

GENERAL INFORMATION

Version: October 2015

This is the General Information statement of London Capital Group Limited.

1. Regulation

London Capital Group Limited (LCG) is authorised and regulated by the Financial Conduct Authority (FCA), with a firm registration number of 182110. The FCA is based at 25 The North Colonnade, Canary Wharf, London E14 5HS and the home page of their website is www.fca.org.uk.

Regulation by the FCA demands that LCG complies with vigorous checks regarding capital adequacy and client money. All money held by LCG including deposits, client winnings and even uncleared cheques to retail clients are held in segregated bank accounts.

Contracts For Differences (CFDs) and spread bets carry 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. Only trade with money that you can afford to lose. Debts incurred through CFDs trading and spread betting are legally binding and enforceable. Make sure you fully understand the risks involved and take advice if necessary. CFDs trading and spread betting may not be suitable for all individuals. We strongly recommend that you read the Risk Warning notice and Terms and Conditions before you start trading.

Please note that tax law can, of course, be changed or may differ if you pay tax in a jurisdiction other than the UK. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

The information on this site is not directed at residents of the United States of America or any particular country outside the UK where its distribution or use would be contrary to local law or regulation. It is the responsibility of visitors to this site to ascertain the terms of and comply with any local law or regulation to which they are subject.

Whilst LCG has made every effort to ensure the accuracy of the information on this site, the information given on the site is subject to change, often without notice. It is for guidance only and no liability is accepted by LCG for its accuracy or otherwise.

2. Treatment of Client Funds held by LCG Applicable regulatory regime

LCG is authorised and regulated by the FCA and as such is subject to the FCA's client money rules with regards to the handling of funds belonging to its clients.

The purpose of the client money rules is to ensure that an authorised firm provides adequate protection for funds which it holds for its clients by requiring on a mandatory basis the segregation of client funds from the firm's own funds, other than in limited prescribed circumstances as set out below.

This mandatory separation of its clients' funds from its own proprietary funds is achieved by it holding funds which its clients pay over to it in segregated bank accounts which its bankers have acknowledged to be client money accounts. LCG's client money accounts are held in a diverse range of banks.

By operation of the FCA's client money rules the client funds which LCG holds in these accounts are subject to the terms of a statutory trust which applies automatically by virtue of section 139(1) of the Financial Services and Markets Act 2000.

That trust arrangement creates a fiduciary relationship between LCG and its clients, under which client funds held in the client money accounts maintained by LCG in its own name remain in the beneficial ownership of the clients according to their respective pro rata interests in them. Consequently money which

LCG holds for its clients in its client money accounts would not be used to satisfy the claims of any other creditors of LCG.

When you pay funds into your LCG account they will always be held in LCG's client money accounts, except in certain limited circumstances as permitted by the FCA client money rules.

Limited exceptions

The only clients whose funds will not be held in client money accounts are those clients classified as professional clients or eligible counterparties who have signed a document consenting to a title transfer of their funds.

The FCA's client money rules permit LCG to withdraw funds from a client money account in only limited circumstances. The most relevant of which you should be aware is if an amount becomes properly due and payable from you to LCG, e.g. to satisfy a debt which you owe to LCG perhaps as a result of 'gapping', in addition to or as an alternative to requesting you to make a payment to LCG. This would most commonly happen if, for instance, a CFD you have entered into is closed 'out of the money'; in that circumstance LCG could draw on the funds credited to your LCG account to satisfy the debt which you owe to it.

What happens to client money in the event of the failure of a firm or its bankers?

The FCA's client money rules prescribe the way in which, and extent to which, funds which are held in a client money account would be returned to clients in the event of the failure of the firm holding those funds for its clients.

The rules on client money, and in particular on the distribution of client money in the event of the failure of a firm, are complex. Like all authorised firms, however, LCG will always be required to deal with client money which it holds in accordance with these rules.

In the event of a shortfall, you may be entitled to compensation from the Financial Services Compensation Scheme. Most types of investment business are covered up to a maximum £50,000 claim.

Summary

Please be assured that LCG takes its regulatory obligations very seriously. In particular, in accordance with its obligations under the FCA's client money rules, LCG has taken appropriate steps to provide client money protections for its clients.

Responsible Trading

LCG want customers to enjoy trading with it and are committed to providing them with a secure, fair and socially responsible service. LCG therefore provides a number of measures and features to reassure customers and assist them in trading responsibly.

Treating Customers Fairly, with its focus on consumer outcomes, is central to the behaviour and values of all senior LCG management, who effectively communicate messages about the fair treatment of customers and apply appropriate controls and monitoring to ensure that the fair treatment of customers is delivered by all staff. The firm has a clear vision which supports the fair treatment of customers. This is reflected within the formulation and implementation of strategic decisions. The firm uses staff, customer and other external feedback where appropriate, with timely action, to improve its treatment of customers.

Access to customer history

Customers can easily access a full history of transactions, deposits and withdrawals. A customer's balance is always available when logged in to the site.

Underage

It is against the law for those under the age of 18 years to open an account and trade with LCG, who takes its responsibilities in this regard very seriously. LCG carries out age verification checks on all customers. Anyone under the age of 18 years found to be using this site will have any winnings forfeited and also will be reported to the police.

Filtering systems

If you share your computer with friends and family who are under the legal age to register or trade with this site, or if you believe that you may have a gambling problem, there are a number of third party applications that can be used to monitor or restrict the computer's access to the internet:

- Net Nanny filtering software protects children from inappropriate web content: www.netnanny.com
- Cyberpatrol safety software enables control of internet access: www.cyberpatrol.com
- Gamblock software blocks access to gambling websites: www.gamblock.com
- ICRA filtering software can disallow access to inappropriate websites: www.fosi.org
- CYBERSitter filtering software allows parents to add their own sites to block: www.cybersitter.com

Staff training

LCG's Customer Support staff receive training so they are fully aware of the issues of problem gambling.

Maintaining control

Whilst the majority of people do trade within their means, for some trading can become a problem. It may help you to keep control by following these guidelines: -

- You should establish limits for deposits, stakes and even losses before you start trading
- Avoid chasing losses.
- Only trade to levels that you can afford to lose.
- Keep track of the time and amount you spend trading.

If you need further help or to talk to someone about responsible trading then contact one of the appropriate organisations, whose details are listed below:

- Gamblers Anonymous: www.gamblersanonymous.org GamCare: www.gamcare.org.uk
- Gambling Therapy: www.gamblingtherapy.org Gamble Aware: www.gambleaware.co.uk
- or call the UK gambling helpline on 0808 8020 133

Problem gambling

If you are concerned that trading may be having a negative impact on your (or someone else's) life, then the following questions may help you find out:

- Do you stay away from work, university or college to gamble?
- Do you gamble to escape from a boring or unhappy life?

- When trading and you run out of money, do you feel lost and in despair and need to gamble again as soon as possible?
- Do you gamble until you lose all your money?
- Have you ever lied to cover up the amount of money or time you have spent trading?
- Have you lied, stolen or borrowed to maintain betting habits?
- Have you lost interest in your family, friends or hobbies?
- After losing, do you feel you must try and win back your losses as soon as possible?
- Do arguments, frustrations or disappointments make you want to gamble?
- Do you feel depressed or even suicidal because of your trading?

The more you answer 'yes' to these questions, the more likely you are to have a serious gambling problem. To speak to someone about this, please contact one of the appropriate organisations listed above.

3. General Matters

Client Classification

LCG will classify you as a Retail Client, Professional Client or Eligible Counterparty. The greatest degree of protection is afforded to Retail Clients; the vast majority of our clients are classified as Retail Clients.

You will be notified of your categorisation when you open an account. LCG may re-classify you, and it is possible for you to request re-classification. Either way LCG would require your written consent, or LCG will enter into a new written agreement with you.

If you have been categorised as a Professional Client or an Eligible Counterparty you are entitled to request that you be re-categorised as a client that benefits from a higher degree of protection. However, it is your responsibility to ask for this.

When considering your application, classifying and dealing with you, LCG relies on information that you provide. If there is any material change in that information it is your responsibility to advise LCG in writing, eg: change in address, residence, contact details, employment, financial situation etc.

In particular, if you are a Professional Client you are responsible for keeping LCG informed about any change that could affect your current categorisation.

Communication

LCG and its clients may communicate with each other in writing (including fax), by email or by any other means of electronic communication or orally (including by telephone). LCG may also communicate with you through its website. LCG will ensure that the method of sending emails and communicating via its website enables you to print the information and/ or store the information for future reference for a reasonable period of time. All communication and documentation, including the placing and receiving of trades, will be in English.

Advertising and Promotional Material

All advertising and promotions are compliant with the relevant FCA rules and advisory codes of practice and are required to be fair, clear and not misleading. This includes appropriate risk warning notices on all promotional materials. Advertising does not target those under the age of 18 years. This includes not just content but placement of advertising as well. All advertisements are targeted at a suitable audience, and

promotions give a clear, concise, accurate and balanced message with regards to the possibility of winning and losing.

Advertisements specifically confirm that clients may lose more than their initial stake.

Market Data

The market data is sourced from various providers and sources, and is only for your general information and use and is not intended to address your particular requirements. The market data does not constitute any form of advice, recommendation or arrangement by the various providers and sources and is not intended to be relied upon by you in making (or refraining from making) any specific investment or other decisions. Appropriate independent advice should be obtained before making any such decision. You acknowledge and agree that you bear responsibility for your own investment research and investment decisions, and that neither the providers or sources shall be held liable by you or any others for any decision made or action taken by you or others based upon reliance on or use of information or materials obtained or accessed through use of the Content. Investors should be aware that prices may fall as well as rise and that the income derived can go down as well as up. When buying or selling any investment that fluctuates in price or value you may get back less than you invested. Past performance is not necessarily a guide to future performance. Any arrangements made between you and any third party named in this market data are at your sole risk and responsibility. The market data is protected by copyright, trademarks and other intellectual property and proprietary rights. Republication or redistribution of content, including by caching, framing or similar means is expressly prohibited without the prior written consent of the relevant providers and sources. Although all reasonable effort has been made in collecting and maintaining the market data, no warranties as to the accuracy, completeness, timeliness, integrity or fitness for purpose of the market data are given. The various providers and sources, if any, shall not in any circumstances be liable whether in contract tort or otherwise for any consequential or indirect loss or damage or for any loss of profits or of contracts howsoever arising through negligence or otherwise and of whatsoever nature suffered or incurred directly or indirectly by you.