

London Capital Group Ltd: Terms and Conditions

June 2010

Spread betting, trading in Contracts For Differences (CFDs) and Spot FX carries a high level of risk to your capital. You may incur profits or losses of many times the amount of your stake or the money you originally deposit with us. Only trade with money that you can afford to lose. Debts incurred through spread betting, CFDs and Spot FX trading are legally binding and enforceable. Make sure you fully understand the risks involved and take advice if necessary. Spread betting, CFDs and Spot FX trading may not be suitable for all individuals. We strongly recommend that you read the Risk Warning notice that forms part of these Terms and Conditions and is also available on our website.

If you are unable to understand any part of either these Terms and Conditions or the Risk Warning or Execution Policy you should contact London Capital Group Ltd with your questions before agreeing to them.

1. SCOPE

1.1 London Capital Group Ltd ("LCG" "We", "Us"), whose registered office is at 4th Floor, 12 Appold Street, London, EC2A 2AW, is authorised and regulated in the United Kingdom by the Financial Services Authority ("FSA"), whose address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. Our FSA reference number is 182110.

These Terms and Conditions are made between you (the "customer" or "you") and LCG and apply:

- 1.2
- to all Transactions by you over the telephone with an authorised dealer at LCG;
 - via the internet over the LCG Online Trading Platform ("OTP"); or
 - via any Downloadable Trading Platform ("DTP") that LCG offers.

This includes any Transactions placed by an Authorised Third Party or any person giving the customer's name, account number and/or password.

1.3 We have categorised you as a Retail Client and you will benefit from the regulatory protections afforded to Retail Clients under the FSA Rules.

We will deal with you on the terms of:

- 1.4
- these Terms and Conditions;
 - the Risk Warning notice;
 - your completed Application Form;
 - our Execution Policy;
 - any relevant software licence; and
 - any additional terms and conditions issued by us, including those relating to Credit Accounts and/or other terms issued in respect of transactions contemplated by these Terms and Conditions,

which together are referred to as this "Agreement".

1.5 Customers should also be aware that the Market Information Sheets contain important information in relation to the underlying products associated with Transactions and further information in relation to these is contained at Clause 11.

1.6 In agreeing to this Agreement you authorise LCG to telephone or otherwise contact you at any time whatsoever in order to discuss any aspect of your account with LCG or any aspect of LCG or its Associated Companies business.

Each time you enter into a Transaction you signify and agree that all statements concerning personal warranties and representations are repeated and that:

- all information that you have provided us with (in your Application Form and subsequently) is true and accurate in all material respects;
- you agree to be bound by this Agreement;
- you have read and fully understood this Agreement, including the Market Information Sheets and the Risk Warning;
- 1.7 • if you are an individual, you are over 18 years of age;
- the action of entering into a Transaction with LCG is legal in the jurisdiction you are currently resident and that you will not violate any law relevant to you;
- you are, or your Authorised Third Party is, taking each and every Transaction on your own behalf as principal and not as a third party representative;
- if you are a company, in placing any Transaction or instruction you are duly authorised to do so; and
- any person authorised by you to trade or issue instructions on your behalf has read and understood the Agreement and the Risk Warnings.

1.8 If any losses are incurred by you or by LCG due to your breach of any warranty as set out herein you shall be liable for the total sum involved.

1.9 In agreement with you LCG may waive or relax any of these Terms and Conditions from time to time. In particular but without limitation, where these Terms and Conditions specify certain Transaction Size or Margin requirements, LCG may, but only on agreement with you, allow you to breach such limits. Any liability accrued due to such permission is your sole responsibility. Any agreement to waiver or failure to enforce any part of these Terms and Conditions shall not constitute a waiver by LCG to enforce such rules at a subsequent time.

2. YOUR ACCOUNT AND TRANSACTIONS

2.1 You must open an account with us before we will accept any of your Transactions. You must fill out and send to us an Application Form either electronically online, or on the printable form available on our website, or the one available with these Terms and Conditions. All mandatory sections must be filled out and any information supplied must be true and correct to the best of your knowledge. Any incorrect or unclear information supplied will result in either an outright rejection of the application or at the very least a delay in the opening of your customer account.

2.2 In signing, or electronically remitting to us, the application form you are authorising LCG to make such searches as it sees fit to certify that the information that you have supplied is full and correct. Such searches will include, but may not be restricted to, information from the electoral register and any credit agencies approached by LCG.

2.3 LCG may make periodic checks of your details to verify that the details supplied by you have not changed. However, you must immediately inform LCG in writing as to any material change in your financial circumstances or any change to the information given on your Application Form (including change of employment, address, contact details and

email). In LCG's absolute discretion, it may accept such notification over the telephone or by email. Any losses that may be incurred by misdirection of contract details due to incorrect or out of date email addresses supplied by you are entirely your responsibility.

2.4 LCG is not obliged to open an account for any customer and may refuse any application for any reason (without providing the reason for the decision to the customer).

2.5 LCG reserves the right to close or suspend your account at any time. Should LCG exercise this right all open Positions shall be closed immediately on LCG's current quoted price and no new trades will be accepted. Any Position you may have in markets not quoted (i.e. that have closed for that day) shall be closed at the first price reasonably available to LCG on the next business day or, in the case of a market suspended for any reason, closed under the terms contained herein.

2.6 LCG shall be entitled to disclose information concerning you or your account without prior reference to you to any competent authority with jurisdiction over LCG's business or to any other person LCG reasonably believes to be seeking a reference or credit reference in good faith. Specifically LCG is entitled to disclose such information to other spread betting companies (or similar) who may be inquiring as to any bad debt or liability.

2.7 It is your sole responsibility to inform LCG as to whether information concerning your account Transactions should be reported to your employer, including its compliance officer, and as to whether contract notes and statements of your account should be sent to that compliance officer or to any other person authorised by your employer to receive such information.

3. SERVICES BY LCG

Subject to you fulfilling your obligations under this Agreement, we may enter into contracts with you in respect of the following types of Transactions:

- spread bets;
- spot or forward CFDs on single securities, baskets of securities, stock or other indices, currencies (foreign exchange), treasury products, base and precious metals and commodities;
- Spot FX; and
- such other investments as we may from time to time agree to offer in writing or online.

3.2 We will deal with you on an execution-only basis at all times.

3.3 We shall not provide you with any advice on the merits or suitability of you entering into this Agreement or any Transaction contemplated by this Agreement and, will never provide you with any investment advice although we may at our discretion provide you with generic or factual information from time to time on the nature, the terminology and of the procedures involved with such Transactions or concerning factual financial data information. You should rely on your own judgement when deciding whether or not to enter into any Transaction contemplated by this Agreement.

3.4 When we execute an order on your behalf, we will generally act in accordance with our order Execution Policy. A summary of our current Execution Policy has been provided to you. You should note that in some circumstances we shall not be obliged to comply with the rules of the FSA on best execution such as where we provide a quote for a particular

Transaction and then deal with you as principal.

3.5 We will enter into all Transactions contemplated by this Agreement, as principal and not as agent for any other person. Unless otherwise agreed with us, you will also enter into all Transactions contemplated by this Agreement as principal and not as agent for any other person. If you act as agent for any other person, we shall not treat that person as our client for the purposes of the FSA Rules.

3.6 We provide Market Information Sheets online in relation to the services that we provide and explaining various matters relating to this Agreement. You should read the Market Information Sheets thoroughly before entering into any Transaction. If there is any matter that you do not fully understand then you should seek clarification from us before entering into the Transaction.

3.7 Any Transaction with LCG can only be made during LCG Quoting Hours for the market in question and within the permissible Size(s) (unless otherwise agreed by LCG). These are further detailed in the Market Information Sheets. The minimum and maximum limits are set by us by reference to the normal market size for which prices are available on any relevant exchange or market and which offer live price information. The current minimum and maximum limits are available from us on request and are detailed in the Market Information Sheets. We are entitled to vary these minimum and maximum limits and it is your responsibility to ensure that you know what the current limits are before entering into any Transaction. We also have the right to waive any Transaction Size limits with or without notice to you.

3.8 Our activities with you under this Agreement are likely to include margined transactions. Margined transactions are detailed further at Clauses 7 and 8 below.

3.9 Notwithstanding any other provision of this Agreement, in providing our services, we shall be entitled to take any action as we consider necessary in our absolute discretion to ensure compliance with Applicable Laws. You agree strictly to comply with all Applicable Laws. If we reasonably consider that you have not so complied, we may terminate this Agreement. You should be aware that the services we offer, including spread betting and trading in CFDs, are regulated by the FSA and the applicable rules and regulations that related to the trading of equities and futures also relate to spread betting, CFDs and other such products linked to underlying equities and futures. **Customers are especially reminded that this applies to all forms of market abuse such as insider trading and to directors trading in shares of their own companies.**

3.10 LCG will not be liable for any losses incurred as a result of any interruption of power supply or electronic communication or information system or any event which prevents LCG from supplying such information in one or more of the markets in which we would ordinarily quote.

4. PLACING TRADES

4.1 LCG is not obliged to accept any request to trade.

4.2 Transactions with LCG can only be made on the telephone or via an OTP or a DTP. The OTPs and DTPs have minimum computer software requirements (and further information is available on request). The platforms will be regularly updated and it is strongly suggested that customers should download and install the updates when prompted in order to achieve the most efficient platform functionality.

4.3 LCG quotes a two-way price in a Size acceptable to LCG involving a spread between the

buy and the sell price. As the Customer you may buy at the higher price or sell at the lower price.

4.4 When placing a Transaction over the telephone, you must give your name and account number or username. Without this information no Transaction will be permitted even if it is to close an existing open Position. When dealing over the telephone the Transaction will only be accepted by LCG when the dealer confirms that your Transaction has been accepted. The verbal acceptance of a trade by an LCG dealer does not negate either LCG's or your rights in the event of a Pricing Error.

4.5 All calls to LCG telephone lines are recorded, and you hereby agree to the recording of such conversations. All OTPs and DTPs retain chronological histories of all Transactions conducted over that medium (including Transactions entered by a dealer following an instruction by telephone) and an electronic audit trail of all customer activity (although this is not guaranteed). All such records and recordings of telephone conversations are the exclusive property of LCG and may be used as evidence in any dispute.

4.6 Before access is permitted to an OTP or a DTP you will be obliged to enter your username or account number and password. When placing a Transaction via an OTP your confirmation will be via an email contract note. Transactions on a DTP will be confirmed via an on screen contract note. The contract is binding on both parties except for instances of a Pricing Error. LCG will treat Transactions placed via an OTP or a DTP as active on receipt of such an instruction and of its acceptance. Transactions placed via an OTP or a DTP will normally be confirmed at the time they are made by electronic means.

4.7 An email or on screen confirmation of a Transaction that does not accurately reflect the relevant underlying market price at the time when the trade was made either over the telephone, or via an OTP or a DTP, does not entitle the customer or LCG to enforce whatever has been inaccurately recorded in the contract note and is likely to constitute a Pricing Error.

4.8 Your username, password and account number are extremely sensitive pieces of information. Any Transactions made on your account either over the telephone, an OTP or a DTP using either your username, account number or your password will be deemed as valid Transactions. You must not disclose your username, account number or password to any person (save disclosure of your account number to an Authorised Third Party pursuant to Clause 15). You must immediately inform LCG if you are aware or suspect that a third party has had access to your username, account number or password or that any person other than you (or your Authorised Third Party) is dealing on your account.

4.9 In the case of Transactions placed via an OTP or a DTP, LCG is under no obligation to recognise the domain from which a customer is trading, and it is your sole responsibility to ascertain the legality of placing trades from your local jurisdiction.

4.10 Where LCG has allowed unauthorised access to any customers account through negligence by its own staff or through abuse by third parties via an OTP or a DTP (i.e. hacking), LCG shall indemnify the customer for any losses incurred.

4.11 LCG will only accept Transactions, whether opening or closing, via the telephone by talking directly to an authorised dealer of LCG or via an OTP or a DTP. LCG has no obligation to transact orders or trades received via any other medium (for example via email or via letter or via verbal conversations over non recorded telephone lines (e.g. dealers' personal mobile phones) or via instructions given in a personal conversation).

4.12 A Transaction can only be placed on a current valid Quote. A price may change at any time

after it has been quoted and before you have traded. A Quote made to you over the telephone is only valid for that conversation and may not be available on any subsequent telephone call. Quotes that have been given as 'indication only' are not valid and cannot be traded unless otherwise agreed by LCG. Quotes that have been qualified or Quotes that you have been told are no longer valid before you place your Transaction are also not tradable.

- 4.13 In the case of Transactions placed via an OTP or a DTP you may only offer to place a trade on the prices currently quoted on an OTP or a DTP. Such prices are indicative and on receipt LCG may, in its absolute discretion, reject or accept your proposed Transaction. Due to the nature of online trading systems and the potential unreliability of market price feeds LCG may in its absolute discretion remove or delete Transactions and any associated Transactions (i.e. any trades closing subsequently deleted trades) which have been made over an OTP or a DTP which in the opinion of LCG do not reflect the actual market prices at the time of the placement of the relevant Transaction. LCG will not be responsible for losses or potential losses sustained by you in trading on a rejected or cancelled Transaction. LCG is not responsible or liable for losses made with other companies on Transactions undertaken in reference to a rejected or cancelled trade.

5. TRADING

- 5.1 Customers should note that they are trading on the outcome of the price of a financial derivative, and will not be entitled to delivery of, or be required to deliver, the underlying product.

- 5.2 This trading does not occur on an exchange. Rather the trading occurs off-exchange or over the counter ("OTC"). As a result, LCG enter directly into a contract with you in respect of the financial instrument you wish to trade.

- 5.3 In respect of dividends, an adjustment to your account shall be made with reference to any dividend or distribution attributable to any relevant security on which a trade is based and shall be made and calculated as follows:

- 5.3.1 where your Position would result in a credit to your account (for example a Buy position in an equity which goes ex-dividend) we shall adjust the account balance in your favour by 80% of the gross dividend multiplied by the Transaction Size; or

- 5.3.2 where your Position would result in a debit to your account (for example a Sell position in an equity which goes ex-dividend) we shall adjust the account balance in our favour by the gross dividend multiplied by the Transaction Size.

- 5.4 The above provisions shall apply with respect to any constituent security of a securities basket or securities index and are also subject to any such adjustment being scaled back in proportion to the respective weighting of the affected security within the securities basket or securities index as we reasonably consider appropriate.

- 5.5 In the event of any scrip dividend or rights issue (or any dilution or concentration of share capital or any special dividend or return of share capital) or cancellation of dividend in any share or indices trades that is already open LCG reserves the right to adjust all and every opening trade price or Size taken in that product (or to cash adjust your account) to fairly reflect the impact of the same.

- 5.6 On expiry of equity trades of less than £30,000 total notional value the settlement price will be based on the closing bid or offer price of the trade plus or minus the LCG spread on that trade depending on the customer's position (if the customer has a Long Position on

expiry the settlement price will be the bid of the share in the market at expiry time minus the spread and if he has a Short Position on expiry the settlement price will be the offer of the share in the market at expiry plus the spread).

5.7 On expiry of an equity trade of greater than £30,000 total notional value LCG shall settle the trade at either the average price of the underlying share in the last hour of trading of the last dealing day on a fair and reasonable, in the assessment of LCG, bid/offer spread plus or minus the relevant LCG spread or at the price achieved by LCG in removing its hedge on the relevant trade during the course of the final business day of the relevant expiry date plus or minus the relevant LCG spread or at the closing bid/offer spread price in the relevant underlying market plus or minus the relevant LCG spread.

5.8 In certain market conditions it may not be possible to close a single share Transaction with sizable market consideration in full at one price. Such a Transaction may instead be closed at a price reflecting the price at which LCG is able to transact any relevant underlying hedge but only during the trading hours of the Underlying Market (whether or not the relevant Transaction was opened during or outside the Underlying Market trading hours).

5.9 If the Underlying Market in relation to an existing open Position held by you becomes illiquid in any fashion, either leaving LCG unable to purchase sufficient amount of the underlying shares or contracts to cover your Transaction or Position or is unable to borrow the same in the open market, LCG reserves the right to close all or part of any such Transaction or Position at the current LCG Quote.

5.10 If a share becomes subject to a takeover offer LCG reserves the right to close any or all trades at any time during the takeover process or to adjust the opening price of your trade to reflect any cash portion of the offer or to amend the Size to reflect any corresponding underlying adjustment caused by the take over and/or to close the existing trade and reopen a new trade reflecting the new security that is created by the takeover.

5.11 If a share or an Underlying Market is suspended, LCG may increase your Margin to the extent considered by LCG to be fair and reasonable in the circumstances. If a share or any other market remains suspended for more than four business days LCG may close the Position with reference to the last official price at the time of suspension.

5.12 If you are trading in concert whereby multiple clients are placing identical trades then LCG may at its sole discretion treat this as one Trade. Therefore, if the combined size is greater than the liquidity of the market and slippage occurs, all clients may be treated the same regardless of their individual stake size and filled at the same level which will be where LCG was realistically able to trade in the Underlying Market.

6. OPEN POSITIONS

6.1 Positions may be closed at any time within LCG's Quoting Hours (excepting where the relevant market is suspended or not available for whatever reason) unless LCG notifies you otherwise. LCG may accept closure of Positions at other times dependent upon the market but is not obliged to do so.

6.2 Unless we expressly agree, you may not hold two opposing Positions in the same contract at the same time. Any Transaction taken in the opposite direction to an existing Position will close out either in part or in whole the existing Position.

6.3 You are not required to close a Position prior to the Expiry Date provided that your account is not in deficit. However, in certain circumstances and in accordance with these Terms and Conditions, LCG shall be entitled or may be required to close your Position prior

to their Expiry Date notwithstanding that your account is not in deficit.

6.4 Unless market conditions dictate otherwise, all Positions still open upon their Expiry Date will be automatically closed at the price quoted on the relevant exchange or where applicable a relevant market data provider (for example Bloomberg). Details as to which exchange or market data provider will be used in relation to a specific Transaction may be found in the Market Information Sheets.

6.5 If the Expiry Date of a Transaction is not a recognised business day of the relevant Underlying Market, then the business day immediately preceding that stated will be considered as the Expiry Date unless an alternative is specifically stated in the Market Information Sheets or LCG notifies you otherwise.

6.6 Open Positions will automatically close on their Expiry Date and at their expiry time (as are detailed in the Market Information Sheets) and any subsequent closing of any such Position by you (whether or not accepted in error by LCG) will be void.

6.7 LCG will treat all Transactions as a buy or a sell without reference to whether such actions open a new Position and/or close (or part close) an existing one. Any statement made by a customer with reference to any trade closing or opening a Position is not binding on LCG. It is the customer's responsibility to ensure that any action made by them actually closes or opens a Position. LCG is not obliged to ensure that a statement made by a customer does in actuality have the stated effect (for example if a customer states that a sell of the UK 100 'closes a position' when it actually opens a new Position then the new Position will be deemed to have been opened).

7 NEW ORDERS, STOP LOSS ORDERS AND LIMIT ORDERS

There are generally two basic order types available:

- 7.1
- New Orders;
 - and Stop Loss or Limit Orders.

New Orders are orders that are not connected to an existing open Position (although they may close existing Positions (unless where LCG expressly agree otherwise (see 6.2 above)) if, when executed, they create trades that are opposite to existing open Positions). LCG will accept the following types of new orders:

- 7.2
- "Good Till Cancelled" means that the order will remain in effect until cancelled by you or until the market expires and LCG ceases to quote the relevant market;
 - "Good For Day" means that the order will remain in effect until the end of the LCG Quoting Hours for the relevant market for that day;
 - "Good Until" mean that the order will remain in effect until the time and date requested by you when placing the order or until LCG ceases to quote the relevant market (whichever is the sooner).

7.3 All Good Till Cancelled/Good for Day/Good Until orders are based on an Our Quote basis.

7.4 A Good Till Cancelled order will only be valid during LCG's Quoting Hours for the market

concerned. If there is any form of gap between the close of the market as quoted by LCG on one trading session and its subsequent reopening either on the next session or, in the case of a Force Majeure, whenever LCG reopens said market, the Customer's Stop will be executed at the LCG Quote based upon the first price that LCG is reasonably able to obtain in the Underlying Market.

Any orders placed as Stop Losses on open Positions shall:

- be deemed Good Until Cancelled or until the contract expires or until such time as you close the relevant Position;
- 7.5 • be deemed to be in respect of LCG Quote/Our Quote; and
- be valid in respect, solely, of the market in respect of which LCG accepted the order and not for any other.

7.6 In respect of markets quoted by LCG outside the trading hours of the relevant Underlying Market, all orders are based on LCG's Quote/Our Quote and may be filled at the LCG Quote based on a price which is in LCG's opinion fair and reasonable in light of prevailing world markets at that time.

7.7 LCG will accept orders placed in any market during the hours in which LCG does not offer a Quote in said market. However no Stops or orders of any kind in any market will be executed outside of the LCG quoting hours for that market except by agreement with LCG . Upon the opening of any market quoted by LCG any currently actionable Stop, Limit or New Order will be filled at the first Quote for the relevant market that LCG is reasonably able to obtain with reference to the Underlying Market and the size of the order in question.

7.8 It is your responsibility to cancel any order that you no longer require. Any un-cancelled order placed by you may be filled by LCG and may therefore cause losses to which you will be liable. In the case of Stop Loss orders if the related Transaction is closed by you the Stop Loss order will be deemed automatically cancelled. If the underlying Stop Loss on any open Position was actionable before you closed the open Position, LCG may at its sole discretion adjust the closing price of your trade to reflect the Stop Loss price.

7.9 An order will be executed when the LCG Quote reaches the price specified in your order or trades through the price specified. All Quotes are based upon an Underlying Market that is sourced from either a recognized global exchange (LSE, NYSE, LIFFE etc) or from a wholesale counterparty (a quoting bank or market maker). Our Quote may be higher or lower than the Underlying Market due to interest rate costs, dividends, scrip issues, stock splits, competitors' quotes or the weight of customer business. **The understanding of the definition of Our Quote is very important for the correct operation of your account. If you do not understand any part of its description we strongly recommend that you contact LCG for an explanation.**

7.10 LCG is not obliged to inform you if an order is filled. It is solely your responsibility to ensure that you know at all times as to whether any order has been filled or is still active and if you are in any doubt whatsoever as to deal acceptance it is your sole responsibility to contact LCG immediately, in the first instance by telephone, in order to obtain clarification as to the validity of any Transaction.

7.11 Once a Stop, Limit or New Order level is reached LCG may at its sole discretion allow a customer to amend this order before it has been actioned by LCG. Although, receipt of any

confirmation of an order amendment is not binding on LCG, LCG may at its sole discretion decide to execute the original order if the activation of that order occurred before the amendment was made. LCG shall not be liable for any Positions generated by customers' assumption of non-activation of a fairly executed order.

7.12 Unless otherwise stipulated, no orders are guaranteed and are subject to Gapping (which is detailed below at 7.14).

7.13 If a New Order is subject to Gapping or is slipped (see 7.14) on activation and the order is actioned at a price that would also have activated any associated Limit or Stop orders, then the Position will immediately be closed with a loss to the customer of the prevailing LCG quoted spread for that market.

7.14 In this Agreement "Gapping" (also sometimes referred to as 'slippage') refers to an occurrence whereby the market moves from one of Our Quotes to the next Quote, through an order level (Stop Loss, Limit or New Order). This may be because the particular Underlying Market has become unusually volatile or illiquid for a period of time. In such instances the Underlying Market may have stopped trading and may only recommence trading at a price below or above an order level or may have traded in insufficient size as represented by the size of your order for LCG to have been reasonably able to place a trade in the Underlying Market. Where this happens an order described above may not be effective and the Position will be closed in accordance with our Order Execution Policy. Accordingly, where you have an open Position in a volatile market environment you must understand the potential impact of Gapping.

7.15 Where a series of orders may be filled to close existing open Positions and/or open new Positions then these orders will be filled by LCG in any sequence determined by LCG. If this results in subsequent orders having insufficient Trading Resources for activation, then these orders will be cancelled. LCG will not look at an order filling sequences that may result in one order being filled and another failing, LCG will fill orders as and when they are seen by their dealers and at their sole discretion.

7.16 Where you have placed a pre-determined Stop Loss price within in New Order ticket (an 'If Done' Order) but on activation of said New Order you do not have sufficient trading resources to support the requested Stop Loss price then the computer will automatically adjust this stop loss level to reflect the maximum stop loss permissible given the resources available. The deal confirmation email may not reflect this adjusted Stop Loss price. It is your responsibility to ensure that you check the details contained within your deal/order confirmation email versus the actual stop loss prices shown on your account (i.e. in the Order Book online).

8. MARGIN CALCULATIONS

8.1 In general LCG only allows its customers to trade on Deposit Accounts (where money must be deposited before trading can commence). At the sole discretion of LCG a customer may be offered a Credit Account.

8.2 You agree to provide to us and to maintain on your account at all times such Margin as is necessary to cover the Margin Requirement. Your agreement is repeated for every Transaction entered into by you and shall relate separately to each account, if you have more than one account with us.

8.3 The minimum level of cleared funds that you are required to maintain on your account at

any particular time as margin against any open positions is referred to as the Margin Requirement. LCG may at its sole discretion alter the Margin Requirements on your account.

8.4 LCG will normally monitor the amount of Margin available for any Transaction but reserves the right to demand further Margin than may have been originally requested.

8.5 LCG operates an **automatic** Stop Loss facility which is called a Computer Generated Stop Loss ("CGSL") whereby all open Positions have a Stop Loss attached to them (and this is further detailed below). In certain circumstances LCG may agree to remove this automatic Stop Loss facility. In such circumstances it will be the customer's sole responsibility to add and remove Stop Losses and/or Limit orders. The customer is solely responsible for monitoring the orders on their account.

Where a CGSL is applied it will be calculated as follows:

8.6 If your account has more available resources than the following formula [available resources \times 0.8 > Transaction Size \times the relevant maximum CGSL for the market in which you have placed your trade] then the system will apportion a Stop Loss order at a price that would be equal to a loss of 80% of the max CGSL for that contract. If you have less Margin available than the maximum CGSL but have more than the necessary minimum Initial Margin Requirement ("IMR" or "Min IMR") for the market concerned in the size in which you have traded then the OTP will apportion a Stop Loss order that is equal to a loss of 0.8 \times your available Trading Resources (Free Margin). If you wish you may adjust the Stop level to another desired level so long as you have Trading Resources available. If you have less Trading Resources available than those required to satisfy the IMR for the full Transaction Size requested then the entire Transaction will be rejected. Transaction (or New Order) requests will not be part filled. Stop Losses are not guaranteed and may be subject to Gapping (see 7.14 above). LCG may offer guaranteed Stop Losses on some markets at its sole discretion.

8.7 LCG may provide some platforms and products where automatic Stop Losses are not applied to open Positions and whilst LCG will make every endeavour to clarify if this is the case it is the customer's responsibility to know whether automatic Stop Losses are or are not applied to open Positions.

8.8 Where a CGSL is not applied each market will attract its own Margin Requirement which will normally be set out in the Market Information Sheets. In such circumstances any running losses will be removed from your Trading Resources and, at LCG's discretion, any running profit may be added to your Trading Resources.

8.9 An order placed as a Stop Loss for a Position may not necessarily reduce the Margin Requirement.

8.10 Notwithstanding any other provision of this Agreement, LCG is entitled, in its absolute discretion, to permit any trade for a Size which is above the recognised maximum single Size for a particular market.

8.11 The minimum IMR and maximum CGSL for any market may be changed from time to time by LCG without notice to you (for example, during volatile market conditions or due to the illiquid nature of any Underlying Market). These new margin requirements will be applied to all your existing Positions as well as any new Transactions. Most contracts' Minimum IMR and maximum CGSLs are set out in the Market Information Sheets which are correct at the time of publication. Margin Requirements which are not set out in the Market

Information Sheets or which have changed since the date of publication of the Market Information Sheets will be quoted on request or posted on the website. It is your responsibility to ensure that you are using the most recent margin requirements applicable.

- 8.12 Occasionally new or temporary markets are created. These markets attract their own margin requirement that may not be published but will be available on demand.

- 8.13 You undertake to provide us with and to maintain on your account at all times sufficient cleared funds in order to meet the margin requirement, and such undertaking shall be deemed to be repeated each time you open enter into a Transaction. A failure to meet your margin obligations at any time is a Default Event and may result in us closing out your open Positions without notice to you.

- 8.14 Neither the funds on your account nor the margin applied to your Position(s) represent your total financial liability to LCG.

9. MARGIN CALLS

- 9.1 If at any time your account balance with LCG (together with any available credit you may have) is not sufficient to cover in full your Margin Requirement on any open Positions, LCG shall be entitled to make a Margin Call. Margin is due for payment immediately upon a Margin Call being made.

- 9.2 You must pay Margin immediately in the form of cleared funds in pounds sterling, US dollars or euros or such other currency as may be acceptable to LCG by not later than 4.00pm London time on the business day on which the Margin Call is made or deemed to have been made. A Margin Call made after 4.00pm London time is deemed to have been made on the next business day for purposes of this Clause.

- 9.3 It is your responsibility to monitor your open Positions and all other relevant factors used to calculate Margin payable. LCG is not obliged to make Margin Calls of you at all or within any specific time period. We shall not be liable to you for any failure by us to contact you or attempt to contact you.

- 9.4 Margin Calls may be made in person, by telephone, telephone answering machine message, voice mail, letter, fax, email or any other means of electronic communication. If the contact details provided by you change in any way you must immediately contact LCG to provide new or alternative contact details to ensure you can be notified of Margin Calls. A Margin Call is deemed to have been made at the first time LCG endeavoured to contact you using the details supplied by you for that purpose. Any message left on any electronic medium either mobile and telephone answering machine using the designated numbers supplied by you will be deemed as evidence of a margin call having been made. Any fax requesting a margin payment will be deemed received by you upon our receipt of a successful transmission confirmation. Any email sent to you will be deemed received upon receipt by LCG of a successful delivery notice.

- 9.5 If you fail to pay a Margin Call LCG may, but is not obliged to, close any or all of your open Positions on the basis of LCG's current Quote(s) or, at LCG's sole discretion, if the relevant market is closed either the next available Quote when the market re-opens or the last LCG quoted price prior to the most recent close of the relevant market and/or to close your account and not open any further Transactions for you.

9.6 Notwithstanding that a Margin Call has not been met, LCG may at its sole discretion allow your open Positions to run and allow you to open new Positions. This will not affect LCG's rights at any subsequent time to take any action under this Agreement.

9.7 Notwithstanding any movements in the market that may reduce the Margin Call on your account you are still liable to pay the full margin as originally requested assuming you still have the same or similar Positions open. LCG may take action and close all or part of your Positions if you fail to pay a Margin Call. Any Positions closed for such a reason shall be at the total discretion of LCG. LCG shall not be responsible for the subsequent market activity of any markets on Positions closed or left open.

9.8 LCG may view late Margin payments as indicative of customer risk and at its sole discretion may alter the Margin Requirements or close the account.

Additionally and without prejudice to this Clause or any other provision of this Agreement, LCG reserves the right (but is not obliged) to close any or all, in whole or in part, of your open Positions (including those held on a joint account with others) on the basis of LCG's current (or next available) Quote(s), to close your account and not accept any further trades from you, in each of the following circumstances without notice to you:

- if any method of payment used by you to make payment to LCG is not met on first presentation or is subsequently dishonoured;
- if any statement in whatever form that is made by you in relation to these Terms and Conditions is or becomes inaccurate in any material respect, in the sole opinion of LCG;
- if LCG, in its absolute discretion, considers that you are unlikely or unable to meet any Margin call when it falls due;
- if you are involved in an Insolvency Event;
- if any regulator of LCG business or its rules requires that LCG do so;
- if you have some dispute or complaint over any instruction or any trade made by you (in such case we may close only the trade, or part of the trade, that is part of the actual or alleged dispute);
- if LCG suspects or has any reason to suspect that you may be involved in criminal or fraudulent activity;
- if there occurs any other event or any other circumstance exists, where we reasonably believe that it is necessary or desirable to take any of the above actions in order to protect ourselves or any or all of our other customers; or
- if, at the sole discretion of LCG, LCG deems it appropriate for any reason to do so.

9.10 If your account has been closed by LCG you will no longer be entitled to enter into any Transaction.

9.11 You must not rely upon our right to demand payments of Margin as a method of monitoring your open Position(s), as such monitoring is your responsibility and we accept no liability for it and we shall not be required to issue a Margin Call and that any demands, calls or notices made or given by us in any particular instance shall not require us to make or give such demand, call or notice in another instance.

10. FEES AND PAYMENTS

10.1 In addition to Margin payments (as required and detailed above at Clauses 7 and 8 above) you agree to pay to us such sums of money as may from time to time be due to us as a result of a Transaction or Position (including any charges and/or commissions detailed from time to time in the Market Information Sheets) and such sums as may be required in or towards clearance of any debit balance on any account.

10.2 Charges and commissions applicable to your Transactions and Positions are set out in the Market Information Sheets.

10.3 You will pay all applicable Value Added Tax (VAT) and other taxes and all other fees reasonably incurred by us in connection with any Transaction. Any changes to tax laws which result in future imposition of stamp duty, capital gains tax or other tax, which may from time to time be levied on Transactions shall be for your account. You may be liable for other charges and taxes that are not imposed by us. You are solely responsible for the timely payment of such charges and taxes. You should seek independent advice if you are in any doubt as to what further charges or taxes may apply to you as a result of you entering this Agreement.

10.4 In the event that charges are imposed by the credit or debit card company (or any other provider) used to deposit funds on to your account, these may be charged by us to you. LCG will not be responsible for any non-payment of these charges and will not be liable for any proceedings or further charges resulting from non-payment of such charges.

10.5 You agree that we may share commission and charges with our Associated Companies, Trading Partners or other third parties or receive or pay remuneration from or to the same in respect of Transactions entered into by us with you. Details of any such remuneration or sharing arrangements (for example where you have been introduced to us through a third party) will not be set out in the relevant contract note. Please note that such commissions and charges will only be paid where we are satisfied that such payments do not impair our obligation to act in the best interests of our customer.

11. TRANSACTION SPECIFICATIONS

The Market Information Sheets provide important information in relation to each market offered by LCG and customers are strongly advised to ensure they understand them. The information provided in the Market Information Sheets includes:

- Contract months available in each market;
- LCG buy/sell spread and/or commission rate for each market;
- Max CGSL and Min IMR requirements for each market;
- Basis of settlement;
- Last day of dealing;
- Transaction Size specifications;
- LCG Quoting hours (in normal trading conditions the various trading times are set out in the Market Information Sheets and all times stated in the Terms and Conditions and Market Information Sheets relate to UK time);
- The applicable interest rate for Overnight Financing; and
- Other matters pertinent to various markets.

11.2 LCG has to the best of its ability insured that the Market Information Sheets are correct

but LCG reserves the right to amend any part of the Market Information Sheets at any time.

11.3 Current spreads and/or commission rates on contracts will be quoted to you on request. LCG has the right to vary Overnight Financing interest rates, spreads or commission rates on any contract or vary the Size specifications without notice especially in, but not limited to, volatile market conditions and/or illiquidity of the Underlying Market. At LCG's discretion quoted spreads made via the telephone may differ from the spreads available on an OTP or a DTP.

12. OVERNIGHT FINANCING AND ROLL OVER OF FUTURE CONTRACTS

12.1 Rolling Daily, Spot FX and undated CFD contracts are available in a variety of markets. Each market has its own conditions and spread which may vary at the discretion of LCG. Such contracts automatically roll into the next trading session. An Overnight Financing debit/credit will be made to a customer's account each night.

12.2 Trades without specific expiry dates will remain open so long as the customer has funds available to support the Margin required for each market. Should Overnight Financing charges cause the Trading Resources (Free Margin) available on your account to register a negative (debit) situation then LCG reserves the right to unilaterally move Stop levels on any open Position, at LCG's sole discretion, such that the customer returns to a positive Trading Resources position. Should you be unable to support any Rolling Daily, Spot FX or CFDs trade due to Overnight Financing (and the constraints of the Margin Requirement) LCG reserves the right (but is not obliged) to close part or all of any trade sufficient to bring the customer into a positive available funds Position. In this event it shall be entirely at LCG's discretion as to which positions are closed and which are retained. LCG shall not be responsible for the subsequent market activity on Positions closed or left open.

12.3 A Rolling Daily, Spot FX or undated CFD trade normally has no expiry date or an expiry that is many years in the future but may be closed by LCG in situations of Force Majeure or in situations where the Overnight Financing has used more than the customer's available Margin. When Positions are closed by LCG the price will be at the full spread quoted by LCG at that time or at a price that in the opinion of LCG fairly reflects the price at that time.

12.4 Where Overnight Financing is applied to open Positions, the debit/credit to the account is made for each time that they are kept open overnight, including non-business days. Overnight Financing is explained further in the Market Information Sheets.

12.5 For daily, monthly and quarterly markets you may at any time before the last dealing time of an open Position ask for a quote to roll the Position over into the next contract period. You must have sufficient Margin in your account to permit the opening of the new Transaction after the closure of the existing position being rolled.

12.6 Any roll-over price quoted will reflect prevailing market premiums / discounts. Permission to roll-over any open Position is in the absolute discretion of LCG. Upon enactment of the roll-over trade the original Position will be closed and will become due for settlement (any loss on the closed Position becomes realised and payment becomes due) and a new trade in the next relevant contract period will be created. Such rolled positions will create their own, new, CGSL which may bear no relation to the Stop Loss pre-existent on the position being rolled-over. It is your responsibility to ensure that such new Stop Loss orders are consistent with your intentions. LCG shall not be responsible for ensuring that new Stop

Loss orders are consistent with the Stop Loss orders cancelled by the closure of the trade being rolled-over.

13. ACCOUNT SETTLEMENT AND SET OFF

- If your account Balance is in debit, the full amount of that balance is due immediately.
- 13.1 Payment must be made in the currency in which the debit balance is denominated (or by agreement with LCG and at an exchange rate designated by LCG the amount may be transferred in a currency of your choice).
- 13.2 LCG will require immediate payment of any debit Account Balance by either telegraphic transfer, debit/credit card, direct debit or any other method of immediate/electronic funds transfer acceptable to LCG or by bankers draft drawn on a UK clearing bank and delivered to LCG by 4.30pm on the same business day that the debit Account Balance became due. LCG is entitled to refuse payment by cheque without notice and without giving any reason.
- 13.3 Any customer resident outside the UK may make payment by bankers draft drawn on a UK clearing bank and delivered to LCG by 4.30pm on the same business day subsequent to that in which the debit Account Balance became due.
- 13.4 LCG reserves the right to and shall be entitled to charge interest on all sums payable to LCG under these Terms and Conditions which are not paid within 5 days of their due date until payment is made in full, LCG shall charge you 2% per calendar month or part thereof cumulative on the sum owed to LCG. LCG will require you to reimbursement for any and all costs we may suffer or incur if you fail to make payment when due for any reason whatsoever.
- 13.5 LCG has the right to debit from your account or any other account in which you hold an interest any costs, interest or expenses incurred in recovering said debt. All debts to LCG are recoverable in law. LCG will actively pursue any sum (whatever the size) that is due.
- 13.6 Unrealised profits will under no conditions be paid or be available for electronic withdrawal or offset your obligation to pay your realised losses.
- 13.7 LCG shall be entitled to keep hold of funds which are required to cover adverse cash positions, Margin Requirement, any uncleared funds (i.e. cheques or credit card payments), realised losses and any other amount due under this Agreement.
- 13.8 LCG may at any time set off any liabilities owed by it to you against any amount owed by you to LCG. LCG reserves the right, without notice to you and in its absolute discretion, to consolidate any or all of your accounts of whatever type or description or any accounts in which you have a part or management function or oversight interest.
- 13.9 Without prejudice to any part of this Agreement LCG shall be entitled to require the settlement of all open Positions at any time and with immediate effect. Such settlement shall be made at the prevailing LCG Quote (Our Quote) for each trade at the time of settlement or at the first such time that such a settlement may be practicably made. The settlement amount in respect of each open Position shall be calculated by LCG at its sole discretion as the difference between the opening value of each trade and its value on the settlement price.
- 13.10 For the avoidance of doubt, we shall be entitled at any time to deduct, without notice or recourse to you, any monies deposited in or credited to your account in error by us or on

our behalf.

14. CONFLICTS OF INTERESTS

14.1 LCG recognises that there is the risk that, under certain circumstances, directors (including non-executive directors), employees, associates, consultants or any other person directly or indirectly related to LCG may hold interests, financial or otherwise, and benefits that may be in conflict with the best interests of the customers and as a consequence may damage the interests of the customers. This is known as a conflict of interest.

14.2 To prevent and to minimise the risk of conflicts of interest, LCG has adopted a number of systems and procedures which set out how it will seek to identify and manage all material conflicts of interests. These are detailed in our Conflicts of Interest Policy which has been provided to you and may be found online.

14.3 You will be aware that the main conflict that arises is that we deal as principal and act as a market maker in relation to all Transactions.

14.4 If you wish to have further information on our Conflicts of Interests Policy, or on any specific conflict of interest that you think might affect you, please contact us.

15. AUTHORISED THIRD PARTY

15.1 LCG recognises that in some circumstances it may be necessary or desirable for you to authorise someone to manage your account. You do so at your own risk and both you and the person you wish to authorise to operate your account will be required to execute and deliver to LCG a letter in the form of a signed Power of Attorney document authorising and appointing such person (an "Authorised Third Party") to operate your account.

15.2 If you have opened an account electronically, and we do not have an original of your signature, you will not be able to appoint an Authorised Third Party until such time as you furnish us with an independently verified example of your signature (i.e. photocopy of your passport or driving licence).

15.3 You will be held fully responsible for all actions of the Authorised Third Party. LCG shall be entitled to accept instructions from such Authorised Third Party until receipt of a written notice from you stating that the authority of the Authorised Third Party is revoked. Such written notice must be sent to LCG Customer Support department by registered mail or by personal delivery countersigned by an officer of LCG. Upon receipt of this instruction LCG shall change your account number and any passwords attributable to it. In any event, LCG shall be entitled, and without notice to you, to refuse to accept instructions from any Authorised Third Party and to treat the appointment of any such Authorised Third Party as terminated.

16. TERMINATION

16.1 You may terminate this Agreement immediately by giving written or verbal notice to us.

16.2 You can contact us at any time via email or telephone to instruct us to close your account. We will only close your account if you have no monies owing to us and any open Position shall be closed in accordance with Clause 9.5 above. Any losses incurred on your account prior to the closure of the account shall be deemed to be immediately payable by you.

You specifically and unconditionally agree that LCG has the right to close or suspend your account with immediate effect in any of the following events:

- you are in breach of this Agreement (the Terms and Conditions);
- you have made any material misrepresentation to LCG;
- 16.3 • you fail to provide information requested in relation to any verification undertaken by LCG;
- you act in a rude or abusive manner to employees of LCG; or
- LCG at its sole discretion decides to terminate your account.

16.4 If either party terminates this agreement all open Positions shall be immediately closed on the current quote made by LCG or, in the case where any market is closed for any reason, at the next available quote reasonably made by LCG on the reopening of said market and no new trades shall be accepted by LCG.

16.5 No penalty will be payable by either party on termination of this Agreement and termination will not affect any accrued rights. On termination by either party, we may consolidate all or any of your accounts and may deduct all amounts due to us before transferring to you any credit balances on your account.

16.6 At any time after the termination of this Agreement, we may without notice, close out any of your Positions.

17. CLIENT MONEY

17.1 LCG will treat money received from you or held by us on your behalf in accordance with the FSA Client Money Rules.

17.2 LCG will hold all Client Money in a designated client bank account located in the UK.

17.3 It is not our policy to pay interest to you on any of your money held by LCG.

17.4 In the event that there has been no movement on your account balance for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and we are unable to trace you despite having taken reasonable steps to do so, you agree that we may cease to treat your money as client money, we shall make and retain records of all balances released and undertake to make good any future valid claims against released balances.

17.5 You may not assign any part of your profits or losses to a third party. A third party may not place any funds in your account or withdraw funds from your account. All withdrawals from your account balance must be payable directly to you (by means of a cheque or BACS payment) or into an account in your name via direct debit.

17.6 Due to fraud prevention measures and in accordance with money laundering regulations LCG will only refund monies back to where they came from. Where monies have been deposited by card the funds will be returned to that card where possible and where not possible LCG may require sight of original bank statements showing original fund transfer to LCG before refunding to the said bank account.

17.7 Where monies have been deposited by bank transfer LCG may require sight of the original bank statement showing the deposit of the transfer before any refund is made.

17.8 Where bank accounts have been closed LCG may require a letter from the originating bank stating that the account has been closed and there are no funds owing to the bank. Before LCG will refund to a new bank account we may require sight of the original deposit transfer statement from the closed account and sight of an original new bank account statement.

17.9 In reference to this Clause, if LCG's records show a discrepancy between card details and LCG's account details as supplied by you, LCG may require sight of original bank statements, or any other relevant evidence, to confirm your new status before processing a refund.

18. FORCE MAJEURE

Force Majeure events are exceptional, unusual, or emergency market conditions which may prevent LCG from performing any or all of its obligations hereunder. They include, without limitation:

- markets that, in LCG's reasonable assessment, are in an emergency or exceptional state;
- the suspension or closure of any market upon which we base our quotes, or the imposition of limits or special or unusual terms on the trading in any such market;
- the occurrence of any speculative movements which in our reasonable assessment distort the level of prices in any market quoted by us;
- compliance with any law or government order rule regulation or direction;
- 18.1 • an event which prevents LCG from making orderly markets in any contract normally quoted by LCG for the purposes of making Transactions;
- any abnormal loss of liquidity in any of the markets quoted or the reasonable anticipation of such occurring or the event of excessive volatility, as reasonably assessed by LCG, in any market normally quote by LCG or of the anticipation by LCG that such a situation may occur; or
- any act, event or occurrence including any strike, riot or civil commotion, terrorism, interruption of power supply or electronic communication or information system technical or communication problems or other act of god caused through loss of power which prevents LCG from providing a normal Transaction service.

If we conclude in our reasonable assessment that a Force Majeure situation exists then we may in our absolute and sole discretion:

- suspend trading and/or amend LCG Quoting Hours for all or any markets;
- increase deposit/Margin requirements and/or amend credit limits in the case of Credit Accounts;
- 18.2 • close any or all open Positions;
- refuse to take any further Transactions even if such Transactions would be closing trades;
- immediately require payment of Margin and/or any other amounts you may owe LCG;
- cancel or fill any orders in each case at such levels as we consider in good faith and in our sole discretion to be fair and reasonable in the circumstances;

- reduce the maximum Transaction Size allowable;
- vary any spreads quoted by LCG;
- suspend or amend any part of these Terms and Conditions to the extent that it is impossible or unreasonable for LCG to conform to them; or
- take such actions as LCG deem proper in the circumstances to defend our customers and ourselves as a whole.

18.3 In the absence of fraud or bad faith, LCG shall not be liable to you for any losses you may suffer by reason of any action it may take in accordance with this Clause.

19. CONFIRMATIONS, QUERIES ON ACCOUNTS, COMPLAINTS AND COMPENSATION

Upon entering into any Transaction or order or amendment of an order or any cancellation of an order LCG contract notes will be:

- emailed to you in relation to an OTP Transaction;
 - displayed on screen in relation to a DTP Transaction; or
- 19.1 In respect of orders placed via the telephone:

(a) emailed to you where those orders are in respect of a product provided on an OTP; or
 (b) available to view on screen in relation to Transactions made via a DTP.

19.2 Any material action affecting your account will trigger an email and/or an on-screen confirmation. The absence of an email confirmation or on-screen confirmation of an action on your account will not affect the validity of any Transaction or order which has been placed.

19.3 It is solely your responsibility to keep yourself fully up to date in respect of all your Transactions and Positions. As soon as you receive any contract note you must check it to make certain that it is correct. The sooner that LCG is made aware of any error or problem, the sooner we will be able to look into or correct it. You must also regularly check your online statement.

19.4 Your account statement will be available online at any time unless LCG has suspended your account or an OTP or a DTP is unavailable for any reason.

19.5 If you receive a contract note for a Transaction or filled order that you allege has not been transacted by or for you, LCG must be notified immediately. If you do not receive a contract note for a Transaction you have placed (or believe you have placed) you must notify LCG immediately.

19.6 If you think that any contract note or statement contains any error you must notify LCG immediately.

19.7 Any query or dispute in respect of any trade or conversation, together with details of the time and date of the trade or conversation must be communicated to LCG as soon as you become aware of it. If the dispute or complaint is not satisfactorily resolved it should be referred, again with all details, to the Customer Support of LCG and, if not then resolved to

your satisfaction, it should be further referred to the Compliance Officer of LCG either by email to compliance@londoncapitalgroup.com or by post to Compliance, London Capital Group, 12 Appold Street, London, EC2 2AW. If you are in any way dissatisfied with the final resolution of any dispute you have the right to refer the matter to the Financial Ombudsman Service (the "FOS") www.financial-ombudsman.org.uk/publications/consumer-leaflet.htm. The matter should be referred to the Ombudsman within six months of the Compliance Officer's final resolution of the dispute.

19.8 In the event of any query or dispute LCG may at its discretion immediately close, at the prevailing LCG quote or the first such quote available, any Position that is in dispute. No matter what the subsequent result of the dispute, LCG will not reopen or reinstate any such closed trade.

19.9 Your business with us may be covered by the Financial Services Compensation Scheme ("FSCS" or the "Scheme"). Client money will be deposited into a client money bank account opened at an approved bank. In the event that LCG were to become insolvent all client money held in the third party bank account would be protected. In the event that the third party bank was to become insolvent you may be entitled to compensation from the Scheme if the third party bank were unable to meet their obligations. This depends on the type of business you undertake, your status, and the circumstances of the claim. Most types of investment business are covered for up to £50,000 (which is the maximum level of compensation). Further information about compensation arrangements is available from the FSCS. You can contact the FSCS by writing to them at 7th Floor, Lloyds Chambers, Portoken Street, London, E1 8BN, or by emailing them at the email address provided on the Financial Services Compensation Scheme website at www.fscs.org.uk.

20. ALTERATIONS TO THESE TERMS AND CONDITIONS

These Terms are subject to alteration by notice to you. Any alteration shall be effective immediately on service in accordance with Clause 21 and shall apply to all open Positions and unfilled orders as at and after the effective date of the change.

21. NOTICES

21.1 All notices will be sent to customers of LCG via the email messaging medium and unless LCG receives a 'failure to deliver' message all such messages will be deemed to have been received by you. Any alteration of your email address must be communicated immediately to LCG. Any losses incurred by you through non-receipt of notification or confirmation (in the case of trades or orders placed) are payable by you. LCG accepts no responsibility for non-receipt by you of any such notification or confirmation.

21.2 Any request by LCG that you make contact with us, for whatever reason, should be regarded as vital and should be acted upon immediately.

21.3 Where LCG is not notified nor receives notification from the customer that any notice or other communication has been received by the Customer, it shall be deemed to have been duly served on the Customer:

- if hand delivered at the Customer's last known home or work address or when actually given in person to the Customer;

- if given orally over the telephone or in a face to face exchange with the Customer (or person claiming to the LCG representative to be the Customer), when it has actually been given;
- if given by leaving a telephone answering machine message, text message or voice mail message, two hours after the message being left on the relevant medium;
- if sent by first class post two business days after posting of same;
- if sent by fax, on completion of its transmission, provided that a transmission "successful" notification has been received by LCG; or
- if sent by email upon receipt of a delivery notice by LCG.

Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall, except where oral communication is expressly provided for, be in writing and shall be sent to the address below:

21.4 Name of Party: London Capital Group Ltd ("LCG"),
Address: 4th Floor, 12 Appold Street, London, EC2A 2AW

22. LIMITATIONS OF LIABILITY

22.1 These Terms do not limit or exclude any liability arising out of fraud or for death or injury arising by reason of LCG negligence.

22.2 Subject to all other provisions of these Terms and Conditions and the Agreement LCG is liable to you to pay you your realised available profits. The foregoing is LCG's entire liability to you.

22.3 You shall indemnify us and keep us indemnified on demand in respect of all liabilities, costs, claims, damages and expenses of any nature whatsoever (present, future, contingent or otherwise and including legal fees) which we suffer or incur as a direct or indirect result of a breach by you of your obligations under this Agreement or us exercising our rights under in relation to the Default Event provisions detailed in these Terms and Conditions, unless and to the extent such liabilities, costs, claims, damages and expenses are suffered or incurred as a result of our gross negligence or wilful default. You shall indemnify us and keep us indemnified against all losses which we may suffer as a result of: any error in any instruction given to us by any Authorised Person or acting on any instruction, which is, or appears to be, from an Authorised Person.

Subject to Clause 22.5 LCG shall not be liable:

- for any loss, expense, cost or liability (together "Loss") suffered or incurred by you unless and to the extent that such Loss is suffered or incurred as a result of our negligence or wilful default;
- for any indirect or consequential loss or damage (whether for loss of profit, loss of business or otherwise), costs, expenses or other claims for consequential compensation whatsoever (howsoever caused) which arise out of or in relation to this Agreement; or
- for any loss suffered or incurred by you as a result of any error in any order, instruction or information given by you or an Authorised Person, or as a result of us acting on any order or instruction which is, or appears to be, from such

Authorised Person.

22.5 Nothing in these Terms shall exclude or restrict any duty or liability owed by us to you under the Financial Services and Markets Act 2000 ("FSMA") or FSA rules, which shall, in the event of conflict, prevail over these Terms.

22.6 If any of these Terms and Conditions shall be found to be unenforceable or invalid, such unenforceability or invalidity shall not affect any other part of these Terms and Conditions (or the remaining portion of the affected part as the case may be), which shall remain in full force and effect.

22.7 You shall not assign, transfer, charge or sub-contract any of the rights or liabilities hereunder.

22.8 LCG shall be entitled to assign, transfer, charge, sub-contract or deal in any manner with all or any of its rights and/or liabilities hereunder including by way of transfer of the same to an Associated Company or Trading Partner.

23. TAXES

Spread betting, CFDs and Spot FX trading have some tax advantages for UK residents. At the present time income from spread betting is exempt from Capital Gains tax, but income from CFDs and Spot FX is not. There is no Stamp Duty on either spread betting, CFDs or Spot FX. Tax regulations may change at any time. It is your sole responsibility to ensure that your spread betting, CFD or Spot FX activity complies with your local income tax regulations and any other applicable fiscal laws.

24. LEGAL JURISDICTION

These Terms and Conditions, the entire Agreement and all business transacted between LCG and you shall be governed by the laws of England and all parties where ever resident shall submit to and be subject to the jurisdiction of the English courts.

25. PRIVACY

You acknowledge that by opening an account with us and placing Transactions you will be providing us with personal information within the meaning of the Data Protection Act 1998. You consent to us processing all such information for the purposes of performing the contract and administering the relationship between us. You consent to our disclosing such information:

- 25.1
- where we are required to by law;
 - to Associated Companies;
 - to the FSA and other regulatory authorities upon their reasonable request;
 - to our Trading Partners;
 - to such third parties as we deem reasonably necessary in order to prevent crime; to such third parties as we see fit to assist us in enforcing our legal or contractual rights against you including but not limited to debt collection agencies and legal

advisors.

You acknowledge that any of the persons listed in the previous sentence may be within or outside the UK.

25.2 You authorise us or our associated companies or any trading partner to telephone or otherwise contact you at any reasonable time in order to discuss any aspect of our business or of our associated companies' business or of our trading partners' business. If you do not wish us or our associated companies or our trading partners to so contact you for any direct marketing activities, you must inform us in writing.

26. MARKET AND EXCHANGE DATA

With respect to any market and exchange data or other information that we or any third party service provides to you in connection with your use of your account, you agree that:

- 26.1
- neither we nor our Trading Partners nor any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect;
 - neither we nor our Trading Partners nor any such provider are responsible or liable for any actions that you take or do not take based on such data or information;
 - you will use such data or information solely for the purposes set out in this Agreement;
 - such data or information is proprietary to us and you will not retransmit, redistribute, publish, disclose or display in whole or in part such data or information to third parties;
 - you will use such data or information solely in compliance with exchange agreements;

26.2 In respect of market and exchange data licence fees LCG will absorb these costs, however you agree that, where applicable for access to live market and exchange data (derived or non-derived), we may pass some or all of these costs onto you if they are associated with the use of your account as we inform you from time to time.

26.3 If at any time you log into your account during the month for which the charges are liable your cash balance will be debited on or around the end of said month (regardless of whether you actually view any of the data for which the charge becomes liable). If you have an insufficient cash balance to cover the charges we reserve the right to suspend your account.

26.4 The charges will be made retrospectively for use of the account in the previous month and will not be prorated, so a full month's charge will apply regardless of when you log into your account. In certain circumstances LCG may rebate the charges, if you meet the requirements within the calendar month for which the charge applies, as set out and detailed on the website. Charges may be applied in the local currency.

DEFINITIONS

In this Agreement (and in addition to expressions defined elsewhere on our website) the following words and expressions shall have the following meanings:

"Account Balance" is the "cash balance" on your account (your account balance does not include profits or losses on any open Positions).

"Applicable Laws" means any national, local or other statute, law, rule, code guidance, order or decision of a Governmental Authority and, for the avoidance of doubt includes any rule or principle of common law or equity, all the provisions of the FSA Rules recognised under the law of England and Wales.

"Application Form" means the application form supplied by LCG in relation to these Terms and Conditions.

"Associated Company" means any holding company or subsidiary company (as defined in the Companies Act 2006) within the London Capital Group plc group and/or any subsidiary company of any such holding company or its subsidiaries.

"Authorised Third Party" means a person authorised by you to initiate trades or close existing trades using your account details, as referred to in Clause 15.

"Bet" (including **"betting"**, **"dealing"**, **"trading"**) or other similar words express a reference to a customer entering into a Transaction.

"Bid" or **"bid price"** is the price at which the Customer can sell.

"Buy" (including **"Take"**, **"Up Bet"**, **"Go Long"**, **"Long"**, **"Long Position"**) is defined as making an buy Transaction or buying the market quoted by LCG.

"CGSL" is the Computer Generated Stop Loss. This is the Stop Loss level created automatically by our system on accounts that have the automatic Stop Loss facility enabled.

"Customer" (including **"you"**, **"client"** and **"your"**) means a person or company who has opened an account with LCG and has agreed to be bound by these Terms and Conditions.

"Client Money/Monies" refers to your funds in your account which is held by LCG in accordance with FSA Rules.

"Credit Account" is an account where LCG, at its sole discretion, has offered you a credit line to use as Trading Resources.

"Contract For Difference", **"CFD"** or other similar words express a reference to a Customer placing a CFD trade.

"Default Event" shall be deemed to have occurred where:

- any statement either oral or written made by you to LCG is or becomes untrue or misleading;

- you fail to carry out any of your obligations to LCG under this Agreement (including failure to satisfy a Margin Call) or you fail to do anything that you have stated that you will do whether orally or over the telephone or by any form of written or electronic message;
- in the event of your death or become a patient within the meaning of any applicable mental health legislation;
- you are in default of payment of money owed to LCG or any of its Associated Companies or Trading Partners;
- LCG at its sole discretion believes that any of the circumstances set out in this definition are likely to happen.

"Deposit Account" is an account where you need to deposit funds before you can commence trading.

"DTP" is any Downloadable Trading Platform provided by LCG for trading our markets.

"Execution Policy" means LCG's order Execution Policy which may be amended from time to time. A summary of the current Execution Policy is available on our website.

"Expiry Date" means the expiry date and time of a Transaction.

"Free Margin" see "Trading Resources"

"FSA" is the UK's Financial Services Authority.

"FSA Rules" means the rules and regulations issued by the FSA from time to time.

"FSMA" means the Financial Services and Markets Act 2000.

"FX", (including "Forex", "Spot FX") refers to currency trading,

"Gapping" (sometimes referred to as **"Slippage"**) as is detailed in Clause 7.

"If Done Order" means an order that is only triggered on the activation of another attached order. For example, if a New Order is activated, you may wish to pre-set a Stop Loss and/or a Limit order. These additional orders are deemed "If Done Orders".

"IMR" (including **"Min IMR"**) means Initial Margin Requirement which represents the minimum Trading Resources (Free Margin) required to place an opening trade in the minimum trade size permitted by LCG. (i.e. if you have a Sterling Spread Betting Account and the Min IMR in a market was 50 then to place a unit trade size of £3 you would require at least £150 (£3x50) of available resources to do so)

"Insolvency Event" means and shall occur:

- if you are an individual, on the passing, or proposal, by you of a voluntary arrangement under the Insolvency Act of 1986 (specifically part VIII) or an agreement/composition with your creditors generally or the making of a bankruptcy order;
- if you are a company, the passing of any resolution, or order, for the winding up or dissolution of the company, or making of an administration order or the appointment of an official receiver or the sale under encumbrance of any asset of the company or the motion of any voluntary arrangement under the Insolvency Act of 1986;

- if, you as a customer of LCG under these Terms and Conditions, you are unable to pay your debts as they fall due or any act of insolvency or similar or analogous event or action taken in respect of you.

"Limit Order" refers to an instruction to take a profit on an open trade if our quote reaches the level requested or as a contingent ('If Done') instruction on a New Order.

"London Capital Group", "London Capital Group Ltd", "LCG", "LCG Ltd" (including **"we", "us", "our"** and **"ourselves"** as appropriate) the retail division of London Capital Group Limited.

"LSE" the London Stock Exchange.

"Margin" a term that describes the cash required or being used on your account to either open Transaction or run your Positions. See Clause 7.

"Margin Call" a request for Margin payment as referred to in Clause 8.

"Margin Requirement" is the amount of cash or credit resources required to maintain your existing open Positions.

"Market" refers to indices, share, currencies, commodities, bonds and interest rates or any other product that may be quoted by LCG from time to time.

"Market Information Sheets" refers to the document available online that details LCG's current Quoting Hours, Max CGSL, Min IMR, Overnight Financing interest rates, other market specifications and other rates applicable to the Transactions and Positions as determined by us for you.

"New Order" is an instruction to open a new Transaction at a possible future price based in the LCG Quote.

"Offer" or **"offer price"** is the price at which the Customer can buy.

"Order Book" the window on the OTP where your working orders are listed.

"OTP" is any Online Trading Platform provided by LCG for trading our markets.

"Overnight Financing" is the credit or debit applied to your account when you hold a Position in certain contracts overnight and including non-business days.

"Pricing Error" is defined as a misquote by LCG where the price quoted materially and clearly deviates from the prevailing market price (or the forward calculated market price) at the time that it was quoted. A Pricing Error as defined, but not exclusively, is a Bid price or Offer price which varies above or below the prevailing mid-market price of the underlying product by more than the size of the quoted bid/offer spread of that product. For example a bid/offer quote by LCG in the UK 100 Quarterly contract of 4804 – 4808 when the correct quote should have been 4797 – 4801 may be considered to be a Pricing Error as the LCG Bid of 4804 is more than the quoted spread of the product (in this case 4) away from the mid point (4799) of the correct quote.

"Position(s)" means open Transactions.

"Rolling Daily" refers to Positions that automatically roll into the next trading day without incurring any profit or loss. Such Positions usually have a long Expiry Date (sometimes many years in the future) and attract Overnight Financing.

"Quote", **"Our Quote"**, **"LCG Quote"** is the price quoted by LCG via an OTP or a DTP or over the telephone. All Quotes are based upon an Underlying Market that is sourced from either a recognized global exchange or from a wholesale counterparty.

"Quoting Hours", **"LCG Quoting Hours"** are the times detailed in the Market Information Sheets when LCG quotes its markets. LCG will not quote any markets outside of its opening hours which are generally Sunday 23:00 to Friday 21:15, UK time.

"Sell", (including **"Down Bet"**, **"Go Short"**, **"Short"**, **"Short Position"**) is defined as making an sell Transaction or selling the market quoted by LCG.

"Size(s)" refers to the size of the buy or sell Transaction. The standard, minimum and maximum trade sizes and stake sizes that LCG allows can differ from market to market and product to product and are further detailed in the Market Information Sheets.

"Stop", **"Stop Loss"** is an order to close an open Position at a pre-determined level.

"Trading Partners" are anyone with whom LCG has a contractual relationship, for example a joint venture relationship, partnership relationship, agency relationship, white label relationship or introducing broker relationship.

"Trading Resources" (or **"Free Margin"** or **"available Margin"**) is the amount of money available on your account that may be apportioned to new Transactions or to moving current Stop levels.

"Transactions" means any buy or sell trade, spread bet, CFD or Spot Forex trade made between you and LCG (including to close a Position) and includes any other such transaction made between LCG and you as may be agreed from time to time and on a case by case basis.

"Underlying Market" is the physical underlying assets from which our markets are derived, and the market in which those assets are traded.

London Capital Group Ltd is authorised and regulated by the Financial Services Authority (FSA).