless we have otherwise agreed in writing, we will treat you as our client for all purposes and you are directly and personally responsible for obligations under the Transaction.
- 4.4 You will enter into Transactions with us on an execution-only basis. We will not provide financial, legal or tax advice and will therefore not advise you about the merits of any Transaction. In addition, we shall not at any time be deemed to be under any duty to provide such advice and you will not be entitled to ask us for investment advice. Unless otherwise agreed with us in writing, we are under no obligation to satisfy ourselves as to the suitability for you of any Transaction entered into or contemplated by you, or, to monitor or advise you of the status of any Transaction.
- 4.5 Accordingly, you agree that you will rely on your own judgement (assisted by such third party independent advice as you consider you need) for all investment decisions and that we are not responsible for any investment decisions you make or for advising on them. You also agree to monitor your positions closely in order to ensure you can make your own decisions.

## **5. OUTSOURCING**

5.1 We may use external service providers in order to provide you with Services under these Terms, who may include Associates or other third parties, and who may be based and operating from outside the EU or EEA.

## **6. COMMUNICATIONS**

- 6.1 In other circumstances you may communicate with us:
  - a) by email to an email account designated by us for that purpose or electronically through an Electronic Service using the means designated for that purpose.
  - b) orally, including by telephone to a telephone number designated by us for this purpose.
- 6.2 You authorise us to communicate with you at any time whatsoever about matters in relation to your account.
- 6.3 We may communicate with you by telephone, letter, email, text message or web chat, and, through an Electronic Service. We will use the address, telephone number or email address provided on your account opening application or, as subsequently notified by you to us according to the procedure established by us for such amendments. You agree to ensure we are promptly notified of any changes.
- 6.4 You specifically agree to receiving documents and notices from us, including notices of amendments to these Terms, in electronic form, including via email and through an Electronic Service. It is your responsibility to inform us of any change to your email address, the non-receipt of a confirmation, or whether any confirmations are incorrect before settlement.
- 6.5 Communications made by us shall be deemed to have been delivered to you: if emailed, one hour from us transmitting the email.
- 6.6 You agree that we may record any telephone conversations between you and us. Any recordings shall be and will remain solely our property and will be accepted by you as conclusive evidence of the conversations so recorded. You agree that the Company may deliver copies of all transcripts of such recordings to any court, regulatory or government authority.

## **7. PROVISION OF INFORMATION**

- 7.1 Any information provided to you on our website or through an Electronic Service, at any training events or otherwise is generic and must not be treated as advice that is suitable for you or is based on a consideration of your personal circumstances.
- 7.2 If you are ever in any doubt, we recommend that you obtain independent professional advice from a suitably qualified adviser on any financial, legal or tax matter before entering a Transaction with us.
- 7.3 Where we provide Market Information, we give no representation, warranty or guarantee as to its accuracy or completeness.
- 7.4 You agree that the provision of Market Information is incidental to the provision of dealing services by us to you under these Terms, that we are not responsible for the investment decisions that you make and that you will not seek any recommendation or advice from us or treat any such Market Information as being a recommendation or advice.

## **8. DATA PROTECTION AND CONFIDENTIALITY OF YOUR INFORMATION**

8.1 Subject to the following we will treat all information we hold about you as private and confidential, even when you are no longer a client. You agree, however, that we and other companies in our group may:

- a) use your information to administer and operate your account and monitor and analyse its conduct, provide services to you, assess any credit limit or other credit decision (and the interest rate, fees and other charges to be applied to your account) and enable us to carry out statistical and other analysis;
- b) disclose your information to other companies in our group; those who provide services to us or act as our agents; anyone to whom we transfer or propose to transfer any of our rights or duties under these Terms; credit reference agencies or other organisations that help us and others make credit decisions and reduce the incidence of fraud or in the course of carrying out identity, fraud prevention or credit control checks; where we are required to do so by Applicable Laws and Regulations to disclose information; at your request; or with your consent (and in the case of a joint account, we may disclose to any of you information obtained by us from any of u in relation to the account);
- c) use your information, unless you have told us that you do not wish us to do so, to inform you (by post, telephone, email or other medium, using the contact details you have given us) about products and services offered by us, other companies in our group or selected third parties which we believe may be of interest to you; and
- d) transfer your information to any country, including countries outside the European Economic Area which may not have strong data protection laws, for any of the purposes described in this clause.

8.2 You have rights of access to some or all of the information we hold about you, to have inaccurate information corrected and to tell us that you do not wish to receive marketing information, under data protection law. If you wish to exercise any of these rights, please contact us in writing.

## **9. BASE CURRENCY**

9.1 The Base Currency for your Account will be one of the GBP, USD, EUR, CHF and PLN (but not limited to) as agreed in writing between you and us.

## **10. YOUR MONEY - RETAIL CLIENTS AND PROFESSIONAL CLIENTS**

- 10.1 As a Retail Client, we shall treat money received from you or held by us on your behalf as Client Money treated as such under the FCA's Client Money Rules. This money is held in bank accounts separate from our own and cannot be used by us in our business.
- 10.2 We can make payments out of such Client Money in respect of all sums due from you to us, or, under these Terms any Transaction from you to any other person.
- 10.3 We may also make payments or allow another person, such as an exchange, clearing house or intermediate broker, to hold or control Client Money (a) for the purposes of a Transaction for you with or through that person; or (b) to meet our obligation to provide collateral for a Transaction or in relation to a transaction matching or relating to a Transaction with you (for example where margin is required). We are not responsible for the acts or omissions of these third parties, or any loss those acts or omissions cause provided that any such loss has not occurred due to our negligence or a material breach by us of these Terms.
- 10.4 You agree that we may cease to treat any money held on your behalf as Client Money and release it from our Client Money bank account(s), if you have no Open Positions and have not placed a Transaction in the previous six (6) years, and we do not receive a response within 28 days of writing to you at the last known address informing you of our intention to no longer treat such money as Client Money.
- 10.5 Such money will, however, remain owing to you and we will make and retain records of all balances released from Client Money bank accounts under this clause and will undertake to make good any valid claims against such released balances.
- 10.6 As a Professional client, you have stated you meet the (FCA Client money rules section 7.11 in relation to reclassification) during onboarding and provided supporting documentation. With that in mind you will opt out by signing a Title Transfer Collateral Arrangements (TTCA) form to agree that your money will be treated as collateral in respect of your existing and or future obligations.

## **11. YOUR MONEY - ELIGIBLE COUNTERPARTIES**

- 11.1 If we have categorised you as an Eligible Counterparty then, as permitted by Applicable Laws and Regulations, we will acquire full ownership of all amounts received by us from you or credited by us to your Account.
- 11.2 This money is used to cover your potential or contingent liabilities to us under these Terms. It does not constitute Client Money for the purposes of Applicable Laws and Regulations and so will not be segregated from money held in our own account(s) and may be used by us in the course of our business.
- 11.3 You will rank as a general creditor of us in respect of this money in the event of our insolvency.

## **12. INTEREST**

- 12.1 In addition to the costs set out above, additional costs may be payable by you by virtue of the fact that these Terms

## **13. COSTS AND CHARGES**

- 13.1 You shall pay our charges as notified to you from time to time, any taxes imposed by any competent authority on any account opened or Transaction effected by or cleared for you; any fees or other charges imposed by a Market or any clearing organisation; interest on any amount due to us at the rates then charged by us (and which are available on request); and any other value added or other applicable taxes of any of the foregoing, including any withholding tax. We will notify you of our current charges. Any alteration to charges will be notified to you before the time of the change.
- 13.2 In addition to the costs set out above, additional costs may be payable by you by virtue of the fact that these Terms and Transactions under it may be entered into via email or telephone or other distance means.
- 13.3 All amounts due to us under these Terms are due immediately on our demand.
- 13.4 Payments shall be made in such currency as we may from time to time specify and must be made to the bank account designated by us for such purposes. All payments shall be made by you without any deduction or withholding.
- 13.5 We may receive remuneration from, or share charges with, an Associate or other third party in connection with Transactions carried out on your behalf.
- 13.6 We are entitled to deduct or withhold from any payment made under the Terms or credited to your Account, any tax required by law to be deducted or withheld from any such payment or credit.
- 13.7 Your tax treatment may differ according to your personal circumstances and the tax legislation in your jurisdiction (which may change). You may also be liable for other taxes and charges that are not imposed by us, including bank fees for transfers of money or assets, and fees to internet and telephone service providers. You are solely responsible for the timely payment of such taxes and charges. You should seek independent advice if you are in any doubt as to what further taxes and charges may apply to you as a result of your trading activities.
- 13.8 If your Account is dormant for a continuous period of 6 months, we will deduct a quarterly dormant account fee from your Account until you or we close the Account, you initiate a Transaction, or the balance on your Account reaches zero. An Account will be deemed dormant if there are no open positions and there has been no other trading activity. Kindly note that the dormant fee rate is \$30 (or the equivalent of that sum if the Account has a different underlying currency) and could be subject to change from time to time. For any update on the current dormant fee rate, kindly visit [www.tickmill.co.uk](http://www.tickmill.co.uk).
- 13.9 For information on the costs and charges relevant to you please see website for up to date costs please see attached summary.

## **14. PAYMENTS AND WITHDRAWALS**

- 14.1 You are responsible for making payments to us which are required, from time to time, under these Terms or as required by Applicable Laws and Regulations, including any payments required:
  - a) to keep the Account Value above the sum of the Margin Requirements on your Open Positions;
  - b) to clear any negative Account Value.
  - c) to meet any Margin required to open or continue your Account or any Transaction.
- 14.2 The procedures setting out our accepted payment methods and the costs involved, instructions on how to make and correctly designate payments, and the timings for receipt of payments are available from our customer services team upon request.
- 14.3 We may reject any payment that is not made in accordance with these Terms and with Applicable Laws and Regulations.
- 14.4 Payments will be accepted from you only where they are in respect of a bank account held in your name, and the payment has originated from you. If there is any inconsistency between your name (as supplied to us by you) and the name on the source account from which the payment originates, the

payment may be rejected and returned to the source account. In any case, payments will only be deemed to have been received by us once the money has been received as cleared funds and is shown on an Electronic Service as having been received by us or credited to your Account.

- 14.5 You are responsible for any costs incurred in the process of making any payment to your Account (e.g. transaction costs). If you make a payment by debit card or credit card or withdraw funds from your Account, we may charge an administration fee to process your payment.
- 14.6 If we are holding an amount on your behalf as Client Money which exceeds your Margin Requirements, you may make a request to withdraw money up to that amount from your Account, subject to the other provisions of these Terms and Applicable Laws and Regulations. Details on how to make withdrawals are available on our website or from our Client Area (CR) portal.
- 14.7 Unless we agree otherwise in writing, or to comply with Applicable Laws and Regulations, we will generally only accept a request for a withdrawal of money from your Account that is given directly by you and we will not accept any request for a withdrawal given by any other person. In addition, withdrawals will only be processed by us where the destination for the money being withdrawn is the same as the origin of your payment or payments to us, unless (and subject to our approval) you have notified us in writing that your payment details have changed.
- 14.8 Under certain circumstances there may be a delay in processing your payment or a withdrawal, including where such delay is due to the time it takes for our systems to process the payment or withdrawal, to circumstances outside our control or to an issue in relation to your payment or withdrawal that we may be attempting to resolve to comply with Applicable Laws and Regulations.
- 14.9 We may in our reasonable discretion refuse or delay giving effect to your request for a withdrawal (in whole or in part) if we reasonably consider that:
  - a) this money is required to cover any costs, realised losses, Margin, or net unrealised losses in respect of your transactions.
  - b) this money may be required on your Account to meet a payment obligation that is due or reasonably likely to fall due within the next five (5) Business Days.
  - c) we are required to do so under Applicable Laws and Regulations or reasonably suspect that there has been a breach of Applicable Laws and Regulations; or
  - d) there is an unresolved dispute, disagreement or query between us and you in connection with these Terms.

## **15. RIGHT OF DEDUCTION**

- 15.1 We may deduct, from any of your money held by us, any money due to us under these Terms, or required to be deducted by Applicable Laws and Regulations (including for tax purposes), held by us (this is our right to make a "Deduction").
- 15.2 In addition to any other right we have to withhold a withdrawal from your Account or make a Deduction we may, at any time at our discretion and without notice to you, apply any positive balance on any Account of yours or on any money due to you from us against any money due to us (or any of our Associates) from you.
- 15.3 If at any time you owe us and we owe you the same amount of money in the same currency, then both your and our such obligation will each be automatically satisfied and discharged.
- 15.4 If at any time you owe us and we owe you a different amount of money in the same currency, then whichever of you or us that owes more may pay the excess to the other party and both your and our obligations in that currency will be satisfied and discharged.
- 15.5 For the purposes of exercising our rights under this clause, we may apply the Tickmill rate to convert the relevant cash balances and any money due to you or us into the same currency.

## **16. MARGINING ARRANGEMENTS**

- 16.1 Where you enter into a Transaction in respect of a Leveraged Instrument, for example, a futures contract, you will be subject to a Margin Requirement. A Margin Requirement may be a fixed amount or may vary according to the valuation of the Transaction from time to time.
- 16.2 The Company is entitled to apply new Margin Requirements to new positions and to positions which are already open.
- 16.3 When you propose to enter into a Transaction with TMUK we may determine whether you have sufficient Free Margin on the relevant Account in order to meet the Margin Requirement for the Transaction. If your Free Margin on the relevant Account is lower than the Margin Requirement for the proposed transaction, we have the right, but not the duty, to refuse to enter the Transaction with you or to require the payment of further Margin.
- 16.4 If at any time there is a Margin Deficit on an Account of yours, that is, your Free Margin on that Account is negative, then, notwithstanding the margin position on any other Account you hold with us, we have the right but not the obligation, without notice to you, to close all your Open Transactions on that Account or on all your Accounts with us and may do so at our sole discretion within one business day of that time.
- 16.5 Please note that our right to close your Open Transactions as set out above may be exercised notwithstanding that at the time we exercise the right there may be no Margin Deficit. In addition, our

processes will allow for auto liquidation which will take into account balances on account and transaction to ensure it is fit for purpose.

16.6 Unless we agree otherwise all Margin must be provided in cash.

## **17. ACCOUNT OPERATION: SECURITY AND ACCOUNT AUTHENTICATION**

17.1 It is your responsibility to keep all information that you hold relating to your Account, including any and all sign in details, passwords and security answers, and emails and letters that we send to you, confidential at all times. We rely on this information being secure to protect you and us against fraud, as we will normally treat a log in to an Electronic Service as being made by the holder of the account.

## **18. ELECTRONIC TRADING**

18.1 These clauses apply to your use of any Electronic Service provided by or made available by or through Tickmill UK Ltd.

18.2 You agree that before utilising an Electronic Service you will ensure you are fully conversant with its terms of use and mode of operation.

18.3 You are responsible for making sure that you can access the Electronic Service when you need to and it is available, and, for maintaining awareness of and complying with all Applicable Regulations. This includes having access to a device and to services that can connect to the Electronic Service and maintaining the device and services; and, for ensuring you enter the correct user ID and password.

18.4 You will ensure that no computer viruses, worms, software bombs or similar items are introduced into our computer system or network and will indemnify us on demand for any loss that we suffer arising as a result of any such introduction.

18.5 You agree that we may act on instructions and Orders that we reasonably believe are given by you or on your behalf using an Electronic Service and that we are not responsible for the accuracy or completeness of communications between you and us through the Electronic Service. We shall not be liable for any loss, liability or cost whatsoever arising from any unauthorised use of an Electronic Service. You shall on demand indemnify, protect and hold us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and costs resulting from or arising out of any act or omission by any person using an Electronic Service by using your designated passwords, whether or not you authorised such use.

18.6 We can act on Orders and instructions only if we have received them. Therefore, you agree that we are not obliged to accept or act upon all or any instructions or Orders that you have placed or believe you had placed or wished to place through an Electronic Service.

18.7 If you cannot access an Electronic Service directly, then you may be able to contact our brokerage team by telephone to request that we access the Electronic Service on your behalf. However, this facility is available to you entirely at our discretion, and you must not rely on our customer services team being available to assist you to enter into or close your positions.

18.8 We shall make reasonable efforts to make an Electronic Service available during trading hours when required by you, but we cannot promise that it will be available continuously. This is because from time to time:

- a) errors and/or failure may occur in respect of technology, the internet may be subject to faults or events which may affect your access, and your systems, our systems or the systems of a third party you or we rely on may fail to work properly; and
- b) we or the Electronic Service provider or operator may need to suspend availability of the Electronic Service for maintenance, repairs, upgrades, or any development-related issues.

18.9 We may suspend or permanently withdraw an Electronic Service, by giving you notice.

18.10 Where an Electronic Service or any other content contains links to other sites and resources provided by third parties, these links are provided for your information only. We have no control over the contents of those sites or resources and accept no responsibility for them or for any loss or damage that may arise from your use of them.

18.11 Neither we nor any third-party software provider accepts any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with an Electronic Service.

18.12 We shall have no liability to you for damage which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers. You acknowledge that access to Electronic Services may be limited or unavailable due to such system errors, and that we reserve the right upon notice to suspend access to Electronic Services for this reason.

18.13 We shall have no liability to you (whether in contract or in tort, including negligence) in the event that any viruses, worms, software bombs or similar items are introduced into the System via an Electronic Service or any software provided by us to you in order to enable you to use the Electronic Service, provided that we have taken reasonable steps to prevent any such introduction.

18.14 We shall not be liable for any act taken by or on the instruction of a Market, clearing house or regulatory body.

18.15 We have the right, unilaterally and with immediate effect, to suspend or withdraw permanently your ability to use any Electronic Service, or any part thereof, without notice, where we consider it



necessary or advisable to do so, for example, due to your non-compliance with the Applicable Laws and Regulations (or we are uncertain of your compliance), breach of any provisions of these Terms (or we are uncertain that there has been no breach), on the occurrence of an Event of Default, network problems, failure of power supply, for maintenance, or to protect you when there has been a breach of security. In addition, the use of an Electronic Service may be terminated automatically, upon the termination (for whatever reason) of:

- a) any license granted to us which relates to the Electronic Service; or
  - b) these Terms of Business; or,
  - c) we are required to withdraw the facility to comply with Applicable Laws and Regulations.
- 18.16 In the event of a termination of the use of an Electronic Service for any reason, upon request by us, you shall, at our option, return to us or destroy all hardware, software and documentation we have provided you in connection with such Electronic Service and any copies thereof.

## **19. ORDER EXECUTION POLICY**

- 19.1 You confirm that you have read and agree to our Order Execution Policy Summary which, among other things, incorporates our policy towards best execution. This is reviewed, updated and amended by us from time to time and is available on our website [www.tickmill.co.uk](http://www.tickmill.co.uk).
- 19.2 It is your responsibility to check for any other changes to our order execution policy as published from time to time at [www.tickmill.co.uk](http://www.tickmill.co.uk). We will consider the continued placement of Orders by you to constitute your continued consent to our order execution policy as in effect from time to time.

## **20. ORDERS AND EXECUTION**

- 20.1 The prices that we provide to you through an Electronic Service are an indication of the price at which we would be willing to buy and to sell the Instrument at the time at which we generate the price. They are not firm prices for CFDs.
- 20.2 Tickmill will act as an Agent only and the prices are generated by the relevant Exchanges for FX securities.
- 20.3 An Order given by you to us is an offer to enter into a Transaction (Agent transaction with Exchanges) with us according to the parameters you provide; subject to the dealing rules of the Electronic Service through which the Transaction will be facilitated or recorded. We have discretion whether we wish to accept the offer from you to enter into the transaction. If we decline your offer, we shall not be obliged to give a reason, but we shall notify you accordingly.
- 20.4 We have the right (but no obligation) to set limits and/or parameters to control your ability to place Orders at our absolute discretion. Such limits and/or parameters may be amended, increased, decreased, removed, or added to by us at our discretion and may include (without limitation):
- a) controls over maximum order amounts and maximum order sizes.
  - b) controls over your gross or net open positions.
  - c) controls over long and short positions in the same underlying, where you agree we have discretion (but not obligation) to close out one against the other.
  - d) controls over prices at which orders may be submitted which may include (without limitation) controls over orders which are at a price which differs greatly from the market price at the time the order is submitted; controls over the Electronic Services (to include (without limitation) any verification procedures to ensure that any particular order or orders has come from you); or
  - e) any other limits, parameters, or controls which we may be required to implement in accordance with Applicable Laws and Regulations.
- 20.5 If we receive an Order from you outside Market Hours for the relevant Instrument, we have discretion to ignore or cancel that Order but if we choose not to exercise that discretion we shall process that Order when the relevant Market is next open for business.
- 20.6 If you use an Electronic Service to place Orders and to give us instructions the Order types and characteristics and how they are handled and executed by us will be subject to the operation of that Electronic Service and you will have no discretion over the exact fraction of a second that the order is placed on the relevant market. Any matter set out in these Terms of Business is therefore subject to the rules or operational capabilities or mode of operation of the Electronic Service and must be construed accordingly.
- 20.7 You agree that before placing any Order through an Electronic Service, including giving a telephone or other instruction to us to input an Order on your behalf, you will ensure you fully understand the operation of the Electronic Service, including the order-types it offers and how they are handled.
- 20.8 When we receive an Order, we or the Electronic Service notify you of any corporate action that requires you to carry out several checks before it is sent for execution. In these instructions you must comply within the date and time stipulated; the Company may decline or receive it. Should we not receive your instruction within specified timeframe you agree we may take no action:
- a) where there are Abnormal Market Conditions.
  - b) Customer's Free Margin is less than the Margin Requirement.
  - c) The Instrument is not tradeable at the level specified in the Order.

- 20.9 The price at which the Order is then executed depends upon the rules and parameters of the Electronic Service through which it is executed; for example, it is possible it will be tested against a Maximum Permitted Tolerance Level (which prevents Orders being dealt on stale process); it is possible it will be executed at a price that differs from the price that the Electronic Service was displaying to you at the time you selected the order.
- 20.10 We shall use our reasonable endeavors to execute any Order promptly, but in accepting your orders we do not represent or warrant that it will be possible to execute such order or that execution will be possible according to your instructions.
- 20.11 If we encounter any material difficulty relevant to the proper carrying out of an Order on your behalf we shall endeavor to notify you.
- 20.12 When you give us a specific instruction, our order execution policy will not apply to any matters covered by that specific instruction, and we may be unable to take the steps described in such policy to obtain the best possible result in executing your order.
- 20.13 We may, at our entire discretion, arrange for any Transaction to be affected with or through the agency of an intermediate broker, who may be an Associate of ours, and may not be in the United Kingdom. Neither we, nor our respective directors, officers, employees, or agents will be liable to you for any act or omission of an intermediate broker or agent. No responsibility will be accepted for intermediate brokers or agents selected by you.
- 20.14 You will promptly deliver any instructions, money, documents or property deliverable by you under a Transaction in accordance with that Transaction as modified by any instructions given by us for the purpose of enabling us to perform our obligations under the relevant matching Transaction on a Market or with an intermediate broker or counterparty.

## **21. CONFIRMATIONS**

- 21.1 We shall send you confirmations of Orders on T+1 next trading trading day for any Transactions that we have executed on your behalf on previous trading day, by electronic mail to the email address on record for you.
- 21.2 Confirmations shall, in the absence of Manifest Error, be conclusive and binding on you, unless we receive from you an objection in writing within 24 hours of dispatch of the confirmation to you (or, if earlier, as noted on the confirmation itself); or, we notify you of an error.

## **22. MARKET OR REGULATORY ACTION**

- 22.1 If a Market (or intermediate broker or agent, acting at the direction of, or as a result of action taken by, a Market) or regulatory body takes any action which affects a Transaction, then we may take any action which we, in our reasonable discretion, consider desirable to correspond with such action or to mitigate any loss or potential loss we may incur as a result of such action. Any such action shall be binding on you. If a Market or regulatory body makes an enquiry in respect of any of your Transactions, you agree to co-operate with us and to promptly supply information requested in connection with the enquiry.

## **23. ERRORS**

- 23.1 Except in the case of fraudulent activity carried on, without your knowledge, by a person other than you, we do not accept responsibility for any loss or damage suffered by you as a result of your use of money placed in or credited to your Account in error by or on our behalf.
- 23.2 We will be entitled at any time to deduct, without notice or recourse to you, any money placed in or credited to your Account in error by us or on our behalf.

## **24. MANIFEST ERROR**

- 24.1 A Manifest Error is an error that we reasonably believe to be obvious or palpable, in relation to pricing or of some other determinant or factor affecting a Transaction or the outcome of one or more Transactions that has an impact upon the profit or loss or potential for profit or loss of the Transaction or series of Transactions.
- 24.2 Examples of Manifest Error include but not limited to:
- Where the bid price for an Instrument is quoted at a higher level than the offer price (an "inverted quote");
  - Where a bid or offer price or both have not been updated on an Electronic Service or by our systems despite underlying market activity ("frozen prices") or do not properly reflect market rates;
  - Where our systems or an Electronic Service accepts or processes an Order in a way or in circumstances they were not intended to do so (an example, of this would be a Sell Stop Order filling at the opening price of the order level rather than the Stop price);
  - Where the size of the Transaction is outside the normal parameters of dealing;

24.3 Where we reasonably believe there to be a Manifest Error we have the right to amend, void or reverse relevant Transactions. You agree to return to us immediately any sums received in respect of Manifest Error.

## **25. FORCE MAJEURE**

25.1 A Force Majeure Event is an emergency or exceptional event outside of our control which makes it impracticable for us to comply with the Terms of Business.

25.2 If we reasonably conclude that there is or has been a Force Majeure Event then we may cease, suspend, or restrict the provision of our services or any part of them or change the terms of any Transaction.

## **26. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

26.1 You represent and warrant to us on the date these Terms come into effect and as of the date of each Transaction that:

- a) you act as principal and sole beneficial owner (but not as trustee) in entering these Terms and each Transaction;
- b) you have full capacity to enter into these Terms and, if an individual, you have reached the age of 18 years;
- c) you have all necessary authority, powers, consents, licenses and authorisations and have taken all necessary action to enable you lawfully to enter into and perform these Terms and Transactions pursuant to these Terms and to grant the security interests and powers referred to in these Terms;
- d) these Terms, each Transaction and the obligations created under them both are binding upon you and enforceable against you in accordance with their provisions (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you, or, to your knowledge, any other person, are bound;
- e) no Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination of the above) an Event of Default has occurred.
- f) any information which you provide or have provided to us in respect of your financial position, domicile or other matters is accurate and not misleading in any material respect.
- g) you are willing and financially able to sustain a total loss of funds resulting from Transactions.
- h) except as otherwise agreed by us and only to the extent that title transfer is permitted, you are the sole beneficial owner of all Margin you transfer under these Terms, free and clear of any security interest whatsoever other than a lien routinely imposed on all securities in a clearing system in which such securities may be held;

26.2 You undertake that:

- a) you will at all times obtain and comply and do all that is necessary to maintain in full force and effect, all authority, powers, consents, licenses and authorisations referred to in clause 26.1.
- b) you will promptly notify us of the occurrence of any Event of Default with respect to yourself;
- c) you will use all reasonable steps to comply with all Applicable Laws and Regulations in relation to these Terms and any Transaction, so far as they are applicable to you or us;
- d) you will not send Orders or otherwise take any action that could create a false impression of the demand or value for a security financial Instrument or send orders which you have reason to believe are in breach of Applicable Laws and Regulations. You shall observe the standard of behavior reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behavior reasonably expected of persons in our position;
- e) upon demand, you will provide us with such information as we may reasonably require in order to corroborate the matters referred to in this clause or for us to comply with Applicable Laws and Regulations.

## **27. DEATH OF CUSTOMER**

27.1 We will inform the executors of the value of the account at the date of death and provide other requested information to the extent compatible with our other obligations. We are unable to accept instructions following the death of a Customer until we are in receipt of a sealed copy of grant of probate.

## **28. EVENTS OF DEFAULT**

28.1 An Event of Default arises in the event of the following arising or our reasonable belief of their arising:

- a) you fail to make any payment when due under any provision of these Terms, or, to make or take delivery of any property when due under these Terms, or, to observe or perform any other provision of these Terms, or, otherwise, fail to perform an obligation due to us;

- b) you commence a voluntary case or other procedure seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you, if insolvent), or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian or other similar official (each a "Custodian") of you or any substantial part of your assets, or if you take any corporate action to authorise any of the foregoing, and in the case of a reorganisation, arrangement or composition, we do not consent to the proposals;
  - c) an involuntary case or other procedure is commenced against you seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you, if insolvent) or seeking the appointment of a Custodian of you or any substantial part of your assets and such involuntary case or other procedure either (a) has not been dismissed within five days of its institution or presentation or (b) has been dismissed within such period but solely on the grounds of an insufficiency of assets to cover the costs of such case or other procedure;
  - d) you die, become of unsound mind, are unable to pay your debts as they fall due or are bankrupt or insolvent, as defined under any bankruptcy or insolvency law applicable to you; or any indebtedness of yours is not paid on the due date therefore, or becomes capable at any time of being declared, due and payable under agreements or Instruments evidencing such indebtedness before it would otherwise have been due and payable, or any suit, action or other proceedings relating to these Terms are commenced for any execution, any attachment or garnishment, or distress against, or an encumbrancer takes possession of, the whole or any part of your property, undertaking or assets (tangible and intangible);
  - e) any representation, warranty made or given or deemed made or given by you under these Terms or any Credit Support Document is or becomes untrue, or, or proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given, or any covenant is breached;
  - f) you are dissolved, or, if your capacity or existence is dependent upon a record in a formal register, the registration is removed or ends, or any procedure is commenced seeking or proposing your dissolution, removal from such a register, or the ending of such a registration;
  - g) (i) any Credit Support Provider fails, or you yourself fail to comply with or perform any agreement or obligation to be complied with or performed by you or it in accordance with the applicable Credit Support Document; (ii) any Credit Support Document expires or ceases to be in full force and effect prior to the satisfaction of all your obligations under these Terms, unless we have agreed in writing that this shall not be an Event of Default; (iii) any representation or warranty made or given or deemed made or given by any Credit Support Provider pursuant to any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given; or (iv) any event referred to in paragraphs (b) to (f) of this sub-clause occurs in respect of any Credit Support Provider of yours;
  - h) you or any Credit Support Provider (or any Custodian acting on behalf of either of you or a Credit Support Provider) disaffirms, disclaims or repudiates any obligation under these Terms or any guarantee, hypothecation agreement, Margin or security agreement or document, or any other document containing an obligation of a third party ("Credit Support Provider"), or of you, in favour of us supporting any of your obligations under these Terms (each a "Credit Support Document");
  - i) where we consider it necessary or desirable to prevent what we consider is or might be a violation of any Applicable Laws and Regulations or good standard of market practice;
  - j) where we consider it necessary or desirable for the protection of ourselves or all and any of our clients;
  - k) an action is taken, or event occurs, or circumstance arises which we consider might have a material adverse effect upon your ability to perform any of your obligations under these Terms; and
  - l) any event of default (however described) occurs in relation to you under any other agreement between us to which you are a party, or any other event specified elsewhere for these purposes.
- 28.2 A Potential Event of Default arises in the event that we make a determination that we have knowledge or suspicion that an Event of Default in respect of you will arise or is reasonably likely to arise.

## 29. RIGHTS ON DEFAULT

- 29.1 other rights we may have under these Terms or otherwise we shall be entitled at any time without prior notice to you:
- a) to close out or part-close any and all of your Transactions, or, buy, sell, borrow or lend or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as, at our sole discretion, we consider necessary or appropriate to cover, reduce or eliminate our loss, liability or risk under or in respect of any of your contracts, positions or commitments; and/or
  - b) to close any or all of your Accounts with us and/or refuse to enter into further Transactions with you; and/or

- c) instead of returning to you investments equivalent to those credited to your account, to pay to you the fair market value of such investments at the time we exercise such right, and/or
- d) to sell such of your investments as are in our possession or in the possession of any nominee or third party appointed under or pursuant to these Terms, in each case as we may in our absolute discretion select or and upon such terms as we may in our absolute discretion think fit (without being responsible for any loss or diminution in price) in order to realise funds sufficient to cover any amount due by you hereunder; and/or
- e) to hold or retain any property of yours including money for a period of 10 business days or such longer period as we reasonably believe expedient; during such time we may carry out enquiries into the nature and circumstances of the Event of Default or Potential Event of Default, and shall not be bound to explain to you the nature of the Event of Default or Potential Event of Default.

### **30. TERMINATION WITHOUT DEFAULT**

- 30.1 Unless required by Applicable Laws and Regulations, either party may terminate these Terms (and the relationship between us) by giving written notice of termination to the other.
- 30.2 In the event of Termination, we shall close all your Transactions and all amounts payable by you to us will become immediately due and payable including (but without limitation):
  - a) all outstanding fees, charges and commissions; and
  - b) any dealing expenses incurred by terminating these Terms; and
  - c) any losses and expenses realised in closing out any Transactions or settling or concluding outstanding obligations incurred by us on your behalf.
- 30.3 Termination shall affect outstanding rights and obligations (nor, in particular, the application of the Default, Exclusions and Limitation of Liability, Indemnity and Governing Law Clauses) and Transactions which shall continue to be governed by these Terms and the particular clauses agreed between us in relation to such Transactions until all obligations have been fully performed.

### **31. EXCLUSIONS AND LIMITATIONS OF LIABILITY**

- 31.1 Without limitation, we do not accept any liability by reason of any delay or change in market conditions before any particular Transaction is affected.
- 31.2 Without limitation, we do not accept liability for any adverse tax implications of any Transaction whatsoever.
- 31.3 Neither we nor our Employees shall be liable for any losses, damages, costs or expenses, whether arising out of negligence, breach of contract, misrepresentation or otherwise, incurred or suffered by you under or in connection with these Terms (including any Transaction or where we have declined to enter into a proposed Transaction) unless such loss is a reasonably foreseeable consequence or arises directly from our or their respective gross negligence, willful default or fraud. In no circumstance, shall we have liability for losses suffered by you or any third party for any special or consequential damage, loss of profits, loss of goodwill or loss of business opportunity arising under or in connection with these Terms nor for nonfinancial damage (such as emotional distress), in each case whether arising out of negligence, breach of contract, misrepresentation or otherwise. Nothing in these Terms will limit our liability for death or personal injury resulting from our negligence.
- 31.4 We shall not be liable to you if for any reason you have received less profit than you hoped for or have incurred a loss as a result of uncompleted action which you intended to complete.
- 31.5 We shall not be liable to you for any partial or nonperformance of our obligations hereunder by reason of any cause beyond our reasonable control, including without limitation any breakdown, delay, malfunction or failure of transmission, communication or computer facilities, industrial action, act of terrorism, act of God, acts and regulations of any governmental or supra-national bodies or authorities or the failure by the relevant intermediate broker or agent, counterparty, agent or principal, dealer, Market, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations. Nothing in these Terms will exclude or restrict any duty or liability we may have to you under Applicable Laws and Regulations which may not be excluded or restricted thereunder.

### **32. INDEMNITY**

- 32.1 You shall pay to us such sums as we may from time to time require in or towards satisfaction of any debit balance on any of your Accounts with us and, on a full indemnity basis, any losses, liabilities, costs or expenses (including legal fees), taxes, imposts and levies which we may incur or be subjected to with respect to any of your Accounts or any Transaction or any matching Transaction on a Market or with an intermediate broker or counterparty or as a result of any misrepresentation by you or any violation by you of your obligations under these Terms (including any Transaction) or by the enforcement of our rights.

### **33. QUERIES**

- 33.1 If you have a query about TMUK's services to you under these Terms, you should as a first step contact our Customer Services team by email [etdclientservices@tickmill.co.uk](mailto:etdclientservices@tickmill.co.uk).

#### **34. COMPLAINTS**

- 34.1 We handle complaints according to procedures laid down by the FCA. A summary of our procedures are available on our website.
- 34.2 If you are dissatisfied with our handling or findings in relation to a complaint, you may be eligible to refer the matter to the independent disputes' resolution service The Financial Ombudsman Service, Exchange Tower, Harbour Exchange, London E14 9SR.
- 34.3 Please contact us if you require further information about our complaints' procedures Information about the FOS can be found on their website ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)). 10th

#### **35. COMPENSATION ARRANGEMENTS**

- 35.1 In the unlikely event of our being unable to meet our obligations to you, you may be entitled to compensation from the Financial Services Compensation Scheme. This depends on your status and the circumstances of any claim. The maximum compensation is £85,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme, Beaufort House, 10th Floor, 15 St Botolph Street, London EC3A 7QU ([www.fscs.org.uk](http://www.fscs.org.uk)).

#### **36. THIRD PARTY RIGHTS AND ASSIGNMENT**

- 36.1 These Terms shall be for the benefit of and binding upon us both and our respective successors and assigns. You shall not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer your rights or obligations under these Terms or any interest in these Terms, without our prior written consent, and any purported assignment, charge or transfer in violation of this clause shall be void. A person who is not a party to these Terms has no right under the Contracts (Rights of Third Parties) Act 1999.
- 36.2 We may assign the benefit and burden of this Agreement to a third party, in whole or in part, subject to the agreement of the FCA and any assignee agreeing to abide by these Terms. We shall give you notice of any such assignment.

#### **37. ENTIRE AGREEMENT**

- 37.1 You acknowledge that you have not relied on or been induced to enter into these Terms by a representation other than those expressly set out in these Terms. We will not be liable to you (in equity, contract or tort under the Misrepresentation Act 1967) for a representation that is not set out in these Terms and that it is not fraudulent.

#### **38. GOVERNING LAW AND JURISDICTION**

- 38.1 A Transaction which is subject to the rules of a Market shall be governed by the law applicable to it under those rules.
- 38.2 These Terms shall be governed by and construed in accordance with English law.
- 38.3 The law applicable to the relationship between us prior to the conclusion of these Terms is English law.
- 38.4 Without prejudice to any rights you may have to refer a complaint to the Financial Ombudsman Service, in respect of any dispute or claim that arises out of or in connection with these Terms or their subject matter or formation or termination (including non-contractual disputes or claims) ("Proceedings"), such Proceedings shall be dealt with as follows:
- a) Where you are registered in an EEA and/or Commonwealth state  
Each party agrees for Proceedings to be settled in the courts of England and irrevocably submits to the sole jurisdiction of such courts, subject to the right of Tickmill UK Ltd to bring enforcement proceedings in the courts of any other jurisdiction in relation to any judgment or order of the courts of England; and
  - b) Where you are registered in a non-EEA and/or non-Commonwealth state  
Each party agrees any Proceedings be referred to and finally resolved by arbitration under the LCIA Rules, which are deemed to be incorporated by reference into this clause. In respect of the LCIA Arbitration:
    - i. The number of arbitrators shall be one;
    - ii. The seat, or legal place, of arbitration shall be London, England; and
    - iii. The language to be used in the arbitral proceedings shall be English.
- 38.5 Each party waives any objection which it may have at any time to the laying of venue of any Proceedings brought and agrees not to claim that such Proceedings have been brought in an inconvenient forum or that such forum does not have jurisdiction over it.

- 38.6 You irrevocably waive to the fullest extent permitted by Applicable Laws and Regulations, with respect to yourself and your revenue and assets (irrespective of their use or intended use) all immunity on the grounds of sovereignty or other similar grounds from:
- suit;
  - jurisdiction of any courts;
  - relief by way of injunction, order for specific performance or for recovery of property;
  - attachment of assets (whether before or after judgment); and
  - execution or enforcement of any judgment
- to which you or your revenues or assets might otherwise be entitled in any Proceedings and irrevocably agree that you will not claim any immunity in any Proceedings.
- 38.7 You consent generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.
- 38.8 If you are situated outside England and Wales, the notice or other process by which any Proceedings are begun may be served on you by being delivered to the address in England or Wales nominated by you for this purpose. This does not affect our right to serve the notice or initiate the process in any other manner permitted by law.

## SCHEDULE A

### Glossary and Interpretation of Terms

<b>Abnormal Market Conditions</b>	Circumstances during normal trading hours in which it is not possible to provide a firm price, for example, because few or no primary price providers are providing quotes, or, prices would be inverted (with the bid higher than the ask), or, there are pricing anomalies (for example, a significant short-term shift or spike), or, during security or system tests, or, anomalous system conditions (for example, the price has not updated automatically).
<b>Account</b>	An account of yours opened with us.
<b>Account Value</b>	Your cash ledger balance plus the sum of your floating profits on your Open Positions less the sum of your floating losses on your Open Positions.
<b>Applicable Laws and Regulations</b>	The FCA Rules, the rules of any relevant Market and all other applicable laws, rules and regulations as in force from time to time.
<b>Associate</b>	In relation to us, any holding company or subsidiary company of ours, or, any company, other entity, or partnership under common ownership or control.
<b>Business Day</b>	A day which is not a Saturday or Sunday and upon which banks are open for business in London,
<b>Business Hours</b>	The hours between 9:00 a.m. and 5:30 p.m. on a Business Day.
<b>Client Money</b>	Money held by us for you within the meaning of that term under the FCA Rules.
<b>Client Money Rules</b>	As defined by and contained in the FCA Rules.
<b>Commonwealth State</b>	Any countries who enforce English judgements under the Administration of Justice Act 1920 (for High Court Judgments) or the Foreign Judgment (Reciprocal Enforcement) Act 1933 (for judgments of lower Courts or Tribunals).
<b>Credit Support Provider</b>	A person who has entered into an agreement to guarantee your obligations to us or provide support in other ways, for example through providing collateral to us.
<b>EEA State</b>	The <b>EEA</b> includes EU countries and also Iceland, Liechtenstein and Norway. It allows them to be part of the EU 's single market. Switzerland is not an EU or <b>EEA</b> member but is part of the single market.
<b>Electronic Service</b>	Any electronic means we provide to you or to which we facilitate your access for the purpose of giving instructions to us or making Transactions or viewing information about your Account.
<b>Eligible Counterparty</b>	As defined by the FCA Rules.
<b>Employee</b>	Any director, officer, employee or agent of Tickmill UK Ltd, Tickmill Group.

<b>FCA</b>	The Financial Conduct Authority or any replacement regulator or regulators responsible for the authorisation and regulation of the investment services business of Tickmill UK Ltd in the United Kingdom
<b>FCA Rules</b>	The rules and glossary contained in the FCA Handbook of Rules and Guidance, as amended or replaced from time to time, subject to any waiver, modification or individual guidance from time to time applicable to Tickmill UK Ltd.
<b>Instrument</b>	A "designated investment" as such term is defined within the FCA Rules.
<b>Leveraged Instrument</b>	An Instrument under the terms of which you may be liable to make further payments (other than charges, and whether or not secured by margin) when the transaction falls to be completed or upon the earlier closing out of the position.
<b>Manifest Error</b>	An error that we reasonably believe to be obvious or palpable, in relation to pricing or of some other determinant or factor affecting a Transaction or the outcome of one or more Transactions that has an impact upon the profit or loss or potential for profit or loss of the Transaction or series of Transactions.
<b>Margin, Margin Requirement</b>	An amount of money or other collateral you are required to have paid to us as a security payment as a condition of entering into or continuing to hold open a Transaction with us.
<b>Market</b>	A regulated market, multilateral trading facility (as such terms are defined by the FCA Rules), organised trading facility or similar venue.
<b>Market Information</b>	General trading information, themes and views, market commentary and other information.
<b>Maximum Permitted Tolerance Level</b>	If the calculated Tolerance Level is greater than the Maximum Permitted Tolerance Level, being a system parameter set by VCL, the Order will be rejected.
<b>Open Position</b>	Your position or exposure under any Transaction which has not been completed and settled.
<b>Open Transaction</b>	A Transaction which has not been completed and settled.
<b>Order</b>	An offer submitted by you by telephone or through an Electronic Service to enter into a transaction with us.
<b>Professional Client</b>	As defined by the FCA Rules.
<b>Retail Client</b>	As defined by the FCA Rules
<b>Terms</b>	This document including all Schedule(s) and the terms relating to any Electronic Service as amended from time to time.
<b>Order Execution Policy Summary</b>	As published on our website and amended from time to time, and, which among other matters, explains how we meet our obligation under the FCA Rules to execute orders in a manner designed to achieve the best possible result for our clients.
<b>Our 'Conflicts of Interest Policy Summary'</b>	As published on our website and amended from time to time, and which explains how we handle conflicts of interests in a manner designed to treat our customers fairly.
<b>Our 'Privacy Policy'</b>	As published on our website and amended from time to time, and which explains how we deal with personal information that you provide.
<b>Transaction</b>	Any transaction subject to these Terms including a future, option or contract for differences, spot or forward contract of any kind in relation to currency.

## 1. SCOPE

- 1.1 Transactions: The clauses in this Schedule apply to Transactions in Securities and the exercise of rights pertaining to them. For these purposes, a "Security" means any instrument specified in Articles 76 to 80 (inclusive) of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, including (but not limited to) a share in a company, government and other bonds, a depository receipt, an exchange traded fund, provided that it is negotiable on the Capital Market, "Transaction" means a transaction under which delivery of a Security is contemplated upon its formation.
- 1.2 Netting: Any Transaction to which this Schedule applies shall be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" following an Event of Default.



## **2. ACTING AS PRINCIPAL OR AGENT**

- 2.1 Execution and capacity: When you instruct us to execute a Transaction in Securities, at our entire discretion and without notification to you that order will, subject to Applicable Regulations and any other written agreement between ourselves, be executed by us as your agent. However, we are not prevented from acting as principal with you or as agent for other clients or Associates in Transactions with you.
- 2.2 Settlement of agency trades: When we act as your agent, we accept no responsibility to you for settlement of your obligations in respect of Transactions in Securities. You will notify us of your clearing agent or other person who will procure settlement of your Transaction in Securities. The provisions of the Indemnities and Limitation of Liability Module apply in respect of any liability of ours where, notwithstanding this clause, under Applicable Regulations we assume a responsibility to any other person for performance of your Transactions.
- 2.3 Delivery or payment (as the case may be) by the other party to the Transaction shall be entirely at your own risk and our obligations to pay or deliver investments to you or to your order on account of a Transaction shall be conditional upon receipt by us of Securities or sale proceeds (as the case may be) from the other party or parties to the Transaction. Any cash received by us in respect of a Transaction shall be a debt owed by us to you until paid by us to you or otherwise discharged, and we shall owe you no fiduciary duty in relation there to.

## **3. TRADING PROCEDURES**

- 3.1 Our quotes: You acknowledge that any prices displayed by us are, or may be, indicative only. Therefore, in certain market conditions the market price may have moved between the sending and the actual execution of a Transaction. Such movement may be in your favour or against you.
- 3.2 Cut-off times: We may establish cut-off times for instructions which may be earlier than the times established by the particular Market and/or any clearing house involved in any Transaction, and you shall have no claims against us arising out of the fact that an order was not placed by you ahead of our cut-off time.

## **4. BOND MARKET LIQUIDITY AND INTERNATIONAL SECURITIES**

- 4.1 Bond market liquidity: You acknowledge that fixed income instruments may be illiquid and that the market price of any particular instrument may be difficult to ascertain. In agreeing to our execution policy in respect of your instructions you accept that price will not typically be the primary factor in determining whether best execution has been achieved.
- 4.2 ICMA Rules and Recommendations: All Transactions in "international securities" as that term is defined in the Rules and Recommendations of the International Capital Market Association and unless agreed otherwise at the time of trade in non-US debt or convertible instruments shall be subject to such Rules and Recommendations, which are included within the meaning of "Applicable Regulations" for the purposes of this Schedule.

## **5. TRANSACTIONS**

- 5.1 Unless your instructions specify to the contrary, all sale instructions are accepted by us on the understanding that you own the Securities sold.

## **6. LIMIT ORDERS**

- 6.1 Sufficient Funds: If you instruct us in respect of a Limit Order for the purchase of any Securities, you will ensure that there are sufficient funds in your account to meet that Limit Order. We have no obligation to restrict you from subsequently entering further instructions which may result in insufficient funds for a Limit Order to be executed.
- 6.2 Our role as principal: Any Limit Order in respect of an Equity Security in which we act as principal will be given by you on the understanding that:
- 6.3 the order will not be executed unless and until we bid for the Equity Security at the same or a higher price than that specified in the order (in the case of a sell order) or offer it at the same or a lower price than that specified in the order (in the case of a buy order) with a view to purchasing or selling (as the case may be) the Equity Security concerned in the amount of the order; and
- 6.4 until execution, you may buy the Equity Security (where the order you gave was to buy) at a price equal to or lower than stated in the order, or sell it (where the order was to sell) at a price equal to or higher than that stated in the order. Any such purchase or sale may be from or to any third party and for our own account or for that of any Affiliated Company.
- 6.5 Cancellation: If you wish to cancel a Limit Order before its execution or expiry, subject to Applicable Regulations the order remains valid until you receive from confirmation of its cancellation.
- 6.6 Partial fills: We accept no responsibility if a Limit Order is not filled or is not filled in full.
- 6.7 Publication: Unless you notify us to the contrary, we shall not immediately make public any Limit Order in respect of shares admitted to trading on an EEA regulated Market which is not immediately executed under prevailing market conditions.

## **7. SETTLEMENT AND OWNERSHIP**

- 7.1 Application: The clauses in this section 8 apply only where relevant. They apply, in particular, to Securities for which we have agreed to provide clearing and settlement services to you.
- 7.2 Purchases: You agree to pay for any Securities purchased for you on or before the settlement date. If, by the time due for settlement of a Transaction (as determined by us), there is insufficient cash in your account to enable us to meet the settlement obligations, we shall not be obliged to settle the Transaction. Where there is insufficient cash in your account and we do proceed to settlement, we may accept delivery of the Securities, charge your account for the payment to satisfy your obligation, sell the Securities at a price we believe to be reasonable, and credit your account with the net proceeds thereof (after deduction of commission and other costs).
- 7.3 Sales: With respect to Securities for which we have agreed to provide clearing and settlement services to you, you agree to pay on or before the settlement date. Where there are insufficient funds in your account and we do proceed to settlement, auto liquidation will result which we may charge you (after deduction of commission and other costs).
- 7.4 Fails: We shall make reasonable endeavours to notify you if settlement of a Transaction fails to take place on the contractual settlement date, whether because of a default by a counterparty to that Transaction or otherwise.
- 7.5 Aggregation for settlement: Settlements in respect of executed Transactions may, in our discretion, be netted to the lowest number of movements for each type of Equity Security reasonably possible, subject to Applicable Regulations.
- 7.6 Relevant Markets and Clearing Organisations: Where more than one trading Market is potentially relevant in respect of a Transaction or an Equity Security, it shall be within our discretion to determine the settlement period or other matters relevant to the operation of this Schedule.

## **8. TRANSPARENCY**

- 8.1 Trade Reporting: Under Applicable Regulations, we may be obliged to make information about certain Transactions public. You agree and acknowledge that all proprietary rights in such Transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we are obliged to disclose.

## **SCHEDULE C**

### **Third Party Clearing, Settlement and Custody Provider**

#### **1. Relationship between you, us and our Third-Party Clearing Settlement and Custody Provider**

- 1.1 To help us provide our services to you we have entered into an agreement with a Third Party Clearing, Settlement and Custody Provider ("TPC") under which the TPC provides clearing and settlement services and, where appropriate, safe custody and other associated services to our clients ("the TPC Agreement") in order to carry out the investment transactions we execute or arrange for our clients and to hold the related investments and cash. When we consider it necessary or desirable in connection with our services to you, we may agree with the TPC that it will also provide other services, such as investment dealing services, under the TPC Agreement. The TPC Agreement covers both us and you as one of our clients. Terms set out in bold in this Schedule and certain other capitalised terms are described further in the Glossary which is set out in Annex 1 to this Schedule.
- 1.2 Details of the TPC we have selected are set out in Annex X to this Schedule.
- 1.3 So that you can understand your rights and obligations in relation to the TPC Agreement, the main terms of the TPC Agreement which affect you are summarised below. If you have any questions about the TPC Agreement or this Schedule you should contact us to discuss this as soon as possible, and before you accept our Terms of Business. As with any agreement or contract, you should also take any independent legal, financial or other advice which you think you need before accepting these terms.
- 1.4 You agree that:
- a) we are authorised to enter into the TPC Agreement on your behalf, acting as your agent;
  - b) there is a contract between you and us and also between you and the TPC. As a result of that contract, you will be bound by both our Terms of Business and the TPC Agreement (as set out or summarised below);
  - c) we may give instructions to the TPC on your behalf as allowed by our Terms of Business and the TPC Agreement and may provide information about you to the TPC. When the TPC receives such instructions or information from us, the TPC is entitled to rely on them without making any further checks or enquiries; and

- d) the TPC is authorised to hold cash and investments on your behalf and can transfer such cash or investments from your account to meet your settlement or other obligations to the TPC.
- 1.5 When you read these terms, it is important you understand that you will be a client or customer of ours, but you will also become a client of the TPC for settlement and safe custody purposes.
- 1.6 We retain responsibility (including responsibility for complying with any related regulatory requirements) and the TPC shall not have any responsibility, for the following matters:
- a) our own operations;
  - b) the opening of an account for you;
  - c) the supervision and operation of your account for you;
  - d) our ongoing relationship with you;
  - e) making all necessary anti-money-laundering compliance checks;
  - f) explaining to you the types of investments covered and any risks relating to investments, investment transactions or any investment strategy to be pursued on your behalf;
  - g) accepting and executing orders for investment transactions, following your instructions or within the mandate given by you;
  - h) any required assessment of the suitability or appropriateness of transactions and investments for you or, where permitted and necessary, warning you of any possible inappropriateness of an investment;
  - i) reviewing your accounts for market abuse, insider trading and compliance with FCA Rules and any other applicable legal and regulatory requirements to which we or you may be subject; and
  - j) giving instructions to the TPC which are proper, accurate and in accordance with any instructions or mandate you give us.
- 1.7 It is important that you understand that the TPC is not responsible to you for the matters for which we are responsible. When it provides settlement and clearing or safe custody services, executes transactions or provides other services to you, it does so relying on the instructions and information we provide and is only responsible for following those instructions.

## **2. Client Classification and the roles and obligations of people acting together or for one another**

- 2.1 For the purposes of the rules of the Financial Conduct Authority ("FCA Rules"), you will be classified as either a retail client, professional client or an eligible counterparty. The TPC will rely on information received from us in relation to your status and will adopt the same client classification for you. We will notify you in writing if there is any change to this position.
- 2.2 If you hold an account jointly or otherwise hold assets jointly, with any other person, then you and any such other person(s) shall have joint and several liability to the TPC. Examples of situation where such joint and several liability may arise are as follows:
- a) *Joint account holders:* As well as joint account holders being jointly and severally liable in the way described above, any payment or accounting made by the TPC to any one or more of those account holders will be treated as made to all of them.
  - b) *Trustees:* As well as the trustees of any trust being jointly and severally liable to the TPC in the way described above, the TPC will treat the trustees as its client and not any beneficiary of the trust. Any payment or accounting made by the TPC to any one or more of the trustees will be treated as made to all of them.
  - c) *Partners:* If a partnership is the TPC's client then each partner will be personally, jointly and severally liable to the TPC in the manner described above. Any payment or accounting made by the TPC to any one or more of the partners will be treated as made to all of them.
  - d) *Agents:* If you are an agent acting on behalf of someone else (whether or not that person (the "Principal"), has been identified to the TPC as the person for whom you act) you will be treated as the TPC's client under the FCA Rules and you will also be fully liable to the TPC under these terms as if you were acting for yourself. You and your Principal will be jointly and severally liable in the manner described above.

## **3. Your Accounts with the TPC**

- 3.1 The TPC will open and maintain accounts on its books in your name in order to provide its services to you. When the TPC receives any cash and investments from you, or on your behalf, then it will record them in your accounts.
- 3.2 The TPC will have the right at its absolute discretion to stop providing services under these terms and close any accounts it holds and maintains in your name which may occur, for example:

- a) if the TPC is obliged to stop providing services under any applicable law or regulation (such as anti-money laundering provisions);
- b) if the TPC is not able to provide the services effectively or providing the services would materially adversely affect the TPC's operation;
- c) where you are in material breach of these terms or we are in material breach of the terms of the the TPC Agreement;
- d) if providing the services to you or to us in relation to your account will have a materially adverse effect on the TPC's reputation; or
- e) if your liabilities in relation to your account, and amounts owing by you to the TPC, exceed or are likely to exceed the value of the cash and investments the TPC holds for you.

We will notify you if the TPC chooses to exercise this discretion and the reasons for its decision unless we or the TPC are prevented from doing so by some legal or regulatory constraint.

- 3.3 You may at any time when there are no outstanding obligations owed by you to the TPC, give notice in writing to us to stop receiving services from the TPC and close your accounts with the TPC.
- 3.4 If either you or the TPC decide to close your accounts with the TPC you will need to give instructions on the future custody of your investments so that the TPC can transfer your money and investments (after deducting amounts owed to it) to your new custodian.

#### **4. Communication and Instructions**

- 4.1 If we have classified you as a retail client under the FCA Rules, the TPC will only accept instructions for your accounts from us and not directly from you.
- 4.2 If you are a professional client under the FCA Rules, the TPC may agree to accept instructions direct from you, but only if there has first been a separate specific agreement with the TPC setting out the manner in which instructions will be given and other relevant conditions, including clarification of your investment mandate and/or any other assurances that the TPC may require.
- 4.3 The TPC may rely on and act on any instructions which the TPC in good faith believes were given by us or our representatives. Such instructions can only be cancelled or changed if we give written notice to the TPC sufficiently in advance to enable the TPC to prevent the processing of the instructions. If the TPC seeks instructions from us and we do not respond within a reasonable time, then the TPC may take such action as it considers appropriate on the relevant matter. The TPC is not responsible or liable to you for any delays or inaccuracies in the transmission of instructions or other information (or any resulting action or failure to act) where that delay or inaccuracy is as a result of factors outside the reasonable control of the TPC. This means that if the delay or inaccuracy is not the TPC's fault, then you cannot obtain redress from the TPC.
- 4.4 There may be circumstances where the TPC refuses to accept any order or other instruction for your account. For example, the TPC may do so for any of the reasons set out in paragraphs 3.2(a)-(e) above or where:
  - a) the transactions falls outside the dealing criteria that the TPC applies;
  - b) the TPC cannot carry out the instruction because it cannot access a market; or
  - c) we or the TPC do not have the necessary FCA permission to deal in a particular investment.
- 4.5 We will inform you if the TPC refuses to accept an instruction and the reasons for its decision unless we or the TPC are prevented from doing so because of any legal or regulatory constraint.
- 4.6 If you have any questions or concerns relating to your account with the TPC, you should tell us and we will deal with the TPC on your behalf. You should not contact the TPC directly.
- 4.7 All communications whether written, spoken, electronic or in any other form between you, us and/or the TPC shall be in English.

#### **5. Dealing**

- 5.1 The following clauses apply where we have agreed with the TPC that it will provide investment dealing services to you.
- 5.2 Normally we will be responsible for executing any order or transaction on your behalf. This means that the TPC will not owe you a duty of best execution under the FCA Rules or otherwise when it carries out transactions executed by us on your behalf. Where the duty applies, we shall be responsible for ensuring best execution and for any decision to aggregate transactions for you with those of other people, in accordance with our order handling and best execution policy.
- 5.3 We may sometimes agree with the TPC that it is to execute transactions for your account when we transmit orders to it. If we do this, we have agreed that, rather than you, we will be the TPC's client for the purposes of the FCA Rules. In order for the TPC to provide dealing services for your account, you need to ensure that:
  - a) where you are buying investments, there is sufficient cash in your account; and
  - b) where you are selling investments, documents of title or transfer forms that are required are delivered to the TPC,
 in either case, prior to the execution of the transaction by the TPC.

- 5.4 The TPC will provide dealing or execution services on the following basis:
- a) execution by the TPC will be subject to the FCA Rules and the rules of any investment exchange or other trading facility on which the transaction is executed;
  - b) the TPC will treat the instructions we give them as binding on you. Any express instruction from us to the TPC on your behalf concerning order execution will override the TPC's order execution policy and will remain binding on you;
  - c) the TPC will execute such orders in accordance with the TPC's order execution policy as amended from time to time, a summary of which is set out on the TPC's website (see Annex 5) under "compliance disclosure". By your acceptance of these terms, you confirm your consent to the execution policy and acknowledge that it may be amended from time to time. You also agree that the TPC may execute transactions on a market that is not a regulated exchange or multilateral trading facility in the European Economic Area. Please note however the provisions of Annex 3 in relation to any overseas investments;
  - d) the TPC may combine your orders with orders for its other clients or the TPC's own orders. the TPC will only do this if it considers that it is unlikely to work to the overall disadvantage of you or any of its clients involved however it is possible that aggregating orders in this way may sometimes operate to your advantage and sometimes to your disadvantage by giving you a higher or lower price than might have been the case if your order had been placed individually; and
  - e) once the TPC executes any transaction on your behalf, the TPC will, unless you previously instructed us otherwise, send a contract note to you. It is very important that you check the detail of all contract notes you receive, and notify us (and not the TPC directly) immediately if there is any error or if you have any question about them, because the contract note will be considered a conclusive and final record of any detail contained in it, unless we notify the TPC of an error within 1 working day after receipt by you and in any event no later than the settlement date for the transaction concerned.

## 6. Settlement of Transactions

- 6.1 When transactions are undertaken on your behalf, they will be due for settlement in accordance with market requirements and the relevant contract note or advice. These settlement terms will vary dependent upon the market and securities dealt in. The contract note will specify the settlement date. As stated above, it is your responsibility to ensure that the TPC receives the necessary investments, documents or cash (as the case may be) in order for the TPC to settle the transaction on your behalf. the TPC must receive any cash in cleared funds in sufficient time prior to the settlement date in order that it can make the necessary payment.
- 6.2 You hereby undertake that any cash or investments held by or transferred to the TPC by you will be free from any right of a third party to make claims against that money or those investments. In particular, it is your obligation to make sure that no other person will be entitled to:
- a) security rights over them, such as a mortgage or a charge;
  - a) any right to withhold or retain them, such as a lien;
  - b) any other rights to have any of the cash or investments paid or transferred to them or to prevent any transfer of such cash or investments from going ahead; or
  - c) any right to be paid all or any of the proceeds of a transaction; so that settlement on your transaction can take place.
- 6.3 In order to settle transactions on your behalf, the TPC will need to deal with the other party to the transaction (the "counterparty"). If a transaction has to be settled through a CCP or CSD the specific provisions set out in Annexes 2 and 3 shall apply.
- 6.4 You agree that you will not have any rights to cash or investments which are due to be received by you following a transaction until you have performed your own obligations in relation to that transaction and the TPC has been able to settle that transaction on your behalf. Similarly, the TPC has no obligation to account to you for any such cash or investments until you have performed your obligations and the transaction has been settled. Until that has happened, the TPC is entitled, without giving you any further notice, to sell or otherwise dispose of any such investments and apply the proceeds or any cash it receives in relation to the transaction in order to discharge or reduce any of your obligations in relation to the transaction.
- 6.5 the TPC is not obliged to credit any cash or investments it receives to your account until it has received them in irrevocable and unconditional settlement of the relevant transaction without the sender being able to reverse the settlement or require redelivery. If for any reason the TPC does credit cash or investments to your account earlier than this and the TPC reasonably considers that irrevocable and unconditional settlement is unlikely to take place then the TPC will be entitled to reverse the entry and require you to give back or redeliver the cash or investments or their equivalent.

- 6.6 In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP, CSD or agreement with the counterparty. You acknowledge that if net settlement takes place then the TPC will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 6.7 If a transaction is undertaken on your behalf on non-UK markets, the specific provisions set out in Annex 3 shall apply.
- 6.8 Transactions executed on your behalf may settle in the books of a CCP, CSD or other body or custodian combined with transactions for the account of other clients of ours. If this happens then the TPC will allocate between our clients the cash or investments received by it or on its behalf as a result of the settlements in accordance with the client trades we have notified to it. If the TPC receives cash or investments for trades that were intended to settle at the same time (but which, for whatever reason, do not do so), then the TPC will allocate that cash or investments received by it on the following basis:
- a) in accordance with any priority for settlements determined by the TPC prior to the transactions taking place;
  - b) if transactions have the same priority, then the allocation will be in order of time, by reference to the intended settlement date of the transaction which we specified to the TPC, so that the earliest in time will settle first in each case;
  - c) where transactions have the same priority and intended settlement date, then the allocation will be by value so that the larger or largest trade by value (not by number of units or size) will be settled first in each case.
  - d) where these allocations are necessary, they will also be subject to the operation of the relevant CCP, CSD, custodian or other entity. Such operations may include a netting rule or practice, automatic splitting of unsettled transactions or other automatic aggregation, splitting or allocation.
- 6.9 Time shall be of the essence with respect to any payment, delivery or other obligation of yours to the TPC.

## **7. Client Money**

- 7.1 Money held by the TPC for your account, will be held in compliance with the FCA Client Asset Rules when these apply to the money. This means, amongst other things, that the TPC will hold your money in a special designated client bank account which is an account kept separate from the TPC's own funds.
- 7.2 When considering where that client bank account should be, the TPC will exercise due skill, care and diligence and will periodically review the adequacy and appropriateness of any bank or credit institution where your money is deposited and of the arrangements for holding your money. These requirements will not apply where your money is held with a central bank of a country. It is important to note that the TPC is not responsible for any acts, omissions or default of a credit institution or bank chosen by it but only for taking care in its choice and monitoring.
- 7.3 When the TPC holds your money in a client account it may be pooled with money belonging to other clients of the TPC. Where funds are pooled in this way, you will not have a claim for the specific sum in a specific account. Your claim would be against the client money pool in general and if there is a deficiency in the pool you would share pro rata in that loss.
- 7.4 If the TPC holds money which is not immediately required to settle an investment transaction, such money will be deposited with a bank or credit institution, together with other clients' money. Money may earn interest at a rate determined by the relevant bank or credit institution. However, the amount of any interest on money that would be credited to your account and made available to you (subject to clauses 11 and 12.3), will be determined by the TPC and us, and will be as notified by us to you from time to time. Any interest will be calculated on a daily basis and credited to your account every six months. The TPC may decide not to credit to your account such amount of the interest until it reaches a minimum threshold amount as agreed between us and the TPC.
- 7.5 If any of your money held by the TPC is unclaimed after a period of six years, the TPC may cease to treat that money as client money and may include it as part of its own assets. The TPC will only do this after it has taken reasonable steps to trace you and return any balance to you. If you then later show a valid claim for the money to the TPC, it may then pay you any amount owed to you.
- 7.6 Sometimes we or the TPC will undertake a transaction for you which requires your money or investments to be passed to an Relevant Party in order to meet the obligations under that transaction or as Margin or Collateral. When a Relevant Party is involved then any money or investments passed to the Relevant Party may be at risk in the event of its insolvency. By accepting these terms, you acknowledge that this is the case.
- 7.7 Please refer to the provisions of Annex 3 which will apply if your money is held by a credit institution or bank outside the UK or EEA.
- 7.8 The TPC may use a bank which is affiliated to the TPC to hold client money on your behalf.

## 8. Custody and administration of your investments

- 8.1 Subject to clause 8.2, where the TPC holds investments for your account it will register those investments in the name of a nominee company controlled by the TPC or by a member of the TPC's group.
- 8.2 In some situations, for example where the rules of a particular market or CSD require, the TPC will register your investments in the name of an Eligible Custodian. The TPC will not usually register investments in your name but if it is required to do so, you shall remain responsible for the consequences of any such registration.
- 8.3 If your investments are held overseas the provisions of Annex 3 shall apply.
- 8.4 When your investments are held by a depository or an Eligible Custodian, such depository or Eligible Custodian may have rights against your investments, which may include:
- security rights over them including but not limited to a mortgage or charge;
  - rights to withhold or retain them, such as by way of a lien;
  - other rights to have the asset paid or transferred to them or to prevent a transaction involving such asset from going ahead; and/or
  - rights to be paid any or all of the proceeds of a transaction involving the asset.
- 8.5 The TPC shall keep a record of your entitlement to your investments in situations where the TPC or an Eligible Custodian (or a nominee company) have registered or recorded your investment in a combined account or pooled in some other way with investments belonging to other clients of ourselves, of the TPC or of the Eligible Custodian. In such a situation you should note the following effects:
- your individual entitlements may not be identifiable by separate certificates, physical documents or equivalent electronic entries on the register;
  - if there is an irreconcilable shortfall following any loss by or default of, the TPC or the Eligible Custodian (or a nominee company) then you may not receive your full entitlement and may share in any shortfall on a pro rated basis with any other investors;
  - sometimes the TPC will receive investments or money on behalf of more than one client in connection with pooled holdings (for instance in a bonus or rights issue or takeover). In such circumstances the TPC may, in accordance with FCA Rules, allocate such investments between clients on whatever basis it considers fair and reasonable in accordance with its allocation policy in force at the time;
  - if a share issue or other corporate event favoured the small investor your actual allocation may be less than it would be if your investments were registered in your own name; and
  - sometimes amounts or investments may arise which would not have arisen if the investments had been registered in your own name. You may not be entitled to any such additional amounts.
- 8.6 Any instructions you wish to give about the administration of investments held by the TPC should be given to us in writing for us to send to the TPC. We will not accept instructions from anyone but you and will not send instructions to other people on your behalf unless in either case you have previously provided us with a copy of a valid power of attorney authorising us, or the relevant person, to send such instructions.
- 8.7 The TPC will inform us of any rights issues, takeover offers, capital reorganisations, conversion or subscription rights (collectively "corporate actions") that affect or relate to investments held on your behalf by the TPC or an Eligible Custodian. It will do so as soon as reasonably practicable after receiving notice of those events. We will, in turn, inform you.
- 8.8 You should contact us and not the TPC if you need any advice in connection with any corporate actions. The TPC is not responsible for taking decisions in relation to any corporate actions and will require instructions from you or us on matters such as:
- exercising conversion and subscription rights;
  - dealing with takeovers or other offers or capital reorganisations;
  - exercising voting rights (where PSL exercises such rights on your behalf).
- 8.9 If any notification is given to you pursuant to clause 8.7 from the TPC, you must ensure that you provide instructions to us, for onward transmission to the TPC in sufficient time to ensure that the TPC is able to act upon such instructions. The instructions given, their consequences, and the consequences of failing to give us instructions, will be entirely your responsibility. Neither we nor the TPC is obliged to do more than give one notification on the relevant matter.
- 8.10 The TPC will be responsible for claiming and receiving dividends, interest payments and other entitlements automatically arising in respect of the investments held for your account.
- 8.11 Sometimes the TPC or an Eligible Custodian who is holding your investments may receive dividends, interest and other rights or payments after local withholding or similar taxes or other deductions are made from those sums. You accept that the TPC or any Eligible Custodian may, if it is required to do so to comply with legal or regulatory requirements, withhold or deduct tax or other amounts from any such payments. Any costs the TPC or an Eligible Custodian incurs when complying with these obligations may be deducted by the TPC from your account. If you are eligible

- to reclaim any such withholdings or deductions then this will be your responsibility and not that of the TPC or an Eligible Custodian, to do so.
- 8.12 the TPC will send you an annual safe custody statement of the investments and cash balances it holds for you, reported on a settlement date basis.
- 8.13 In some circumstances the TPC may refuse to hold any investment or investments for you. This may occur in any of the circumstances outlined in clause 3.2 of these terms or if the investment concerned is of a kind for which the TPC does not have facilities, or arrangements with appropriate Eligible Custodians, to hold or if holding the investment would expose the TPC to liabilities. We will notify you if the TPC chooses to exercise this discretion unless legal or regulatory constraints prevent such disclosure.
- 8.14 The TPC will not loan your investments or use them to raise finance unless you have entered into a separate specific written agreement with the TPC allowing such use of your investments.

## **9. Charges**

- 9.1 The fees and charges payable by you in relation to the services provided by the TPC (in particular, the money management fee), and any taxes payable through the TPC, will be set out in our charging schedule as notified to you from time to time. the TPC can either pay these out of the assets and money it holds for you for your account or by way of set off as described at clause 9 above or require you to pay them directly to the TPC or to the TPC through us. You may also be liable for other taxes or charges which are not payable through the TPC.

## **10. Amendments**

- 10.1 We and the TPC reserve the right to alter these terms at any time. Before the changes take effect notice will be given to you in reasonable time for you to consider the impact of the changes, unless it is impractical in the circumstances to give such notice.

## **11. General**

- 11.1 The TPC's obligations to you are limited to those set out in this Schedule (including its annexes). The TPC shall in particular not owe any wider duties of a fiduciary nature to you.
- 11.2 No third party shall be entitled to enforce these terms in any circumstances.
- 11.3 Any failure by the TPC (whether on an ongoing basis or not) to insist upon strict compliance with any of these Terms is not deemed to amount to the TPC giving up or waiving any of any of its rights or remedies under them. The rights and remedies conferred on the TPC will be cumulative and the exercise or waiver of any part of them will not stop or inhibit the exercising by the TPC of any other additional rights and remedies.
- 11.4 These terms are governed by English Law and you irrevocably agree to submit, for the benefit of the TPC, to the non-exclusive jurisdiction of the Courts of England.



## ANNEX 1: Glossary

Business Day	a day on which the London Stock Exchange is open for trading
Clearing and Settlement Services	The process by which, once an investment has been bought or sold on your behalf, the money is transferred from the buyer to the seller and the investments is transferred from the seller to the buyer.
CSD	This stands for central securities depository which is a financial institution that custodies securities and provides securities settlement services to one or more markets. When settling a transaction on your behalf the TPC may have to settle such transaction through a central securities depository or other securities settlement system and the transactions will be subject to the rules of the CSD.
Dealing or Execution Services	The buying or selling of investments on your behalf.
Eligible Custodian	This refers to a third party custodian (or its <b>nominee company</b> ) who the TPC selects under the FCA Rules to register your investments with.
Joint and Several Liability	If joint and several liability applies, the effect is that both you and the other person(s) separately promise to meet all obligations under these terms in respect of the account either (1) jointly with the other person(s); and (2) individually.
Lien	A Lien allows the person holding the asset to withhold or retain such asset pending the satisfaction of your obligations to them.
Margin or Collateral	This is where your money or investments are passed to a <b>Relevant Party</b> in order to provide security against the performance of obligations.
Netting	Netting is the process under which the TPC and/or the counterparty, <b>CCP</b> , <b>CSD</b> or other body concerned with settling a transaction are entitled to reduce their obligations to each other by setting off their obligations to deliver cash or securities to one another. This will give a single amount owing to one party from the other rather than a two-way payment. This single amount will then be paid or delivered to the relevant party.
Relevant Party	This includes (but is not limited to) an exchange, clearing house, intermediate broker, settlement agent or a counterparty dealt with directly (over the counter) outside of any exchange. The Relevant Party may be located in the UK or elsewhere.
Safe Custody Services	The safekeeping and administration of any investments held by the TPC or its <b>nominee company</b> on your behalf.
Time shall be of the Essence	The use of this term in relation to any payment, delivery or other obligation you have to the TPC means that the TPC shall be entitled to terminate these terms and, if appropriate, claim damages from you if you fail to perform your obligation in accordance with the time specified. It is intended to ensure that the relevant deadlines are strictly complied with.
TPC	Third Party Clearing, Settlement and Custody Provider, as explained in Clause 1.1 to this Schedule ("TPC").

## **ANNEX 2**

### **CCP and CSD Transactions**

#### **1. Settlement of CCP and CSD Transactions**

- 1.1. In order to settle transactions on your behalf, the TPC will need to deal with the other party to the transaction (the “counterparty”) and sometimes transactions will be settled through a central counterparty (“CCP”) or a central securities depository or other securities settlement system (“CSD”) or other depository transfer agent or similar body. When the TPC deals with these parties, it does so as your agent, in good faith and on the basis that:
  - a) the TPC is not responsible for any default or failure of the **CCP**, **CSD** or other counterparty or of any depository or agent of those entities; and
  - b) the delivery of any securities or payment to you as a result of the transaction is entirely your risk and not that of the TPC.
- 1.2. In some cases, transactions will be subject to netting. You agree, in respect of any transaction which is subject to netting, to discharging the settlement obligations on a net basis in accordance with the rules of the relevant CCP or CSD. You acknowledge that if net settlement takes place then the TPC will only be obliged to account to you for any investments or cash in connection with the transaction on a net basis.
- 1.3. We and you acknowledge and agree that:
  - a) the TPC does not owe any duty to us, you or any other person to verify the appropriateness, adequacy or effectiveness of the rules, requirements and procedures of any market or **CCP**; or in relation to any exercise or non-exercise by the market or the **CCP** of its rights or powers under such rules, requirements and procedures; and
  - b) the TPC shall have no liability for any loss or damage suffered or incurred by us or you by reason of the TPC taking or failing to take any action, where such action or failure to take action is authorised, permitted or required by a market or a **CCP** or is otherwise deemed necessary by the TPC under the rules, requirements and procedures of the market or the **CCP**.

#### **2. Limits on the TPC's Liability to you and Indemnities you give to the TPC**

If any net settlement takes place then the TPC's only obligation to account to you will be to account for the net investments and/or cash received by it from any relevant **CCP**, **CSD**, or their respective agents, corresponding to the transactions relevant to the net settlement entered into on your behalf. In addition you agree that the TPC shall have no liability to you in connection with the exercise by any **CCP**, **CSD**, or their respective agents of their powers under any Power of Attorney or equivalent right or power in respect of any settlement account operated by or on behalf of the TPC in connection with the settlement of any transaction.

## **ANNEX 3**

### **Overseas Investments**

#### **1. Settlement of Transactions**

If a transaction is undertaken on your behalf on non-UK markets, it will be subject to the rules of the relevant overseas exchange, clearing system and/or depository and to any terms of any foreign agent or custodian employed by the TPC. These rules and terms may include, but are not limited to, such persons having the right to reverse a transaction (including reversing the delivery or re-delivery of any investment and any payment) even after it has been settled. In view of the number of markets and counterparties which may be used it is not possible to outline all of the potential rules and obligations that may apply in such cases.

#### **2. Client Money**

If your money is held by a credit institution or bank outside the UK or EEA or your money or investments are passed to a third party then it is important you understand that the legal and regulatory regime applying to that credit institution, bank or other third party will be different from that of the United Kingdom or the EEA. This means, amongst other things, that the rights and protections you have under the FCA Rules will not be available in respect of those banks or credit institutions or third parties. Other rules and regulations may apply to them under local law but your rights and obligations are likely to differ, particularly if such party is in default.

#### **3. Custody and administration of your investments**

- 3.1. Whether or not they are registered or recorded in the name of the TPC, or an Eligible Custodian, investments belonging to you which are held abroad may be subject to different settlement, legal and regulatory requirements from those applying in the UK or the EEA. Your rights may therefore also differ.
- 3.2. The TPC will exercise due skill, care and diligence in the selection, appointment and periodic review of any **Eligible Custodian** it appoints and the arrangements for the holding and safekeeping of your investments. It is important that you understand the TPC is not responsible for anything done or not done, or any default of an **Eligible Custodian** unless that default is caused by the negligence, fraud or wilful default on the part of the TPC or any of its nominee companies. Although the TPC will seek to make sure that adequate arrangements are made to look after your ownership rights in any investments (especially in the event of its own insolvency) you should understand that your investments may be at risk if an **Eligible Custodian** becomes insolvent.
- 3.3. Overseas investments may be registered or recorded in the name of the TPC or in the name of an **Eligible Custodian**. Your acceptance of these terms indicates your consent to the possibility of registration in such manner. However any such registration in one of these ways will only be done after the TPC has taken reasonable steps to determine that it is in your best interests to do so or that it is not feasible to do otherwise because of the nature of the applicable law and market practice in the jurisdiction where the transaction occurs. Registration in this way means that your investments may not be kept separate from other investments belonging to the TPC or the relevant **Eligible Custodian**. Your protection may therefore be less, as if the person in whose name your investment is recorded defaults on its obligations, your investment may not be separately identifiable as yours. Accordingly it may be subject to other third party claims including claims by the general creditors of the defaulting person.

## ANNEX 4

### Additional Clauses: Agent as Client/ Trustee as Client Agent as Client

Where you are acting as a Trustee on behalf a trust (the "Trust"), as well as being jointly and severally liable to the TPC in the way described above, the TPC will treat the trustees as its client and not any beneficiary of the Trust. We shall warrant to the TPC that:

- a) We will only cause the TPC to be obliged to settle any transaction where we have full management control and full authority to instruct use of sufficient of the assets or cash of the Trust to meet any obligation incurred by the TPC on behalf of the Trust and that we have full authority to direct the custodian, if any, of the underlying customer's assets and cash to meet any obligations so incurred and that we have sufficient authority and consents to perform our obligations under these terms.
- b) We are not aware of any reason why the cash or assets of the Trust which are the subject of our management (as described above) could not be used to meet such obligations.
- c) We will not effect any transaction for the account of the Trust if we have any reason to believe that the Trustees of the Trust will not be willing or able to meet their obligations in respect of such transaction and will notify the TPC as soon as reasonably practicable if we have any reason to believe that the Trustees will not be willing or able to meet their obligations in respect of any transaction; and
- d) We believe on reasonable enquiry and on reasonable ground that the Trustees of the Trust will have all requisite power and legal capacity to enter into any such transaction and to perform their obligations under these terms.

In your capacity as Trustees of the Trust you acknowledge and agree with the TPC that:

- a) You will supply us with all relevant information of which you are aware in relation to the matters covered by our above warranties and you will not do anything to cause us to be in breach of our obligations as set out above;
- b) Any payment or accounting made by the TPC to any one or more of the trustees will be treated as made to all of them;
- c) If you (or where you are more than one person any of you) become aware that any warranty given to the TPC above has become untrue you will notify the TPC and us in writing as soon as reasonably practicable on becoming so aware; and
- d) Your aggregate liability to us the TPC and any other person under these terms shall be limited to the net value of the asset from time to time under your control in your capacity as the Trustees of the Trust save that this limitation shall not apply in respect of any liability to the TPC for any breach of your obligations to the TPC under this sub-clause.

## ANNEX 5

### Our chosen Third-Party Clearing, Settlement and Custody Provider

- 1 Our chosen Third Party Clearing, Settlement and Custody Provider ("TPC") is Phillip Capital registered office is PO Box 2594, Chicago, IL. Phillip Capital is a member of NFA, ICE, US and DME and CFE and SIPC & FINRA.
- 2 Information about PSL's management of potential conflicts of interest and its data protection arrangements, for complaints and investor compensation is provided below.

#### **Conflicts of Interest**

- 3 The TPC, its associated group companies (associates) or nominees may provide services or enter transactions under these Terms in circumstances in which the TPC or its associates have a material interest. This interest could be direct or indirect and the TPC or its associates could also have a relationship with someone else, which may involve a conflict of interest or potential conflict of interest with you. Examples where such actual or potential conflicts may happen include situations where the TPC or any of its associates:
  - a) is, or is acting on behalf of, the counterparty to a transaction that is executed by the TPC (whether or not involving a fee or commission or increased or reduced price offered or received by the TPC or its associates);
  - b) has a long or short position in the relevant investment
  - c) is the financial adviser to the issuer of the relevant investment; or
  - d) is otherwise connected to the issuer of the investment to which any instructions relate.
- 4 The TPC may place money held for your account with a bank or other financial institution (in accordance with the FCA rules) and earn interest and retain some or all of that interest from that bank or financial institution.
- 5 A summary of the TPC's conflicts policy (including further disclosure concerning the payments the TPC may receive from fund managers) is published on its website at [https://www.phillipcapital.com/sites/default/files/inline-files/Customer\\_New%20Account%20Application\\_Public%20Disclosure%20Document%2020200228.pdf](https://www.phillipcapital.com/sites/default/files/inline-files/Customer_New%20Account%20Application_Public%20Disclosure%20Document%2020200228.pdf) under the heading of "compliance disclosures" (a hard copy is available on request from us).
- 6 You acknowledge that neither the TPC nor any of its associates is required to disclose or account to you for any profit made as a result of acting in any manner described above.

#### **Data Protection and Confidentiality of Information**

- 7 The TPC may store, use or otherwise process personal information about you which is provided by you or us on your behalf. The purposes for which it can store, use or process such personal information are providing investment and other services under these Terms, administering your account and other purposes closely related to those activities. This includes (but is not limited to) using information for the purposes for credit and anti-money laundering enquiries or assessments.
- 8 Any information that we and the TPC hold about you is confidential to you and will only be used in connection with providing services under these Terms. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. the TPC will only disclose your information to third parties in the following circumstances:
  - a) If required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us or the TPC (or any associate of us or the TPC);
  - b) to investigate or to prevent fraud, market abuse or other illegal activity;
  - c) in connection with the provision or services to you by us or the TPC;
  - d) for purposes closely related to the provision of the services or the administration of your account including without limitation for the purposes of credit enquiries or assessments;
  - e) if it is in public interest to disclose such information; or
  - f) at your request or with your consent.
- 9 The restrictions on the use of confidential information described above are subject at all times to a general proviso that the TPC may disclose your information to certain permitted third parties including members of its own group (associates) and its professional advisors (including accountants and lawyers) who are subject to confidentiality codes.
- 10 Neither we nor the TPC will sell rent or trade your personal information to any third party for marketing purposes unless you give your express consent.
- 11 You should note that by signing or otherwise accepting this Schedule or these Terms you agree that the TPC is allowed to send your information internationally including to countries outside the EEA such as the United States of America. Some countries where your information is sent will offer different levels of protection in relation to personal information, not all of which will be as high as the UK. The TPC will however, always take steps to ensure that your information is used by third parties only in accordance with its policy.
- 12 You are entitled to a copy of any information the TPC holds about you. In the first instance, you should direct any such requests to Tickmill and we will pass your request on to the TPC. The TPC is entitled to by law to charge a fee of £10 to meet the cost of providing you with details of the information it holds

about you. You should let us know if you think any information the TPC holds about you is inaccurate and we will ask the TPC to correct it.

## Complaints

- 13 If you have a complaint you should notify our Tickmill compliance officer in the first instance. If however, your complaint concerns an aspect of the service provided to you by the TPC then we will pass onto the TPC for investigation.
- 14 Where you make a complaint both we and the TPC will endeavour to resolve your complaint as quickly as possible but in any event we will acknowledge receipt of your letter within 5 business days. The acknowledgement sent will include a full copy of our or the TPC's internal complaints handling procedure. Upon resolution of your complaint we or the TPC will send you a final response letter, which sets out the nature of our response of any proposed resolution, and any appropriate remedy. If for any reason you are not satisfied with our or the TPC's final response please note that you may be entitled to refer your complaint to the Financial Ombudsman Service (FOS) in the UK and Financial Industry Disputes Resolution Centre Ltd (Singapore).  
A leaflet detailing the procedure is provided in our or the TPC's final response.

## SCHEDULE D: OVER THE COUNTER (OTC) CONTRACTS FOR DIFFERENCES SCHEDULE

### 1 SCOPE

**Transactions:** The clauses in this Schedule apply to Transactions in "CFDs" (Over-the-Counter Contract for Differences) and the exercise of rights pertaining to them. For these purposes, a "CFD" is an instrument specified in Article 85 of The Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, being rights under a contract for differences; or, any other contract the purpose or pretended purpose of which is to secure a profit or avoid a loss by reference to fluctuations in (i) the value or price of property of any description; or (ii) an index or other factor designated for that purpose in the contract, but not if the contract or the Transaction is dealt on an Exchange or is subject to the rules of an Exchange.

**Netting:** Any Transaction to which this Schedule applies shall be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" following an Event of Default.

### 2 ACTING AS PRINCIPAL

**Capacity:** You acknowledge that in giving us an order in relation to a CFD you will be entering into a contract with us as principal.

**No right to underlying:** A CFD contract with us provides no right to the underlying property, index or factor nor right to acquire such rights.

### 3 MARKETS

**Agreed instruments:** We can enter into CFD contracts in a wide range of underlying property, indices and other factors. We may specify to you the range or type of contracts we are willing to enter into and may in our absolute discretion modify or replace that range or type at any time with or without notice, including withdrawing from all or some ranges or types of contract.

**Quoting and Dealing procedures:** The availability, level and spread of a CFD contract depends upon the prevailing market for the property, index or other factor to which it relates. Because of this, on any given day or at any given time we might not make available a particular CFD contract, or might make it available subject to conditions (for example, as to size or spread).

### 4 VOTING RIGHTS

**Voting rights:** A CFD is a principal contract with us and carries no rights to any underlying instrument. We shall not facilitate the exercise or acquisition of voting rights in a corporate or other body, or, exercise of influence over them.

### 5 CORPORATE EVENTS AND OTHER ACTIONS

**Dividends:** Where applicable, for example the underlying property is a share, a dividend adjustment shall be made by us in respect of open positions held with us at the ex-dividend date for the underlying property. We shall make reasonable endeavours to follow market practice but in doing so shall not be required to credit to your account for a long position more than the net amount that would be received by a UK taxpayer in respect of the

underlying, or, to debit from your account for a short position less than the total gross dividend in respect of the underlying.

**Corporate events and actions:** If the underlying property, index or other factor becomes subject to a corporate action we shall endeavour to make adjustment to the size and/or level of an open position or order, the rights attaching to it or other characteristics. Such adjustment shall be determined by us, acting reasonably, and shall be binding on you. We may seek your views on the appropriateness of any action to take before we do so, but all decision are for us alone. For this purpose a “corporate action” includes but is not limited to such matters as: consolidation, subdivision or reclassification of the instrument; a distribution of property to holders of the underlying; a rights issue or other offer to subscribe; a share subdivision; a special dividend; a share split etc and the announcement of the same.

**Suspension of the underlying:** If trading of the underlying property, index or other factor is suspended or otherwise ceases to trade we have the right to suspend Transactions in the CFD, and, to recommence Transactions only when we are satisfied acting reasonably that there is a functioning market in the underlying property. Please note that in cases of suspension the CFD contract remains open, but we may significantly increase the margin requirement on a CFD contract.

**Insolvency or delisting of the underlying:** If the underlying property goes insolvent or is dissolved or subject to a similar event, we have the right: (i) to close all relevant long CFD positions at nil, but if there is a later distribution we shall, acting reasonably, make an adjusting payment to CFD holders; and, (ii) to close all relevant short CFD positions at nil, but to continue to require margin and to debit from that an amount, acting reasonably, to reflect any later distribution.

## SCHEDULE E: RISK

### 1. GENERAL

- 1.1. This Schedule supplements the information provided in the Main Agreement and other Schedules should be read in conjunction with them. It is not a comprehensive description of all the risks that might attach to our investment products and services. Additionally, specific products may be tailored for a client or market and may differ in detail from the outline in this Schedule. The terms of the transactions will prevail over the product description and information given in this disclosure.

### 2. RISK ELEMENTS

- 2.1. You should always know beforehand the risks attaching to any instrument in which you propose to investment and be certain that it is appropriate for you. It is not possible to explain or outline all the potential risks, but in considering the risks of a potential investment or transaction you might like to consider some or all of the following:
- a) **Volatility.** The value of investments, the income available from them and the amount for which they can be realised are variable. They can go down as well as up and the extent to which they do can depend upon a large number of factors such as world economic sentiment, interest rates and changes to them, exchange rates and changes to them, changing commodity or other prices, company or country credit ratings, tax and regulatory changes, the passage of time, and, factors that are specific to the particular investment.
  - b) **Liquidity:** Some investments are illiquid, and it may not be possible to sell them (or, buy them) at a reasonable price within a reasonable time period.
  - c) **Tax:** We do not advise on the taxation merits or consequences of transaction or particular types of transaction. You are solely responsible for your taxation affairs but should be aware that the taxation consequences of investments can be complex; that taxation bases, rates and levels and modes of calculation can change at any time; and, that if in any doubt about the taxation implications of a particular investment or transaction you should seek your own legal advice.
  - d) **Charges:** Charges levied by us or third parties will reduce potential profit you can make or increase the level of loss.
  - e) **Market rules:** Some investments or transactions are subject to the rules of a Market, over which neither you nor we have control.
  - f) **Regulatory action:** Regulatory changes, sometimes introduced at short notice, can affect your profit or loss, trading rights or liquidity.
  - g) **Complexity:** Some investments, transactions or strategies are inherently complex and the prospect of registering a profit or a loss may be difficult to determine.
  - h) **Leveraged, margined and contingent liability investments.** The leveraged, margined or contingent liability nature of these investments can increase volatility and risk. You should not invest in such instruments unless you fully understand all the relevant risk and are comfortable with them.

### 3. SPECIFIC RISKS

- 3.1. The Schedules that follow explain the risks that attach to particular types of investment or transaction: Where relevant, please read these carefully.

## SCHEDULE F

### FOREIGN EXCHANGE PRODUCT AND RISK INFORMATION

#### 1 UNDERSTANDING THE RISK OF DERIVATIVE PRODUCTS

- 1.1. The product and risk information contained in this Schedule is not a comprehensive description of all aspects of the product; further, specific tailored products may differ in detail from the outline in this Schedule. The terms of the transactions will prevail over the product description and information given in this disclosure.
- 1.2. Trading foreign exchange (fx) on margin carries a high level of risk and may not be suitable for all investors. The markets are volatile and combined with gearing this means it is possible to lose money quickly. It is possible to lose all of your deposited funds and to be required to deposit further amounts. Before dealing in fx you should ensure you understand all the associated risks and carefully consider your investment objectives, level of experience and risk appetite. You should not invest money that you cannot afford to lose and if you have any questions you may wish to seek advice from an independent financial advisor.

#### 2 MARKET FEATURES

- 2.1. In the foreign exchange markets relevant features include:
  - a) **Volatility.** The foreign exchange markets can be volatile, with sometimes sharp price movements and changes of direction. This is particularly the case in reaction to news events. This obviously has a direct impact on the prospect of your profit and loss and can lead to apparently sudden losses that can deplete margin.
  - b) **Liquidity.** The foreign exchange markets are often referred to as very liquid. However, dealing volumes are not constant throughout the trading day and week nor for all currency pairs in the same way. This means that spreads can be narrower or wider and there are times when dealing in size in particular currency pairs is difficult.
  - c) **Gapping.** This is a jump from one price to another without trading through intermediate prices. This is most usually the case when a market, including that for a currency pair, reopens after a closed period. Hence, it can be risky to hold positions open during a closed period, such as a weekend
  - d) **Abnormal market conditions.** During periods in which the markets are experiencing very high volatility we may not be able to provide a price. These can include regularly scheduled news events such as the monthly release by the US department of labour of the non-farm payrolls statistics. In such conditions, which cannot always be predicted you might be unable to deal; including to close a position with us that you have already opened.

#### 3 COSTS AND CHARGES AND TAXES

- 3.1. Our charges are explained on our website or will be explained or provided to you. There are a number of ways in which charges can be levied - for example, by marking up the spread from the raw prices available from our providers, by charging a fee based on the volume traded, and, by charging for overnight financing. Such charges are designed to cover our direct costs in providing a service to you, and, to provide a contribution to our indirect costs and overheads and, ultimately, a return to our shareholders. Our costs may include payments to an individual or firm that has introduced you to us or is acting on your behalf. There may be other costs and charges that are not levied by us and taxes that we do not control. You should ensure you are aware of all costs and charges and taxes that might apply to you.

#### 4 OTC NATURE OF CONTRACTS

- 4.1. When you enter into an fx contract we are the counterparty to the trade. We have regulatory obligations to you, for example, to provide best execution, but we are responsible for deciding how prices are set and other conditions that attach to the deal. The contracts are not dealt on a market or exchange and can be closed only through us. You are also exposed to the risk that we default on our obligations. In that unlikely event you may be eligible to claim from the financial services compensation scheme which can provide up to £85,000 of compensation against valid claims for loss.

#### 5 EXECUTION-ONLY SERVICE

- 5.1. The service we provide is execution-only and we are not permitted to give advice to you on the merits of any transaction or proposed transaction. You are responsible for your own dealing decisions.

#### 6 ORDER TYPES

- 6.1. When you deal with us a range of different order types is likely to be available to you. You should ensure you fully understand the characteristics of any order type before you use it. Stop and limit

orders are generally not guaranteed so, once triggered, you might receive a less advantageous price than the level at which you set your stop or limit.

## **7 COMMUNICATIONS AND TECHNOLOGY**

- 7.1. A failure of or weakness in your software or hardware or internet connection might lead to failure to link effectively to the dealing or other systems that we offer, so preventing you from dealing. If you are considering using an expert adviser or a signals provider –we take no responsibility for their reliability or efficacy; you must make your own enquiries and decisions. Similarly, although we take steps to provide a reliable service to you, we do not guarantee a continuous service and it is possible at any time for the service to be interrupted.

## **SCHEDULE G: OVER-THE COUNTER (OTC) CONTRACTS FOR DIFFERENCES ("CFDS") PRODUCT AND RISK INFORMATION**

### **1 GENERAL**

- 1.1. CFDs are over the counter products which involve gearing or leverage. Relatively small price movements can result in relatively large profits or losses and these can be incurred over a short period of time. They are not suitable investments for many people. Losses reduce the account balance and if this falls below the margin required any or all of your open positions may be closed out and your dealing instructions refused. It is important therefore to monitor your positions and margin levels closely and to ensure you always hold sufficient money with us to support your positions. If there is need for you to provide additional margin, it will need to be available in a form that can reach our bank account as cleared funds by the time we require it.

### **2 GEARING AND LEVERAGE**

- 2.1. Before you open a CFD trade with us we will generally require you to lodge money with us as Margin. Margin will usually be a relatively modest proportion of the overall contract value. This means that you will be trading using 'leverage' or 'gearing' and this can work for or against you; a small price movement in your favour can result in a high return on the margin placed for the trade, but a small price movement against you may result in substantial losses. The lower your margin percentage the higher the risk of should the market not go your way.
- 2.2. At all times during which you have open trades, you must ensure that your account balance, taking into account all running profits and losses, is equal to at least the total margin that we require you to have paid us. Therefore, if our price moves against you, you may need to provide us with substantial additional margin, at short notice, to maintain your open trades. If you do not do this, we will be entitled to close one or more or all of your trades. You will be responsible for any losses incurred.
- 2.3. You should also be aware that we are entitled to increase margin rates at short notice (and, without limit). If we do so, you may be required to deposit additional funds into your account to cover the increased margin rates. If you do not do this, we will be entitled to close one or more or all of your trades.
- 2.4. Unless you have taken steps to place an absolute limit on your losses it is possible for adverse market movements to result in the loss of the whole of your margin and more, so that you owe additional money to us.

### **3 NEED TO MONITOR POSITIONS**

- 3.1. Because of the effect of gearing and therefore the speed at which profits or losses can be incurred it is important that you monitor your positions closely. It is your responsibility to monitor your trades and while you have open trades you should always be able to do so.

### **4 OVER-THE-COUNTER NATURE OF CONTRACTS**

- 4.1. Our CFD contracts are not made on any exchange. When you enter into a CFD contract it is entered into with us and can be closed only by entering into a closing contract with us. The prices and other conditions are set by us, and you may be exposed to our risk of default.

### **5 NO RIGHT TO THE UNDERLYING**

- 5.1. Our CFDs do not provide a right to the underlying instruments or for CFDs referenced to shares, to voting rights.

### **6 NO ADVICE**



- 6.1. We do not provide investment advice relating to investments or possible transactions in investments. We are permitted to provide factual market information and information about transaction procedures, potential risks involved and how those risks may be minimised, but any decisions made must be yours.

## **7 APPROPRIATENESS**

- 7.1. Before opening an account for you, we are required to make an assessment whether it is appropriate for you, and to warn you if, on the basis of the information you provide to us, it is not appropriate. Any decision whether to open an account, and on whether or not you understand the risks is yours.
- 7.2. We may also ask you for information about your financial assets and earnings. We do not monitor on your behalf whether the amount of money you have sent to us or your profits or losses are consistent with that information. It is up to you to assess whether your financial resources are adequate and what level of risk to take.

## **8 RANGE OF MARKETS**

- 8.1. We offer CFDs on a wide range of underlying markets and instruments. The prices on the underlying markets determine the levels of our CFDs but the details of our CFDs can vary substantially from those of the actual underlying market or instrument. Full details of any of our CFD contracts (eg contract size; margin levels, contract settlement and currency details) are available on request.

## **9 FLUCTUATIONS IN THE UNDERLYING MARKET**

- 9.1. CFDs are financial instruments that allow you to speculate on price movements in underlying markets. Although the prices at which you trade CFDs are set by us, our prices are derived from the underlying market. It is important therefore that you understand the risks associated with trading in the relevant underlying market because fluctuations in the price of the underlying market will affect the profitability of your trade. Risks include:
- a) **Currency:** If you trade in a market other than your base currency market, currency exchange fluctuations will affect your profits and losses.
  - b) **Volatility:** Movements in the price of underlying markets can be volatile and unpredictable. This will have a direct impact on your profits and losses.
  - c) **Gapping:** 'Gapping,' is a sudden shift in the price of an underlying from one level to another. Various factors can lead to gapping (for example, economic events or market announcements) and gapping can occur both when the underlying market is open and when it is closed. When these factors occur when the underlying market is closed, the price of the underlying market when it reopens (and therefore the level of our CFD) can be markedly different from the closing price, with no opportunity to close your trade in-between. 'Gapping' can result in a significant loss (or profit). A non-guaranteed stop will not protect you against this risk.
  - d) **Market liquidity:** In setting our prices, spreads, and the sizes in which we will deal we take account of the market or markets for the relevant underlying instruments. Market conditions can change significantly and quickly, so that if you wish to close a contract, we might not be able to do so under the same terms as when you opened it.

## **10 COSTS AND CHARGES**

- 10.1. Our costs and charges will be provided to you or set out on our website. Please be aware of all costs and charges that apply to you because such costs and charges will affect your profitability.

## **11 NON-GUARANTEED STOPS**

- 11.1. When a non-guaranteed stop is triggered it has the effect of issuing an order by you to close your position. It is therefore not closed immediately when the stop is triggered. We aim to deal with such orders fairly and promptly, but the time taken to fill the order and level at which the order is filled depends upon the underlying market. In fast-moving markets, a price for the level of your order might not be available, or the market might move quickly and significantly away from the stop level before we fill it.

## **12 CORPORATE ACTIONS**

- 12.1. We do not aim to make a profit from our clients from the outcome of corporate events such as rights issues, takeovers and mergers, share distributions or consolidations, and open offers. We aim to reflect the treatment we receive or would receive if we were hedging our exposure to you in the underlying market. However:
- a) the treatment you receive may be less advantageous than if you owned the underlying instrument.
  - b) we may have to ask you to make a decision on a corporate event earlier than if you owned the underlying instrument;
  - c) the options we make available to you might be more restricted and less advantageous to you than if you owned the underlying instrument; and/or

- d) where you have a stop attached to your open share CFD position, the treatment that you will generally receive from us will aim to preserve the economic equivalent of the rights and obligations attached to your CFD position with us immediately prior to the corporate event taking place.

### 13 GOING SHORT OF INDIVIDUAL SHARES

13.1. Going short of an individual share carries some additional risks that don't apply when going long. These risks include but are not limited to:

- a) forced buy-back due to changes in regulatory or stock-borrowing conditions
- b) imposition of, and increase in, borrowing charges over the lifetime of the trade
- c) the obligation to take the other side of purchase opportunities (e.g. rights issues) afforded to clients who are long of the same stock. This might result in the obligation to go further short at unfavourable market prices.
- d) In addition, you should be aware that corporate events affecting obligations of short sellers can often be announced at very short notice, leaving no opportunity (or choice) to close positions out and avoid participation.

### 14 ELECTRONIC COMMUNICATIONS

14.1. We may offer you the opportunity to trade and communicate with us via electronic means. Although electronic communication is often a reliable way to communicate, no electronic communication is entirely reliable or always available. If you choose to deal with us via electronic communication, you should be aware that electronic communications can fail, can be delayed, may not be secure and/or may not reach the intended destination.

## SCHEDULE H: FUTURES AND OPTIONS MODULE

### 1 SCOPE

- 1.1. **Transactions:** The clauses in this Module apply to transactions in futures and options. In this Module, "Transaction" means a transaction within the meaning of Transaction in the Interpretation Module, which constitutes a "Future" or an "Option" (as defined in articles 83 and 84 respectively of The Financial Services and Markets Act 2000 (Regulated Activities) Order (2001) and traded on a Market.
- 1.2. **Netting:** Any Transaction to which this Module applies shall, subject as follows, be deemed included in the definition of "Netting Transaction" for the purposes of this Agreement and subject to termination and liquidation under the clause headed "Netting" (the "Netting Clause") following an Event of Default. The Netting Clause shall not apply to any Transaction to the extent that action which conflicts with or overrides the provisions of the Netting Clause has been started in relation to that Transaction by a Market or clearing organisation under Applicable Regulations and is continuing.

### 2 TRADING ARRANGEMENTS

- 2.1. **Matching trades:** In respect of every Transaction made between us subject to the Rules of a Market, we shall, unless otherwise agreed in writing in relation to a Market, act as principal in any Transaction with you. We shall make (or arrange to make through an intermediate broker who may be an associate) on a principal-to-principal basis a matching Transaction on the relevant Market or accept the allocation to us of such a Transaction.
- 2.2. **Give-up:** In respect of every Transaction made between us and given up being cleared by another broker or dealer as specified by you:
  - a) if such broker or dealer accepts the give-up, we shall (without prejudice to any claim we may have for commission or other payment) upon such acceptance cease to be a party to the Transaction and shall have no obligation to you for its performance;
  - b) if such other broker or dealer declines to accept the give-up, we shall be entitled at our option either to confirm the Transaction with you or to liquidate it by such sale, purchase, disposal or other Transaction or cancellation as we may in our discretion determine, whether on the relevant Market or by private contract or any other feasible method (including taking it over ourselves or transferring it to an associate); and any balance resulting from such liquidation shall be promptly settled between us but without prejudicing our rights under this Agreement or otherwise.
- 2.3. **International Uniform Give-up Agreement:** Where you and we are party to an International Uniform Give-up Agreement, in the event of any inconsistency, the provisions of such agreement shall prevail over this Agreement.
- 2.4. **Allocation on delivery or exercise:** Where the relevant Market or intermediate broker does not specify a Transaction when making a delivery or exercising an option, we may allocate randomly or in a way which seems to us to be most equitable.

- 2.5. **Exercise of options:** You understand that Markets have established exercise cut-off times for the tender of instructions in relation to exercise of options and that options will become worthless in the event that you do not deliver instructions by such expiration time. You also acknowledge that we may establish exercise cut-off times which may be earlier than the exercise cut-off times established by the relevant Market, and you shall have no claims against us arising out of the fact that an option was not exercised, [save in circumstances where the option was not exercised as a direct result of our negligent failure to inform you of our own exercise cut-off time in respect of the particular option.]
- 2.6. **Deemed exercise of options:** Where by virtue of Market Rules an option is exercised automatically under a back-to-back Transaction which has been entered into by us on your instructions, the corresponding Transaction to which you and we are both party will be deemed to have been automatically exercised at the same time.
- 2.7. **Correction of order:** You understand that Markets may from time to time sanction the making of contracts by us off-exchange in order to satisfy your order, where there has been an error in the execution of your
- 2.8. **order on-exchange.** Where a better price (an improvement) can be obtained, we may seek to secure and offer that improvement to you. Where, in response to your order, we have bought or sold in accordance with the instruction in your order to buy or, as the case may be, to sell but have traded the wrong delivery/expiry month or wrong exercise price of the relevant contract, then we may in accordance with the Rules of any relevant Market offset any loss arising from that trade against any improvement achieved for you in the course of correctly satisfying your order, thus offering you only the net improvement, if any.
- 2.9. **Close-out:** Unless otherwise agreed in writing between you and us or where the Rules of a Market provide otherwise [or, in relation to Transactions subject to the Rules of any Market, specified for these purposes in the Individually Agreed Terms Schedule], whenever any Transaction is entered into to close out any existing Transaction, then the obligations of each of us under both sets of Transactions shall automatically and immediately be terminated upon entering into the second Transaction, except for any settlement payment due in respect of such closed out Transactions, and any fines and other payments/rights claimed under general indemnities.

### 3 CLEARING SERVICES

- 3.1. **Transaction given up to us for clearing:** Subject to the Rules of any relevant Market, this clause applies where there is a give-up agreement between you, us and a third party executing broker, and the reference number or mnemonic applicable to you is quoted by such executing broker when a Transaction is submitted to us for clearing. In acting as your clearing broker we shall accept a Transaction given up to us for clearing only if we have agreed with you to clear Transactions of such a description and the acceptance thereof would not breach any position or other limits applicable to your account with us. Notwithstanding any provision contained in the relevant give-up agreement, if we accept such Transaction for clearing, such Transaction shall be binding and conclusive on you immediately on its acceptance for clearing by us whether or not the details of such Transaction have previously been confirmed to us by you. We shall not be liable to you for any losses, costs, expenses or damages arising from any discrepancy between details in your instructions to such executing broker and details of Transactions submitted to us for clearing. Any dispute relating to a Transaction given up or attempted to be given up to us for clearing shall be determined under applicable arbitration rules of the relevant Market.
- 3.2. **Fees paid to executing broker:** Subject to the Rules of any relevant Market, if a give-up agreement between you, us and a third party executing broker provides that the executing broker will invoice us directly for its commissions in relation to the execution of an order, then we shall be entitled to rely on the details specified in any invoice presented to us by such executing broker and, notwithstanding that the amounts specified in the invoice may be incorrect, you shall fully reimburse us for any sum paid to the executing broker in respect of that invoice. We shall have no liability to you for any losses, costs, expenses or damages incurred or suffered by you as a result of an incorrect amount being specified in an invoice.

### 4 TRADE DISCLOSURE

- 4.1. **Trade Reporting:** Under Applicable Regulations, we may be obliged to make disclosures in respect of certain Transactions. You agree and acknowledge that any and all proprietary rights in such Transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we are obliged to disclose.

## **SCHEDULE I: UNDERSTANDING THE RISK OF DERIVATIVE PRODUCTS**

### **1 GENERAL**

You should not deal in derivative products unless you understand the nature of the contract you are entering into and the extent of your exposure to risk. You should also be satisfied that the contract is suitable for you in the light of your circumstances and financial position.

Although futures and options can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Derivative products will not always act in the same way. Relationships with the broker may differ depending on the product and style of the transaction and clearing houses may not always owe you a direct commitment. Different products involve different levels of exposure to risk and in deciding whether to trade in such products you should be aware of the following points.

You should be aware that the product information and advice contained in this Module is not necessarily a comprehensive description of all aspects of the product. [Additionally, specific products may be tailored for a client or market and may differ in detail from the outline set forth in this Module. The terms of the transactions will prevail over the product description and information given in this disclosure].

### **2 FUTURES**

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash.

The risk of loss in trading commodity futures contracts can be substantial. You should, therefore, carefully consider whether such trading is suitable for you considering your circumstances and financial resources. Placing contingent orders, such as "stop-loss" or "stop-limit" orders, will not necessarily limit your losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.

Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit ("limit move").

The 'gearing' or 'leverage' often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.

Futures transactions have a contingent liability, and you should be aware of the implications of this, in particular the margining requirements. You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice, in order to maintain your position. If you do not provide the required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.

You should consult your broker concerning the nature of the protections available to safeguard funds or property deposited for your account.

### **3 OPTIONS**

There are many different types of options with different characteristics subject to the following conditions.

**Buying options:** Buying options involves less risk than selling options because, if the price of the underlying asset moves against you, you can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if you buy a call option on a futures contract and you later exercise the option, you will acquire the future. This will expose you to the risks described under 'futures' and 'contingent liability investment transactions'.

**Writing options:** If you write an option, the risk involved is considerably greater than buying options. You may be liable for margin to maintain your position and a loss may be sustained well in excess of the premium received. By writing an option, you accept a legal obligation to purchase or sell the underlying asset if the option is exercised against you, however far the market price has moved away from the exercise price. If you already own the underlying asset which you have contracted to sell (when the options will be known as 'covered call options') the risk is reduced. If you do not own the underlying asset ('uncovered call options') the risk can be unlimited. Only

experienced persons should contemplate writing uncovered options, and then only after securing full details of the applicable conditions and potential risk exposure.

Traditional options: Certain London Stock Exchange ("LSE") member firms under special LSE rules write a particular type of option called a 'traditional option'. These may involve greater risk than other options. Two-way prices are not usually quoted and there is no access to a market via a Market on which to close out an open position or to affect an equal and opposite transaction to reverse an open position. It may be difficult to assess its value or for the seller of such an option to manage his exposure to risk.

Certain options Markets operate on a margined basis, under which buyers do not pay the full premium on their option at the time they purchase it. In this situation you may subsequently be called upon to pay margin on the option up to the level of your premium. If you fail to do so as required, your position may be closed or liquidated in the same way as a futures position.

#### **4 CONTRACTS FOR DIFFERENCES**

Futures and options contracts can also be referred to as a contract for differences. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option. Transactions in contracts for differences may also have a contingent liability and you should be aware of the implications of this.

#### **5 FOREIGN MARKETS**

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, your firm must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates. Such transactions may also be affected by exchange controls that could prevent or delay performance.

#### **6 CONTINGENT LIABILITY TRANSACTIONS**

Contingent liability transactions, which are margined, require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If you trade in futures, contracts for differences or sell options you may sustain a total loss of the margin you deposit with your firm to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice to maintain the position. If you fail to do so within the time required, your position may be liquidated at a loss and you will be responsible for the resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered the contract.

#### **7 LIMITED LIABILITY TRANSACTIONS**

Before entering into a limited liability transaction, you should obtain from your firm, or the firm with whom you are dealing, a formal written statement confirming that the extent of your loss liability on each transaction will be limited to an amount agreed by you before you enter into the transaction.

The amount you can lose in limited liability transactions will be less than in other margined transactions, which have no predetermined loss limit. Nevertheless, even though the extent of loss will be subject to the agreed limit, you may sustain the loss in a relatively short time. Your loss may be limited, but the risk of sustaining a total loss to the amount agreed is substantial.

#### **8 SUSPENSIONS OF TRADING**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant Market trading is suspended or restricted or if the systems of the relevant Market cannot function for any reason. Placing a stop-loss order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

#### **9 CLEARING HOUSE PROTECTIONS**

On many Markets, the performance of a transaction by your firm (or third party with whom he is dealing on your behalf) is 'guaranteed' by the Market or clearing house. However, this guarantee is unlikely in most circumstances to cover you, the client, and may not protect you if your firm or another party defaults on its obligations to you. Not

all Markets act in the same way. Further specific information about trading on the London Metal Exchange ("LME") can be found at [www.lme.co.uk](http://www.lme.co.uk). Further specific information about trading derivative products on Eurex can be found at <http://www.eurex.com>.

## **10 INSOLVENCY**

Your firm's insolvency or default, or that of any other brokers involved with your transaction, may lead to positions being liquidated or closed out without your consent. In certain circumstances, you may not get back the actual assets which you lodged as collateral and you may have to accept any available payments in cash. On request, your firm must provide an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.

## **11 WARRANTS**

A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

It is essential for anyone who is considering purchasing warrants to understand that the right to subscribe which a warrant confers is invariably limited in time with the consequence that if the investor fails to exercise this right within the pre-determined timescale then the investment becomes worthless.

You should not buy a warrant unless you are prepared to sustain a total loss of the money you have invested plus any commission or other transaction charges.

Transactions in off-Market warrants may involve greater risk than dealing in Market traded warrants because there is no access to a market through which to liquidate your position, or to assess the value of the warrant or the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

## **12 SECURITISED DERIVATIVES**

These instruments may give you a [time-limited right/absolute right/right] to acquire or sell one or more types of investment which is normally exercisable against someone other than the issuer of that investment, or they may give you rights under a contract for differences which allow for speculation on fluctuations in the value of the property of any description or an index, such as the FTSE 100 index. In both cases, the investment or property may be referred to as the "underlying instrument".

These instruments often involve a high degree of gearing or leverage, so that a relatively small movement in the price of the underlying investment results in a much larger movement, unfavourable or favourable, in the price of the instrument. The price of these instruments can therefore be volatile.

These instruments have a limited life and may (unless there is some form of guaranteed return of the amount you are investing in the product) expire worthless if the underlying instrument does not perform as expected.

You should only buy this product if you are prepared to sustain a [total loss/substantial loss/loss] of the money you have invested plus any commission or other transaction charges.

You should consider carefully whether this product is suitable for you in light of your circumstances and financial position, and if in any doubt please seek professional advice.

## **13 GENERAL INFORMATION**

Exchange-traded futures and options are not subject to a prospectus.

Exchange-traded futures and options may give rise to liabilities for the investor, calculated in accordance with Market or clearing house rules.

The firm may not deal directly in the relevant Market but may act through one or more brokers or intermediaries. In such cases, your positions may be affected by the performance of those third parties in addition to the performance of your firm. [In addition, settlement of such transactions may not be effected via the Market itself but may be effected on the books of your firm or of a broker or intermediary if such transactions can be crossed with equal but opposite orders of another participant transacting through the same firm, broker or intermediary. Your rights in such circumstances differ from those you would enjoy if your transaction was affected in the Market.]

The price and liquidity of any investment depends upon the availability and value of the underlying asset, which can be affected by several extrinsic factors including, but not limited to, political, environmental and technical. Such factors can also affect the ability to settle or perform on time or at all.

Any payments made or received in relation to any investment may be subject to tax and you should seek professional advice in this respect.

Where you are unable to transfer a particular instrument which you hold, to exit your commitment under that instrument, you may have to offset your position by either buying back a short position or selling a long position. Such an offsetting transaction may have to be over the counter and the terms of such a contract may not match entirely those of the initial instrument. For example, the price of such a contract may be more or less than you received or paid for the sale or purchase of the initial instrument.