

## TERMS AND CONDITIONS

Version: January 2018

These are the Terms and Conditions of London Capital Group Limited.

### 1. SCOPE AND SERVICES

1.1 In this Agreement, “we”, “us” “our”, “ours” and “ourselves” means London Capital Group Limited (LCG). LCG is a company incorporated in England and Wales with registered number 03218125 and a registered office at 77 Grosvenor Street, Mayfair, London W1K 3JR. LCG is authorised and regulated in the United Kingdom by the Financial Conduct Authority (FCA), whose address is 25 The North Colonnade, Canary Wharf, London, E14 5HS. Our FCA reference number is 182110.

1.2 These terms and conditions together with the Risk Warning Notice, your completed Application Form, our Order Execution Policy, our Conflicts of Interest Policy, our Market Information (as amended from time to time) and any additional terms and conditions issued by us, including those related to Credit Accounts and any other documents that we may provide to you which are stated to form part of the agreement between us, are collectively known as the **Agreement**.

1.3 The Agreement governs your relationship with us and all Transactions entered into via any medium between you and us via a Platform. This includes any Transaction made by an Authorised Third Party or any person giving your name, account number and/or password.

1.4 You agree to be legally bound by the Agreement if you: (i) tick the relevant tick box on an Application Form, or (ii) sign an Application Form or (iii) trade on your account. For the avoidance of doubt the Agreement, as may be amended from time to time, applies to all your accounts without any separate agreement.

1.5 The Agreement will be effective as between us on the day on which we acknowledge acceptance of your application. If you are an individual acting for purposes which are outside your business, trade or profession, you have a period of 14 calendar days from acceptance of this Agreement to withdraw from this Agreement without penalty and without reason, provided that, if any Transaction is executed under the Agreement during such period, this right of withdrawal will not apply and the Agreement will be remain binding upon you from the time at which the Transaction is entered into.

1.6 We will deal with you on an execution-only basis at all times. You agree that we are under no obligation to satisfy ourselves as the suitability of

any Transaction for you, to monitor or advise you on the status of any Transaction or to make margin calls.

1.7 We will not provide you with any advice on the merits or suitability of you entering into the Agreement or any Transaction and will never provide you with any investment advice although we may 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 acknowledge and agree that you rely on your own judgement when deciding whether or not to enter into any Transaction contemplated by the Agreement. If any of our staff members appear to give advice you agree that such advice is given on a personal level and is never the official position of, or advice from, LCG. If any Trading Partner or other third party gives you advice, such advice is not given by us or on our behalf and we assume no responsibility whatsoever for any such advice.

1.8 When we execute an Order on your behalf, we will take all reasonable steps to provide you with best execution in accordance with our Order Execution Policy. A summary of our current Order Execution Policy is available on the Website. By entering into a Transaction with us you will be deemed to consent to our Order Execution Policy.

1.9 We will enter into all Transactions as principal and not as an agent for any other person. Unless otherwise agreed with us, you will also enter into all Transactions as principal and not as an agent for any other person.

1.10 Your trading will not create any rights of ownership or otherwise in any Underlying Market. We will not transfer any Underlying Market or any rights in it to you.

1.11 We provide Market Information on the Website, which outlines the Markets that we offer and various matters relating to the Agreement. The Market Information will be updated from time to time and you should read it thoroughly before entering into any Transactions. If there is any matter that you do not fully understand then you should seek clarification from us before entering into the Transaction.

1.12 Our activities with you under the Agreement include margined Transactions. Margin

requirements are detailed further at clause 3 below.

- 1.13 Notwithstanding any other provision of the Agreement, in providing our services, we will be entitled to take any action as we consider necessary to ensure compliance with Applicable Law. You agree to strictly comply with all Applicable Law. If we reasonably consider that you have not so complied, we may close your account and terminate the Agreement. You should be aware that the services we offer, including spread betting and trading in contracts for differences (CFDs), are regulated by the FCA and the applicable FCA Rules and regulations that relate to the trading of equities and futures also relate to CFDs and other such products linked to underlying equities and futures. **You 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.**
- 1.14 If we have categorised you as a retail Client, you will benefit from the regulatory protections afforded to retail Clients under the FCA Rules. If we categorise you as a Professional client or Eligible Counterparty you may lose these protections. In certain circumstances we may wish to re-categorise you and in that event will explain clearly why we are doing this and the effect this may have regarding your rights. If you wish to have a different classification, please contact us.
- 1.15 In certain, limited circumstances, it may be appropriate to categorise you as a professional Client. In such an eventuality, we will provide you with details of any limitations to the level of regulatory protection that such a different categorisation would entail.

## 2. YOUR ACCOUNT

- 2.1 You must open an account with us before we will accept any of your Transactions. You must complete and submit to us an Application Form either electronically, or on the printable form available via the Website. 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 may result in either an outright rejection of the Application Form or a delay in the opening of your account.
- 2.2 You authorise us to make such searches as we see fit to certify that the information that you have supplied in, or in connection with, your Application Form is complete and accurate. Such searches may include information from the electoral register and credit reference agencies.
- 2.3 We may make periodic checks of your details to verify that the details supplied by you have not changed. However, you must immediately inform us 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). We may agree to accept such notification over the telephone or by email.
- 2.4 We are not obliged to open an account for any applicant and may refuse any application for any reason (without providing a reason to the applicant).
- 2.5 In general, we only allow you to open Deposit Accounts (where sufficient Trading Resources are needed to facilitate new Transactions).
- 2.6 At our sole discretion you may be offered a Credit Account and/or a Swap-Free Account. In the event you are offered either such account, additional specific terms and conditions will apply to govern the operation of the account. These terms and conditions will be available via the Website or provided to you by us.
- 2.7 We reserve the right to close or suspend your account at any time. If we exercise this right, all open Transactions will be closed immediately at our current quoted price and no new Transactions will be accepted. Any Transaction you may have in markets not quoted (i.e. those that have closed for the day) will be closed at the first price reasonably available to us on the next business day or, in the case of a market suspended for any reason, closed under the terms of the Agreement.
- 2.8 We reserve the right to limit your use of any Platform and apply pre-execution trading controls as may be appropriate to preserve compliance with Applicable Law or any other trading limits which may be notified to you, or if we reasonably believe that you are or may be subject to a Default Event. In the absence of wilful misconduct or fraud by us we will not be liable to you for any loss, claim, demand or expense incurred to you in connection with us exercising these rights.
- 2.9 It is your (or your employer's) responsibility to inform us as to whether information concerning your Transactions should be reported to your employer, including its compliance officer, and as to whether Confirmations 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. We will obtain your consent prior to providing any such information to your employer.

2.10 If you open a Joint Account, you shall be jointly and severally liable for all losses, fees and charges arising on that Joint Account. This means that any monies owed on the Joint Account shall be payable in full by you or any one of the other Joint Account holders and we will not be required to collect from any holder. Also, unless we have expressly agreed otherwise in writing, we may take instructions to trade from and/or pay any portion of the account balance to you or another holder of the Joint Account without prior notice to you and we may give any notices or communications to either you or another holder of the Joint Account. Upon the death of a holder of the Joint Account we may provide notices to and take instructions from their survivor(s).

2.11 In order to access your account you will be prompted for your username or account number and password.

2.12 Your username, password and account number are extremely sensitive pieces of information. Any Transaction made on your account using either your username, account number or your password will be deemed as an instruction authorised by you, as a valid Transaction and binding on you.

2.13 You must immediately inform us 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.

2.14 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 22). If you disclose your username, password and/or account number with a third person and such person deals on your account, or if we have reason to suspect that such circumstances apply or have applied, it will constitute a breach of the Agreement and, in addition to our rights under clause 26, we may:

- (i) enforce any relevant Transaction against you if it is a Transaction under which you have incurred a loss; or
- (ii) treat any relevant Transaction as void if it is a Transaction under which you have secured a profit (and retain any such profit for our own account, subject to Applicable Law), unless and until you produce conclusive evidence within 3 months of the Transaction being closed that such circumstances do not exist.

2.15 If you deposit money to your account or make Transactions in a currency other than your Base Currency, then:

- (i) if you make a Transaction in a currency other than your Base Currency you may realise a profit or loss in that currency, which may result in you having multiple balances in different currencies;
- (ii) the realised profits or losses from each relevant Transaction may be converted by us to your Base Currency and posted to your account in the Base Currency;
- (iii) we may convert any relevant adjustments or charges to your Base Currency before such adjustments/charges are booked on your account;
- (iv) we may convert any money received from you in a non-Base Currency into the Base Currency; and
- (v) any currency conversion will be made at a rate of exchange reasonably determined by us and we will not be liable to you for any exchange rate loss suffered by you as a result of any such currency conversion.

### 3. MARGIN REQUIREMENTS

3.1 To open and maintain a Transaction you will need sufficient Trading Resources to cover the relevant margin requirement. We will determine the relevant margin requirement in our sole discretion and it will be set on an individual product basis, see Market Information sheets for specific details.

3.2 We may, at any time and in our sole discretion, increase or decrease the margin requirement in respect of you opening new Transactions and/or to maintaining your open Transactions. We will make reasonable efforts to notify you of any such change, but the relevant change will apply regardless of whether any such notice is given or received.

3.3 If the Margin Level, whether through a change in the margin requirement, erosion by the impact of adverse market movements or otherwise, becomes:

- (i) less than 100 per cent., we may at any time close all or any of your open Transactions (in whole or in part); and
- (ii) less than 50 per cent., we will close all or any of your open Transactions (in whole or in part),

in each case in markets that are available for trading and without notice. See clause 10 for further details.

- 3.4 If we take action pursuant to clause 3.3 either case, we may elect to close all open Transactions as we cannot select which Transactions to close as we are not trading on your behalf but in an 'execution only' capacity.
- 4. ORDER TYPES**
- 4.1 An Order is an offer to open or close a Transaction if our price moves to or beyond a level you specify. The basic Order types available are:
- Instant Orders;
  - Market Orders;
  - Stop Loss Orders or Limit Orders;
  - Trailing Stop Orders; and
  - Guaranteed Stop Orders.
- 4.2 Instant Orders are an immediate instruction to buy or sell at the LCG Quoted price.
- 4.3 A Market Order is an instruction to deal in a specified size at the best available price for that size. By placing a Market Order you acknowledge that the order might be executed at a price that is worse than the LCG Quote at the time you place your Order.
- 4.4 A Stop Loss Order is an instruction to deal if the LCG Quoted price becomes less favourable to you. A Stop Loss Order is generally placed to provide some risk protection, for example in the event of your Transaction moving into loss, and can be used to either open or close a Transaction. Each Stop Loss Order has a specific stop level, set by you, subject to our acceptance. A Stop Loss Order will be triggered if our bid or offer price (as appropriate) moves against you to a point that is at or beyond the level specified by you. Once a Stop Loss Order is triggered we will open or close (as appropriate) a Transaction at a level that is the same or worse than your stop level.
- 4.5 A Limit Order is an instruction to deal if the LCG Quoted price becomes more favourable to you. A Limit Order can be used to either open or close a Transaction. Each Limit Order has a specified limit level, set by you, subject to our acceptance. A Limit Order will be triggered if our bid or offer price (as appropriate) moves in your favour to a point that is at or beyond your specified limit level. Once a Limit Order is triggered we will seek to open or close a Transaction at a level that is the same or better than your limit.
- 4.6 Trailing Stop Orders automatically track the price activity of open Transactions, and adjust the Stop Level to reflect the price activity if that price activity is favourable to you. They are a tool to "lock in" profits, and mean you don't have to monitor and move your Stop Level constantly. You set the conditions for the Trailing Stop Order to move automatically if the Market moves in your favour. Trailing Stop Orders can be used on Long or Short Transactions, assisting you in securing gains if they occur as the market moves. Trailing Stop Orders are available on most Markets, and may be added to a new Transaction, or attached to open Transactions at a later stage. You specify the Stop Level (how far away from the opening level the Trailing Stop Order is to be placed), and the Trailing Stop Order will move in predetermined increments if the price moves in a favourable direction. Trailing Stop Orders are not guaranteed and may be subject to Gapping and/or Slippage. There is no charge for setting a Trailing Stop Order. Trailing Stop Orders only operate when you are logged into your account and your browser is connected. If the connection is lost or ended, the Trailing Stop is cancelled.
- 4.7 Guaranteed Stop Orders are available on certain markets; these are detailed in the Market Information. Guaranteed Stop Orders cannot be added, cancelled or amended when the relevant market is closed or outside our Quoting Hours. Maximum Transaction Size and minimum Order distance levels may be different for Guaranteed Stop Orders when compared to Stop Loss Orders. We may amend at any time and without notice the Markets for which Guaranteed Stop Orders are available, the times that Guaranteed Stop Orders can be placed, cancelled or amended, the maximum Transaction Size permitted and minimum stop distances. When instructing us to attach a Guaranteed Stop Order to an existing open Transaction, an opening Transaction, or an Order, you agree that we may charge a premium either through widening the spread on which you make your Transaction or by executing a cash debit to your account. We may change the Guaranteed Stop Order premiums at any time without notice, including in cases of volatile market conditions and/or illiquidity regardless of whether this change is or is not reflected in the Market Information. We are not required to agree to any request to place a Guaranteed Stop Order and, in certain circumstances including volatile market conditions and/or periods of illiquidity, we may refuse any request to place a Guaranteed Stop Order.
- 4.8 Other than for Limited Risk Accounts, the effects of Guaranteed Stop Orders on Transactions will not be considered for the purposes of determining your margin requirement.

- 4.9 Upon activation, a Guaranteed Stop Order will be executed at the price that you have specified and at no other price (Guaranteed Stop Orders will not be subject to Slippage or Gapping). In the event that any Order with an associated Guaranteed Stop Order is Slipped, the Stop Level of the associated Guaranteed Stop Order may be different to the Stop Level specified in the Confirmation, but equate to the same risk. We may require you to pay an additional premium in order to amend the level of a Guaranteed Stop Order. Guaranteed Stop Orders are cancelled automatically when your Transaction is closed. You will not be re-credited with any premium charged for a Guaranteed Stop Order that is cancelled. Premiums will be recharged every time an open Transaction is rolled over into a future contract if you so instruct us to place a Guaranteed Stop Order on the new Transaction. When rolling over a Transaction with a Guaranteed Stop Order attached to the next available contract period it is your sole responsibility to ensure that the new Transaction has a Guaranteed Stop Order attached if you so require. A Guaranteed Stop Order will not be attached to the new Transaction unless you specifically request it.
- 4.10 We may amend the Size and Stop Level of a Guaranteed Stop Order in the event of any corporate action or change in dividend policy relating to a particular market. You also agree that, if any placement of a Guaranteed Stop Order is unfairly advantageous to you (for example if you are Long a market that goes ex-dividend and you have a Guaranteed Stop Order placed within the amount of the dividend payment) or to us, we may amend the Size and Stop Level of any Guaranteed Stop Order.
- 4.11 We may amend a proportion of the Guaranteed Stop Order to a Stop Loss Order when the Transaction Size, whether acquired via a single Transaction or accumulated over a period via a number of Transactions, is of such a Size to warrant such an action (given the Underlying Market). If such an action is taken, we will promptly notify you as such by telephone or email so that, if you wish, you can opt to close sufficient Transactions to reduce the overall Transaction Size.
- 4.12 You may request that an Order is “Until Cancelled”, “Until End of Session” or “Until Date”:
- “Until Cancelled” means that the Order will remain in effect until cancelled by you or until the last trading day (not the Expiry Date) of the relevant market;
  - “Until End of Session” means that the Order will remain in effect until the end of the current or next quoted session for the relevant market for that day, or by 00.00 GMT (whichever is the sooner);
  - “Until Date” means that the Order will remain in effect until the time and date requested when placing the Order or until we cease to quote the relevant market (whichever is the sooner).
- 4.13 An “Until 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 us on one trading session and its subsequent reopening either on the next session or, in the case of a Force Majeure Event, whenever we reopen the relevant market, your Order will be executed at the LCG Quote based upon the first price that we are reasonably able to obtain in the Underlying Market.
- 4.14 Any Stop Loss Orders or Limit Orders on open Transactions will:
- (i) remain in effect until such time as the relevant Transaction is closed, and will function in the same manner as an ‘Until Cancelled’ Order (see 5(12));
  - (ii) be deemed to be in respect of the LCG Quote; and
  - (iii) be valid solely in respect of the Market in which we accepted the Order and not for any other.
- 4.15 A Limited Risk Account can only be operated if a Guaranteed Stop Order is specified with each Transaction.
- 4.16 For Limited Risk Accounts, a Guaranteed Stop Order cannot be cancelled by you at any time (however, a Guaranteed Stop Order may be amended in accordance with the Agreement). In addition, if a Guaranteed Stop Order on a Limited Risk Account is not specified in relation to a Transaction (for whatever reason), we will automatically place a Guaranteed Stop Order on that Transaction.
- 5. PLACING ORDERS**
- 5.1 We quote a two-way price in a Size acceptable to us involving a spread between the Buy and the Sell price. You may Buy at the higher price or Sell at the lower price, in each case in accordance with the terms of this Agreement.
- 5.2 Unless otherwise agreed, any prices shown via any Platform are indicative at the time shown and based on data which is subject to constant change. The execution price is that price which is confirmed to you at the time of execution.
- 5.3 Subject to clause 5.4 below, you may only make a Transaction with us during LCG Quoting Hours

for the Market in question and within the permissible Size(s) (unless otherwise agreed by us). The minimum and maximum Sizes 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 Sizes are available from us on request and the minimum Sizes are detailed on the Market Information. We are entitled to vary these Sizes limits and it is your responsibility to ensure that you know what the current Size limits are before making any Transactions. We also have the right to waive any Transaction Size limits with or without notice to you.

- 5.4 You may place Orders in any Market during LCG Quoting Hours and outside LCG Quoting Hours (excluding Guaranteed Stop Orders). However no Orders of any kind in any Market will be executed outside of the LCG Quoting Hours for that Market except by agreement with us. Upon the opening of any Market quoted by us any currently executable Order will be filled at our first Quote for the relevant Market that we are reasonably able to obtain with reference to the Underlying Market and the Size of the Order in question.
- 5.5 In respect of Markets quoted by us outside the trading hours of the relevant Underlying Market, all Orders are based on the LCG Quote and may be filled at the LCG Quote based on a price which is in our opinion fair and reasonable in light of prevailing world Markets at that time.
- 5.6 An Order can only be placed on the basis of a current valid Quote and you may only request for an Order to be executed on the prices currently quoted on a Platform. Our Quote is indicative only, it may change at any time and, on receipt, we may reject or accept your Order. Due to the nature of online trading systems and the potential unreliability of market price feeds, we may remove or delete Orders which in our opinion do not reflect the Underlying Market prices at the time of the placement of the relevant Order. We will not be responsible for losses or potential losses sustained by you on a rejected or cancelled Order. We are not responsible or liable for losses made with other companies on Transactions undertaken in connection with a rejected or cancelled Order.
- 5.7 If, before your Order is accepted by us, the LCG Quote moves to your advantage (for example if you have requested a Buy the price goes down or if you have requested a Sell the price goes up) we may, but are not obligated to, pass on such advantage to you so that when we accept the Order the level at which we open or close the Transaction will be adjusted to the more favourable Quote. For the avoidance of doubt we will not adjust the level of a Quote if it will be to your disadvantage. Any price improvement will be within limits set by us and we may reject any offer in accordance with clause 5.6 above.
- 5.8 Once an Order is triggered we may elect to allow you to amend the Order before it is executed by us. Although receipt of any Confirmation of an Order amendment is not binding on us, we may decide to execute the original Order if the activation of that Order occurred before the amendment was made. We will not be liable for any Transactions generated by your assumption of non-activation of a fairly executed Order.
- 5.9 It is your responsibility to cancel any Order that you no longer require. Any un-cancelled Order placed by you may be filled by us and may therefore cause losses for which you will be liable. In the case of Stop Loss Orders, if the related Transaction is closed the Stop Loss Order will be deemed automatically cancelled. If the associated Stop Loss Order on any open Transaction was actionable before you closed the open Transaction, we may adjust the closing price of your Transaction to reflect that Stop Level.
- 5.10 An Order that has been accepted by us will be executed when the LCG Quote reaches the price specified in your Order or as near as possible if the market moves through your specified level. All Quotes are based upon an Underlying Market that is sourced from either a recognised 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, scrip issues, stock splits, competitors' quotes or the volume of client 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 you should contact us for an explanation.
- 5.11 We are 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 the situation it is your sole responsibility to contact us immediately, in the first instance by telephone, in order to obtain clarification as to the validity of any Transaction.
- 5.12 Where a series of Orders may be filled to close existing open Transactions and/or open new Transactions then these Orders will be filled by us in any sequence determined by us. If this results in subsequent Orders having insufficient Trading Resources for activation, then these Orders will be cancelled. We will not look at Order filling sequences that may result in one Order being filled and another failing, we will fill

Orders as and when they are seen by our dealers and at our sole discretion.

## 6. TELEPHONE DEALING

- 6.1 When dealing over the telephone, you must give your name and account number or username. Without this information the Order may not be accepted even if it is to close an existing open Transaction. When dealing over the telephone the Order will only be accepted by us when the dealer confirms that your Order has been accepted. The verbal acceptance of an Order by one of our dealers does not negate either our or your rights in the event of a Pricing Error.
- 6.2 A Quote made over the telephone is only valid at that moment in time and may not be available on any subsequent telephone call, or throughout the initial telephone call. Quotes that have been given as "indication only" are not valid and Orders cannot be executed on them unless otherwise agreed by us. Quotes that have been qualified or Quotes that you have been told are no longer valid before you place an Order are also not tradable.
- 6.3 All calls to our telephone lines are recorded, and you hereby agree to the recording of such conversations. Each Platform retains chronological histories of all Transactions (including Transactions entered by a dealer following an instruction by telephone) and an electronic audit trail of all your activity (although this is not guaranteed). All such records and recordings of telephone conversations are our exclusive property and may be used as evidence in any dispute.

## 7. GAPPING AND SLIPPAGE

- 7.1 Apart from Guaranteed Stop Orders, no Orders are guaranteed and are subject to Gapping and Slippage.
- 7.2 Where Gapping or Slippage occurs, an Order may not be executed at the requested Order price level but at the nearest price practicably achievable by us. In any case, the Order will be executed in accordance with our Order Execution Policy. You should note the potential impact of Gapping and Slippage on any Order that you have on your account.
- 7.3 Gapping and Slippage are particularly likely when, or near when, a market or trading session opens or closes. Where Gapping occurs in a market during trading hours, any Buy Order below the market or Sell Order above the market will always be filled at the requested price but Sell Orders below the market or Buy Orders above the market may be subject to Slippage. This is in line with general exchange rules as stated in our Order Execution Policy.

- 7.4 If a new Order is subject to Gapping and/or Slippage, any associated Stop Loss Orders or Limit Orders will be set at the specified level or number of points away from the level at which the Order was actually executed.

## 8. TRANSACTIONS

- 8.1 We are not obliged to accept any instruction, howsoever given; however, when an instruction is given by you, it shall be irrevocable without our consent. Once we accept an Order the resulting Transaction will be binding on you, notwithstanding that by opening such Transaction, you may not have sufficient margin in your account or may have exceeded any credit or other limit applicable to you, and we will be under no obligation to take any steps to reverse or cancel the Order unless required by law.
- 8.2 Transactions will be confirmed via an on screen Confirmation. The contract is binding on both parties except for instances of a Pricing Error.
- 8.3 An email or on screen Confirmation that does not accurately reflect the relevant Underlying Market price at the time of the Transaction cannot be enforced by us or you.
- 8.4 In the case of Orders placed via a Platform or any other trading application, it is your sole responsibility to confirm that any Transaction is not in breach of any laws applicable to your local jurisdiction.
- 8.5 Each Transaction is based on the outcome of the price of a financial derivative, and you will not be entitled to delivery of, or be required to deliver, the underlying product.
- 8.6 You acknowledge that in placing a spread bet, you are entering into a contract which is legally enforceable by virtue of section 412 of FSMA (or any other superseding section or act).
- 8.7 Any Transactions made with us do not occur on an exchange. Rather the Transaction occurs off-exchange or over the counter ("OTC"). As a result, we enter directly into a contract with you in respect of your Transaction.
- 8.8 If multiple Clients are placing identical Transactions then we may treat this as one Transaction. Therefore, if the combined Size is greater than the liquidity of the Underlying Market and Slippage occurs, all Clients may be treated the same regardless of their individual Transaction Size and filled at the same level which will be where we were realistically able to place a Transaction in the Underlying Market plus the relevant spread.

## 9. CLOSING TRANSACTIONS

- 9.1 Transactions may be closed at any time within LCG's Quoting Hours (except where the relevant market is suspended or not available for whatever reason) unless we notify you otherwise. We may accept closure of open Transactions outside our Quoting Hours dependent upon the market but are not obliged to do so.
- 9.2 You must specifically close an open Transaction; opening an opposing Transaction will not automatically close, wholly or in part, an existing Transaction.
- 9.3 You are not required to close a Transaction prior to the Expiry Date provided that your account is not in deficit. However, in certain circumstances and in accordance with the Agreement, we will be entitled or may be required to close your Transaction prior to the Expiry Date notwithstanding that your account is not in deficit.
- 9.4 Unless market conditions dictate otherwise, all Transactions still open on their Expiry Date will be automatically settled at the relevant price as outlined in the Market Information.
- 9.5 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 or we notify you otherwise.
- 9.6 Open Transactions will automatically close on their Expiry Date (as are detailed in the Market Information) and any subsequent closing of any such Transaction by you (whether or not accepted in error by us) will be void.
- 9.7 On the Expiry Date of a Transaction with a specific expiry date, the settlement price will be based on the closing Bid or Offer price of the Underlying Market plus or minus our spread on that Transaction, depending on your Transaction (if you have a Long Transaction the settlement price will be the Bid of the equity in the Underlying Market at the Expiry Date minus the spread and if you have a Short Transaction the settlement price will be the Offer of the equity in the Underlying Market at the Expiry Date plus the spread).
- 9.8 On the Expiry Date of a Transaction with a specific expiry date during a period of low liquidity in the Underlying Market, we may settle the Transaction at the price achieved by removing our hedge on the relevant Transaction during the course of the final business day of the relevant Expiry Date plus or minus our relevant spread or at the closing Bid/Offer price in the

relevant Underlying Market plus or minus our relevant spread.

- 9.9 In certain Underlying Market conditions it may not be possible to close a single 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 we are 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).
- 9.10 We will treat all Transactions as a Buy or a Sell without reference to whether such actions open a new Transaction and/or close (or part close) an existing one. Any statement made by you with reference to any Transaction closing or opening a Transaction is not binding on us. It is your responsibility to ensure that any action made by you actually closes or opens a Transaction. We are not obliged to ensure that a statement made by you does in actuality have the stated effect (for example if you state that a Sell of the UK 100 "closes a Transaction" when it actually opens a new Transaction then the new Transaction will be deemed to have been opened).

## 10. EQUITY BASED STOP OUT

- 10.1 The Equity Based Stop Out facility protects you from incurring an uncontrolled deficit on your account and as it can result in the closure of open Transactions (in whole or in part) we strongly recommend that you strictly monitor your Trading Resources and margin levels, which vary in line with market movement.
- 10.2 In the event that you wish to prevent a Transaction from being closed, as the Equity Based Stop Out level is approaching due to adverse market movement, then funds should be deposited.
- 10.3 We do not make Margin Calls, and will not be liable for failing to contact you or failing to attempt to contact you.
- 10.4 It is solely your responsibility to monitor the position on your account, including the prevailing valuations of your open Transactions and margin requirements.
- 10.5 Equity Based Stop Out will close Transactions (in whole or in part) on markets available for trading only, and in the event of the deficiency remaining open Transactions may be closed (in whole or in part) the moment that the relevant market becomes available for trading.
- 10.6 Equity Based Stop Out will not trigger the closure of open Transactions on markets that are marked as indicative or unavailable; until the



market reverts from indicative to cleared, at which point in the event of a deficiency any remaining open Transactions may be closed (in whole or in part).

## 11. DIVIDENDS

11.1 In respect of dividends, an adjustment to your account will be made with reference to any dividend or distribution attributable to any relevant equity on which a Transaction is based and will be made and calculated as follows:

- (i) where your Transaction would result in a credit to your account (for example a Buy Transaction in an equity which goes ex-dividend) we will adjust the Account Balance in your favour by the gross dividend amount multiplied by the Transaction Size (an adjustment may be applied to any payment to factor in for example, but not limited to, tax, Transaction process charges, etc.); or
- (ii) where your Transaction would result in a debit to your account (for example a Sell Transaction in an equity which goes ex-dividend) we will adjust the Account Balance in our favour by the gross dividend multiplied by the Transaction Size (an adjustment may be applied to any payment to factor in for example, but not limited to, tax, Transaction process charges, etc.)

11.2 The above provisions will apply in respect of any constituent equity of an equities basket or equities index and are also subject to any such adjustment being scaled back in proportion to the respective weighting of the affected equity within the equities basket or equities index as we reasonably consider appropriate.

11.3 In the event of any scrip dividend or rights issue (or any dilution or concentration of equity capital or any special dividend or return of equity capital) or cancellation of dividend in any equities or indices on which a Transaction is already open we may adjust every opening Transaction price or Size taken in that Market (or to adjust your Account Balance) to fairly reflect the impact of the same.

## 12. OVERNIGHT FINANCING AND ROLLING

12.1 Rolling Daily and undated CFD contracts are available in a variety of Markets. Each Market has its own conditions and spread which may vary at our discretion. Such contracts automatically roll into the next trading session. An Overnight Financing debit/credit will be made to your account if you hold a Transaction open from one trading session to the next.

12.2 Transactions without specific Expiry Dates will remain open as long as you have funds available to support the margin requirements for each Market. If Overnight Financing charges cause the Trading Resources on your account to go into deficit then we may move Stop Levels on any open Transaction to restore the Trading Resources to a positive position on your account. If you are unable to cover any Transaction due to Overnight Financing (and the constraints of the margin requirements) we may any or all Transactions (in whole or in part) in order to restore the Trading Resources to a positive position. We will not be responsible for the subsequent Market activity on Transactions closed or left open.

12.3 A Rolling Daily or undated CFD Transaction normally has no Expiry Date or an Expiry Date that is many years in the future, but may be closed by us in the case of a Force Majeure Event or, where the Overnight Financing or anything else has resulted in deficit Trading Resources on the account. When Transactions are closed by us the price will be at the full spread quoted by us at that time or at a price that in our opinion fairly reflects the price at that time.

12.4 Where Overnight Financing is applied to open Transactions, the debit/credit to the account is made on each occasion that they are kept open from one trading session to the next, including non-business days. Overnight Financing is explained further in the Market Information and on the Website.

12.5 For daily, monthly and quarterly Markets you may at any time before the last dealing time of an open Transaction ask for a Quote to roll the Transaction over into the next contract period. You must have sufficient funds in your account to permit the opening of the new Transaction, following the closure of the existing Transaction. Any roll-over price quoted will reflect prevailing market premiums/ discounts. Permission to roll-over any open Transaction is at our absolute discretion. Upon enactment of the roll-over the original Transaction will be closed and will become due for settlement (any loss on the closed Transaction becomes realised and payment becomes due) and a new Transaction in the next relevant contract period will be created.

## 13. MARKET INFORMATION

13.1 The Market Information provides important information in relation to each Market offered by us and you are strongly advised to ensure that you understand the contents of them. The information provided in the Market Information includes:

- Expiry Date details for each Market;

- Our Buy/Sell spread and/or commission rate for each Market;
- Margin requirements for each Market;
- Basis of settlement;
- Last day of dealing;
- Transaction Size specifications;
- LCG Quoting Hours (for normal trading conditions the various trading times are set out in the Market Information. All times stated relate to UK time); and
- Further information on Overnight Financing.

13.2 We may, at any time, amend any part of the Market Information without notice.

13.3 Current spreads and/or commission rates on contracts will be quoted on request. We may vary Overnight Financing interest rates, spreads or commission rates on any contract or vary the Size specifications without notice, including during volatile Underlying Market conditions and/or illiquidity of the Underlying Market.

13.4 We may offer you a different spread to that available on our Platforms if requesting a Transaction via the telephone.

#### 14. MARKET AND EXCHANGE DATA

14.1 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:

- (i) neither we nor our Trading Partners nor any such provider are responsible or liable if any such data or information is inaccurate or incomplete in any respect;
- (ii) 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;
- (iii) you will use such data or information solely for the purposes set out in the Agreement;
- (iv) 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; and
- (v) you will use such data or information solely in compliance with exchange agreements.

14.2 In respect of market and exchange data licence fees we 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.

14.3 If at any time you log into your account during the month for which the above charges are liable your Account Balance will be debited on or around the end of such month (regardless of whether you actually view any of the data for which the charge becomes liable). If you have an insufficient Account Balance to cover the charges we may elect to suspend your access to the live market and exchange data (unless you hold an open Transaction in those markets, in which case your access will be suspended once those Transactions have closed).

14.4 The charges will be made retrospectively for use of the data in the previous month and will not be pro-rated, so a full month's charge will apply regardless of when you log into your account. Charges will be applied in the denominated currency of your account.

#### 15. CONFIRMATIONS AND STATEMENTS

15.1 Upon entering into any Transaction or Order or upon closure of any Transaction or amendment of an Order or any cancellation of an Order LCG Confirmations will be displayed on screen.

15.2 Any material action affecting your account will trigger an on-screen Confirmation. The absence of an on-screen Confirmation of an action on your account will not affect the validity of any Transaction or Order which has been placed.

15.3 It is solely your responsibility to ensure that you are fully up to date in respect of all Transactions and Orders on your account. As soon as you receive any Confirmation you must check it to make certain that it is correct and notify us promptly of any error. If you notify us of such an error, we will promptly investigate, resolve and, if necessary, rectify it.

15.4 If you receive a Confirmation for a Transaction or filled Order that you allege has not been transacted by or for you, you must notify us immediately. If you do not receive a Confirmation for a Transaction you have placed (or believe you have placed) you must notify us immediately.

15.5 You must regularly check your online statement. You are solely responsible for ensuring that you fully understand the fundamental aspects of trading and the markets in which you operate.

15.6 Your account statement will be available online at any time unless we have suspended your account, or our Platforms are unavailable for any reason.

**16. ACCOUNT SETTLEMENT AND SET OFF**

16.1 If your Account Balance is in debit, the full amount of that debt is due immediately. Payment must be made in the currency in which the debit balance is denominated (or by agreement with us, and at an exchange rate designated by us, the amount may be transferred to a currency of your choice).

16.2 When your account is in deficit we or our agents acting on our behalf, may carry out any credit and identity checks as we deem appropriate. This may result in your personal information being sent to our agents, who may be within or outside the European Economic Area (EEA).

16.3 We will require immediate payment of any debt by either electronic funds transfer, debit/credit card, direct debit or any other method of immediate funds transfer acceptable to us or by banker's draft drawn on a UK clearing bank and delivered to us by 4.30pm on the same business day that the debt arose. We are entitled to refuse payment by cheque, without notice and without giving a reason.

16.4 If you are resident outside the UK, you may make payment by banker's draft drawn on a UK clearing bank and delivered to us by 4.30pm on the same business day as the debt arose.

16.5 We may charge interest on all sums payable to us under the Agreement which have not been paid within 5 days of the date on which they arose. We will charge you 2 per cent. per calendar month or part thereof cumulative on sums owed to us, until the debt has been paid in full.

16.6 We may debit from your account or any other account in which you hold an interest any costs, debit interest and expenses incurred in recovering indebtedness. All debts to us are recoverable in law; and irrespective of size may be actively pursued.

16.7 Under no conditions with unrealised profits be paid or be made available for electronic withdrawal or used to offset your obligation to pay your realised losses.

16.8 We may retain funds that are required to cover margin requirements, net unrealised losses, uncleared funds (i.e. cheques or credit card payments), realised losses and any other amount due under the Agreement.

16.9 We may at any time set off any liabilities owed by you to you against any amount owed by you to us. We may, without notice to you, consolidate any or all of your accounts of whatever type or description of which you are the legal owner or have a claim of legal or beneficial ownership.

16.10 We may apply any credit balance to which we are at any time beneficially entitled on any account which you have with us in (or towards) satisfaction of any sum then due and payable (but unpaid) by you to us. If such balances are in different currencies, we may convert either balance at a rate of exchange reasonably determined by us for the purpose of the set-off. We will not be liable to you for any exchange rate loss suffered by you as a result of such currency conversion.

16.11 Without prejudice to any part of the Agreement we may require the settlement of all open Transactions at any time and with immediate effect. Such settlement will be made at the prevailing LCG Quote for each Transaction 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 Transaction will be calculated by us as the difference between the opening value of each Transaction and its value on the settlement price.

**17. FEES AND PAYMENTS**

17.1 When you enter into a Transaction with us you will be charged a mark-up or mark-down (the difference between the price at which we take a principal position and the Transaction execution price with you). We may agree a fixed mark-up or mark-down (commission). The mark-up/mark-down or commission that will be charged depends on the circumstances of each Transaction. You can request details of the relevant mark-up/mark-down or commissions by contacting us.

17.2 Your account will be debited with such sums of money as may from time to time be due as a result of a Transaction (including but not limited to any charges and/or commissions detailed from time to time in the Market Information, all applicable Value Added Tax (VAT) and other taxes and all other account fees (such as inactivity fees, as described in clause 20) as detailed on the Website from time to time.

17.3 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 will be debited to your account.

17.4 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 into the Agreement.

- 17.5 Charges imposed for processing credit and debit card payments may be debited from your account.
- 17.6 You agree that we may share commission and charges with our Associated Companies, Trading Partners or other third parties, and receive or pay remuneration from or to the same in respect of Transactions entered into by you with us. Such commissions and charges will only be paid where we are satisfied that such payments do not impair our requirement to act in your best interests.
- 17.7 If you were introduced to us by a Trading Partner or other third party, a portion of the revenues generated by your Transactions or of the charges paid by you to us may be given to such Trading Partner or third party and this may increase the overall cost of services to you.
- Furthermore, the amounts payable to such Trading Partner or third party may be based on the volumes of Transactions placed by you, so the Trading Partner or third party may have an incentive to encourage you to place Transactions in order to increase such amounts. By trading with us following such an introduction, you acknowledge and accept such potential conflict of interest and waive any objections you may have in respect of it.
- 17.8 We may at any time deduct, without notice or recourse to you, any monies deposited in or credited to your account in error by us or on our behalf.
- 17.9 You may not assign any part of your profits or losses to a third party. Subject to clause 22, a third party may not place any funds in your account or withdraw funds from your account. All withdrawals from your account must be payable directly to you (by means of BACS or similar electronic payment).
- 17.10 As a fraud prevention measure and in accordance with money laundering regulations, we will only refund monies back to the source from which they originated. Where monies have been deposited by card the funds will be returned to that card where possible, and where not possible we may require sight of an original bank statement before refunding to that bank account.
- 17.11 Where monies have been deposited by bank transfer we may require sight of the original bank statement showing the transfer before any refund is made to that bank account.
- 17.12 Where bank accounts have been closed we 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 we 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.
- 17.13 If our records show a discrepancy between card details and our account details as supplied by you, we may require sight of original bank statements, or any other relevant evidence, to confirm your status before processing a refund.

## 18. PLATFORMS AND SYSTEMS

- 18.1 Although we give no undertaking, representation or warranty that the Platforms will be available or accessible, we will use commercially reasonable efforts to ensure that the Platforms can be accessed by you for use in accordance with the Agreement.
- 18.2 The Platforms will be regularly updated and you should download and install the updates when prompted in order to achieve the most efficient platform functionality.
- 18.3 You are responsible for ensuring that your information technology is compatible with ours and meets our minimum system requirements. The minimum system requirements are as set out on the Website from time to time.
- 18.4 We may suspend a Platform with or without notice for any reason, including but not limited to carrying out maintenance, repair or development. We will not be liable if access to any service is prevented or interrupted or otherwise unavailable due to a Force Majeure Event and/or because of any suspension pursuant to the Agreement, unless as a result of our wilful default, fraud or negligence.
- 18.5 We give no warranty regarding the whole or any part of any Platform, the Website or any systems or network links or any other means of communication or their suitability for any equipment and device used by you for any particular purpose, unless as a result of our wilful default, fraud or negligence. We will have no liability to you in relation to any loss that you suffer as a result of any delay or defect in or failure of the whole or any part of a Platform, Website or any systems or network links or any other means of communication. We will have no liability to you, whether in contract or in tort (including negligence) in the event that any computer viruses, worms, software bombs or similar items are introduced into your computer hardware or software via Websites, provided that we have taken reasonable steps to prevent any such introduction.

18.6 Certain information on the Platforms may be provided by third parties. If any such information ceases to be provided in a manner which is compatible with the relevant Platform, we may remove as much information as is affected, without notice, without incurring any liability to you, and without any change to your payment or other obligations. Further, we may amend, update, supplement or replace the Platform software from time to time (in whole or in part) without notice, without incurring any liability to you, and without any change to your payment or other obligations. You acknowledge and agree that your use of the Platforms after any, amendment, update, supplement or replacement shall constitute your acceptance of such amendment, update, supplement or replacement.

18.7 If, despite our reasonable efforts, any Platform or related system failure occurs that makes trading impractical, all new trading will be suspended. All open Transactions will remain open until the close of the relevant Underlying Market; however, while systems are down, no Stop Loss Order or Limit Order may be executed. We are not responsible for any additional trading loss suffered due to a Stop Loss Order or a Limit Order not being duly executed because of a systems failure unless as a result of our wilful default or fraud. You remain liable for any open Transactions until confirmation is issued that they have been closed.

18.8 During periods of high volatility in Underlying Markets we may experience high telephone call volumes and where Platforms or telephony is interrupted you may not be able to contact us. In such circumstances we will use commercially reasonable efforts to answer your call as quickly as practicable but will not be liable to you for any trading loss due to delay, unless as a result of our fraud or wilful default.

## 19. ROBOTIC TRADING TOOLS

19.1 You are solely responsible for any third party applications that you use in conjunction with your account.

19.2 It is your sole responsibility to conduct due diligence on any software programs you use and determine for yourself whether the software is right for you. If you are unable to make that determination yourself you should seek advice from a professional advisor. We cannot give you any advice on the selection or use of any interface or other third party software or hardware.

19.3 If you decide to install or use a Trading Robot, Script or any other application you do so at your own risk. We shall not be responsible in any way whatsoever in respect of decisions, Orders,

Transactions or signals generated by the use of a Trading Robot, Script or other application, your use of such tools or any resulting trading losses.

19.4 Please note that a Trading Robot, Script or other application may generate a high number of trades and at times leverage your account to the maximum possible exposure to a market given your available funds. It is your sole responsibility to monitor these Orders and Transactions and to maintain sufficient funds in your account at all times.

19.5 If a Trading Robot, Script or other application is creating high volumes of Transactions, pending Orders or Order amendments that we believe is impacting the performance of our servers then we may elect to disable such applications in respect of your account. In normal circumstances we will use reasonable efforts to notify you of our intention to suspend your account.

19.6 We may elect to ban or otherwise prohibit the use of any particular Trading Robot, Script or other application or to disable your account for all such applications.

## 20. INACTIVE ACCOUNTS

20.1 Where no activity has occurred on your account for 180 calendar days or more ("qualifying charging period"), your account will be deemed inactive.

20.2 "Activity" relates to the placing or closing of a trade, maintaining an open position or making a deposit on your account.

20.3 In such cases, a monthly inactivity fee will be applied to your account as follows and in accordance with the designated currency of your account:

- GBP 15
- EUR 18
- USD 20
- CHF 20
- PLN 75
- Other Currency 25

20.4 We may apply the inactivity fee to your account without prior notice.

20.5 Inactivity fees will be deducted from your available cash balances on the last calendar day of each month following the qualifying charging period as noted in (1) above.

- 20.6 Where you have multiple accounts with us, we will apply the inactivity fee on each account which is inactive.
- 20.7 If an inactive account becomes active during a calendar month, we will waive the inactivity fee for that particular month. The qualifying charging period will then reset.
- 20.8 We may deactivate your account if becomes inactive in accordance with this clause 20. Where practicable we will use reasonable efforts to give you advance notice of any deactivation. If you receive a notice of pending deactivation or your account has been deactivated without you receiving notice and you wish it to remain active or be reactivated, please contact us.

## 21. REPRESENTATIONS AND WARRANTIES

- 21.1 Each time you enter into a Transaction you represent and warrant as follows:
- (i) all information that you have provided us with (in your Application Form and subsequently) is true and accurate in all material respects;
  - (ii) you agree to be bound by the Agreement;
  - (iii) you have read and fully understood the Agreement, including the Market Information and the Risk Warning Notice;
  - (iv) you as an individual, are over 18 years of age;
  - (v) the action of entering into a Transaction with us is legal in the jurisdiction you are currently resident and that you will not violate any law, rule or regulation relevant to you;
  - (vi) you are, or your Authorised Third Party is, making each and every Transaction on your own behalf as principal; and
  - (vii) you are duly authorised to make any Transaction.

## 22. AUTHORISED THIRD PARTY

- 22.1 We recognise 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 submit a signed form which is a type of Power of Attorney document authorising and appointing an Authorised Third Party to operate your account.

- 22.2 If you have opened an account electronically, and we do not have an original of your signature, you will need to provide an identity document such as a copy of your passport or driving licence, and any other documents reasonably requested by us, in order to be able to appoint an Authorised Third Party.
- 22.3 You will be held fully responsible for all actions of the Authorised Third Party. We will be entitled to accept all instructions from an Authorised Third Party until that authority is revoked. If you wish to revoke or amend the authorisation of an Authorised Third Party, you must provide written notice of such intention to us. Any such notice will not be effective until two working days after it is received by us (unless we advise you that a shorter period will apply). You acknowledge that you will remain liable for all instructions given to us prior to the revocation/variation being effective, and that you will be responsible for any losses which may arise on any Transactions which are open at such time. In any event, we may, and without notice to you, refuse to accept instructions from any Authorised Third Party and to treat the appointment of any such Authorised Third Party as terminated.

## 23. PRICING ERRORS

- 23.1 If a Pricing Error occurs, we may, without your consent, void from the outset, close on the basis of our then current prices or amend the terms of any Transaction containing or based on such Pricing Error. If we choose to amend the terms of any such erroneous Transaction, the amended level will be such level as we reasonably believe would have been fair at the time the Transaction was entered into. In deciding whether an error is a Pricing Error we may take into account any relevant information including the state of the Underlying Market at the time of the error or any mistake in, or lack of clarity of, any information source or pronouncement upon which we base our quoted prices. Any financial commitment that you have entered into or refrained from entering into in reliance on a Transaction with us will not be taken into account in deciding whether or not there has been a Pricing Error.
- 23.2 In the absence of wilful default or fraud by us we will not be liable to you for any loss, cost, claim, demand or expense following a Pricing Error (including where the Pricing Error is made by any information source, commentator or official upon whom we reasonably rely).
- 23.3 If a Pricing Error has occurred and we choose to exercise any of our rights under clause 23.1, and if you have received any monies from us in connection with the Pricing Error, you agree that those monies are due and payable to us and you agree to immediately return an equal sum to us.

## 24. MARKET DISRUPTION

24.1 If we determine that the Underlying Market in relation to an open Transaction is subject to a Disruption Event, then we may, with our without notice to you and without prejudice to any other rights and remedies we may otherwise have under the Agreement or at law:

- (i) suspend trading in the relevant market(s);
- (ii) close any or all open Transactions (in whole or in part)
- (iii) refuse to place any Transactions in the relevant market(s);
- (iv) cancel any Orders and fill any Orders in each case at such price as we may consider in good faith to be appropriate in all the circumstances;
- (v) value the relevant Transactions at zero (0);
- (vi) suspend or modify terms of the Agreement to the extent that it is impossible or not reasonably practicable for us to comply with them;
- (vii) immediately require payment of any margin and/or any other amounts owed by you to us; or
- (viii) take or omit to take all such other actions as we deem appropriate in the circumstances, and we will not be liable to you for any loss arising to you for any reason, unless as a result of our negligence, wilful default or fraud.

24.2 We will not be liable to you for any loss suffered by you as a result of the suspension or trading of any Underlying Market.

24.3 If an Underlying Market or related exchange becomes subject to a takeover or merger offer or enters into or becomes the subject of an Insolvency Event, we may close any or all Transactions at any time during the takeover, merger or insolvency process or to adjust the opening price of your Transaction to reflect any cash portion of the offer or to amend the Size to reflect any corresponding underlying adjustment caused by the takeover, merger or Insolvency Event and/or to close the existing Transaction and reopen a new Transaction reflecting the new equity that is created by the takeover, merger or Insolvent Event.

24.4 If an equity or Underlying Market is suspended, we may increase your margin requirement to the extent considered by us to be fair and

reasonable in the circumstances. If an Underlying Market remains suspended for more than four business days we may close the Transaction with reference to the last official price at the time of suspension.

## 25. FORCE MAJEURE EVENTS

25.1 We may, in our reasonable opinion, determine that an emergency or an exceptional market condition exists which may prevent us from performing any or all of our obligations (a **Force Majeure Event**). Following the occurrence of a Force Majeure Event, we will inform the FCA and take reasonable steps to inform you.

25.2 Force Majeure Events includes the following events:

- (i) any act, event or occurrence (including any strike, riot or civil commotion, industrial action, acts and regulations of any governmental or supra national bodies or authorities) that, in our reasonable opinion, prevents us from maintaining an orderly market in one or more of the indices/markets in respect of which we ordinarily accept Transactions;
- (ii) the suspension or closure of any market or the abandonment or failure of any event upon which we base, or to which we in any way relate, Our Quote, or the imposition of limits or special or unusual rules on the Transactions in any such market or on any such event;
- (iii) the occurrence of an excessive movement in the level of any of our Indices and/ or any corresponding market or our anticipation (acting reasonably) of the occurrence of such a movement; or
- (iv) the failure of any relevant supplier, broker, agent or principal of ours, exchange, clearing house or regulatory or self-regulatory organisation, for any reason to perform its obligations.

25.3 If we determine that a Force Majeure Event exists we may without notice and at any time take one or more of the following steps:

- (i) increase the margin payable on any or all of your open Transactions (in whole or in part);
- (ii) close any or all of your open Transactions (in whole or in part), at such closing level as we reasonably believe to be appropriate (where there is no Quote available, we may close any such Transactions at the time when we

reasonably believe that, but for the existence of the Force Majeure Event, the level set by you for closing the Transaction would have been reached);

- (iii) suspend or modify the application of any or all of the terms of the Agreement to the extent that the Force Majeure Event makes it impossible or impractical for us to comply with the term or terms in question; or
- (iv) alter the Expiry Date for a particular Instrument.

25.4 We will not be liable for any losses incurred as a result of any Force Majeure Event, including as a result of any interruption of power supply, electronic communication, information system or any event which prevents us from supplying information in one or more of the markets in which we would ordinarily quote.

25.5 We will not be liable for any losses you may suffer by reason of any action we may take in accordance with a Force Majeure Event.

## 26. TERMINATION AND DEFAULT EVENTS

26.1 You may, at any time, terminate the Agreement and close your account by giving us ten calendar days' notice written notice (including notice by email). Any open Transactions or Order will be closed at the end of the notice period as per clause 26.4 below.

26.2 We may, at any time, close your account immediately, whether or not you are in breach of the Agreement. Any open Transactions or Order will be closed as per clause 26.4 below.

26.3 If any Default Event occurs, we may immediately take any or all of the following actions:

- (i) void any or all Transactions from the outset;
- (ii) close any or all of your open Transactions (in whole or in part, and including those held on a joint account with others) on the basis of the current, or next available LCG Quote(s);
- (iii) close or suspend your account;
- (iv) refuse to accept any further Transactions from you;
- (v) require immediate payment of any amounts you owe to us;
- (vi) cancel any Orders and open Transactions; and/or

(vii) terminate the Agreement.

26.4 If either party terminates the Agreement and/or closes your account, all open Transactions will be closed at the relevant time at the current LCG Quote or, in the case where any market is closed for any reason, at the next available LCG Quote on the reopening of such market and no new Transactions will be accepted by us. All Orders will be cancelled and no new Orders will be accepted by us. In accordance with clause 16.1 all debit balances will be immediately due and must be paid in full; and all credit sums will be paid to you prior to the closure of the account.

26.5 No penalty will be payable by either party on termination of the 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 balance on your account.

## 27. INDEMNITY AND LIABILITY

27.1 The Agreement does not limit or exclude our liability to you in respect of fraud, fraudulent misrepresentation, death or injury arising by reason of our negligence or any other matter that cannot be limited or excluded by law.

27.2 Subject to clause 27.1, we have no liability to you for any losses, costs, damages, liabilities or expenses suffered relating to the Agreement or any trading activities undertaken by you using the services we provide to you. Our entire liability to you is limited to paying you, subject to the rest of the Agreement, your realised available profits and available unencumbered deposits.

27.3 You will 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 (i) a breach by you of your obligations under the Agreement, or (ii) any misrepresentation or breach of warranty by you; (iii) us exercising our rights under the Agreement, (iv) the occurrence of any Default Event, or (v) any error in any instruction given to us by any Authorised Third Party or acting on any instruction, which is, or appears to be, from an Authorised Third Party.

27.4 Subject to clause 27.1, we will not be liable:

- (i) 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 the Agreement;



- (ii) for any incidental, special, punitive or consequential damages caused by any act or omission of ours under the Agreement; or
- (iii) 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.

27.5 Nothing in the Agreement will exclude or restrict any duty or liability owed by us to you under FSMA or FCA Rules, which will, in the event of conflict, prevail over the Agreement.

## 28. NOTICES AND COMMUNICATIONS

28.1 All notices, conversations and communications will be sent to you via email and unless we receive a "failure to deliver" message all such messages will be deemed to have been received. Any alteration of your email address must be communicated immediately to us.

28.2 All notices, conversations and communications between you and us are recorded, and you hereby agree to the recording of such conversations. All such records and recordings are our exclusive property and may be used as evidence in any dispute.

You may be provided with a copy of any such recording upon your request to us, during the 5 years period from the date of such conversations and communications are being recorded.

You understand and agree that any of these recording materials shall be made available by us to the competent authorities when requested for the period of 7 years after the date of creation of the recording.

28.3 We will not be liable to for any losses, damages or costs incurred by you through non-receipt of notifications or Confirmations (in the case of Transactions or Orders placed), including where such loss, damage or cost is a result of your inability to close a trade. We accept no responsibility for non-receipt by you of any such notifications or Confirmations.

28.4 Any request by us that you make contact with us, for whatever reason, should be regarded as vital and should be acted upon immediately. Time will be of the essence for all such requests.

28.5 Where we are not notified that any notice or other communication has not been received by you, that notice or communication will be deemed to have been duly served on you:

- (i) if hand delivered to your last known home or work address, or when actually given in person to you;
- (ii) if given orally over the telephone or in a face to face exchange with you (or person claiming to be our representative to be you); 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;
- (iii) if sent by first class post two business days after posting of same;
- (iv) if sent by fax, on completion of its transmission, provided that a transmission "successful" notification has been received by us; or
- (v) 10 seconds after being sent by email.

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

London Capital Group Ltd, 77 Grosvenor Street, Mayfair, London W1K 3JR, UK

28.7 You acknowledge and agree that communication transmitted by you or on your behalf is made at your risk and you authorise us to rely and act on, and treat as fully authorised and binding upon you, any communication (whether or not in writing) that we reasonably believe to have been made or transmitted by you or on your behalf by any agent or intermediary whom we reasonably believe to have been duly authorised by you.

28.8 Subject to Applicable Law, any communications between us using electronic signatures will be binding to the same extent as if they were in writing. By agreeing to the Agreement you give your consent to the receipt of communications by electronic means, notwithstanding that certain communications would otherwise be required to be made using a durable medium under Applicable Law.

28.9 Without limiting the generality of the foregoing, orders placed or other instructions given by electronic means will constitute evidence of such orders or instructions. If you no longer wish to communicate in this way, you must revoke your consent in writing.

28.10 You consent to receiving documents and information regarding your account and our

products and services in electronic form, including by email and via the Website.

**29. PRIVACY AND DATA PROTECTION**

29.1 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 and Associated Companies processing all such information for the purposes of performing the contract and administering your account, the services provided to you and the relationship between us. You consent to our disclosing such information:

- (i) where we are required to by law;
- (ii) to Associated Companies;
- (iii) to the FCA and other regulatory authorities upon their reasonable request;
- (iv) to our Trading Partners;
- (v) to such third parties as we deem reasonably necessary in order to detect or prevent crime, including money laundering;
- (vi) 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;
- (vii) to such third parties we reasonably believe to be seeking a reference or credit reference in good faith; and
- (viii) to such third parties who may be enquiring as to any bad debt or liability.

29.2 You acknowledge that any of the persons listed in the previous sentence may be within or outside the EEA. In the case of transferring data to Associated Companies or Trading Parties, we shall ensure that such persons apply data protection measures equivalent to those imposed upon us by applicable data protection law to protect your personal information.

29.3 Our full privacy policy, as may be amended from time to time, is available on the Website and you should read this document.

29.4 You acknowledge that all Transaction and Order data concerning your activities on your account is exclusively our property and we and our agents may use such Transaction and Order data for any purpose at our sole discretion.

29.5 You authorise us and 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.

29.6 If you have been introduced to us by a third party you acknowledge and agree to our exchanging your information with that person to the extent necessary for us to fulfil our obligations under any agreement we may have with that person. Such disclosure may result in our sharing financial and personal information about you including your application details, your account status and your trading activity. If you no longer wish us to disclose information to such persons, please notify us in writing.

29.7 If you wish to access information we may hold or wish us to correct any misinformation please notify us in writing. A fee may be charged for providing access to the information. Please note that pursuant to the Data Protection Act 1998 certain information may be exempt from disclosure or we may be unable to disclose information you request.

**30. INTELLECTUAL PROPERTY**

30.1 All Intellectual Property Rights in or arising out of or in connection with the services provided under the Agreement, the Platforms, the Website or any other thing supplied by us to you shall, to the extent not owned by a third party, be owned by us. You acknowledge and agree that, in respect of any third party Intellectual Property Rights, your use of any such Intellectual Property Rights is conditional on our obtaining a written license from the relevant licensor on such terms as will entitle us to license such rights to you.

30.2 You acknowledge and agree that you must not supply any or the services provided under the Agreement or the Website (or any part of them) to anyone nor may you copy the services or the Website.

30.3 We may from time to time supply data or material to you in connection with the services provided under the Agreement, the Platforms or the Website. You must not obscure, tamper with or otherwise destroy any copyright or other proprietary notices on any data or material we supply to you or disclose, publish or otherwise make available such data or material to third parties. You must only use any data or material we supply to you in connection with the operation of your account, and upon the closure of your account you must return any such material to us.

30.4 Anything we supply to you is supplied on a non-exclusive basis and we reserve the right to cease such supply and terminate your usage of any service, Platform or the Website or any other thing we supply to you.

### 31. MARKET ABUSE

31.1 We may hedge our exposure to you by opening corresponding positions with other institutions. As a result, when you enter into Transactions with us, such Transactions can, through our hedging, exert a distorting influence on the relevant Underlying Market in addition to the impact that it might have on our prices.

31.2 Each time you open or close a Transaction, you represent and warrant to us that:

- (i) you will not place and have not placed a Transaction with us relating to a particular Underlying Market if to do so would result in you, or others with whom you are, or may reasonably be regarded as, acting in concert, having an exposure to that Underlying Market which is equal to or exceeds the amount of a declarable interest (as set by law, rule or regulation or by the relevant exchange) in the relevant company;
- (ii) you will not place and have not placed a Transaction with us in connection with a placing, issue, distribution or other analogous event, or an offer, takeover, merger or other analogous event in which you are involved or otherwise interested;
- (iii) you will not place and have not placed a Transaction that contravenes any law, rule or regulation against insider dealing or market abuse.
- (iv) we may proceed on the basis that, when you open or close a Transaction with us, you may be treated as dealing in securities within the meaning of the Criminal Justice Act 1993, FSMA and/or any other law, rule or regulation against market abuse;
- (v) you will not place and have not placed a Transaction in circumstances which otherwise may be considered to constitute market abuse; and
- (vi) you are familiar with, understand and are in full compliance with any Applicable Law concerning the short sale of securities if you seek to execute a Transaction with a short securities position which we may hedge with a short sale of securities you that your use of the services provided by us will not result in a

breach by us of any Applicable Law concerning the short sale of securities.

31.3 We may, if required in order to comply with legal and regulatory obligations and without notice or reason, close any Transactions (in whole or in part) and treat any such Transactions as void.

31.4 If you open any Transaction in breach of the representations and warranties given in clause 31.2, or we have reasonable grounds to believe you have done so, it will constitute a breach of the Agreement and, in addition to our rights under clause 26, we may, without notifying you of our reasons:

- (i) enforce the Transaction against you if it is a Transaction under which you have incurred a loss; and
- (ii) treat the Transaction as void if it is a Transaction under which you have secured a profit (and retain any such profit for our own account, subject to Applicable Law), unless and until you produce conclusive evidence within 6 months of the Transaction being closed that you have not, in fact, committed the relevant breach of warranty and/or misrepresentation.

### 32. UNFAIR AND IMPROPER ACTIVITIES

32.1 You agree to use our services in good faith and not to take unfair advantage of our services or otherwise act in an unfair manner or abusive manner in respect of our systems, platforms or accounts. Such behaviour includes:

- (i) using any electronic device, software, algorithm, or any dealing strategy that aims to manipulate or take unfair advantage of our Services;
- (ii) exploiting a fault, loophole or error in our software, system, the Platforms;
- (iii) collusion;
- (iv) using trading strategies designed to return profits by taking advantage of latencies in a Platform, delayed prices or through high volumes of Transactions opened and closed within an unusually short period of time as compared to the 'average' client and/or targeting tick fluctuations rather than movements reflecting the correct underlying prices; and
- (v) placing high volumes of pending or market Orders on your account where you have insufficient funds in your

account to cover the margin required if those Orders were executed.

32.2 Any financial commitment that you have entered into or refrained from entering into in reliance on a Transaction with us will not be taken into account in deciding whether or not there has been unfair or abusive behaviour.

32.3 If you carry out any of the behaviour in clause 32.1 in respect of any Transaction, or we have reasonable grounds to believe you have done so, it will constitute a breach of the Agreement and, in addition to our rights under clause 26, we may:

- (i) terminate your access to our servers;
- (ii) amend the Transaction, so that it is as it would have been if the Order was executed in the absence of the improper behaviour;
- (iii) enforce the Transaction against you if it is a Transaction under which you have incurred a loss; and
- (iv) treat the Transaction as void if it is a Transaction under which you have secured a profit (and retain any such profit for our own account, subject to Applicable Law), unless and until you produce conclusive evidence within 6 months of the Transaction being closed that you have not, in fact, carried out the relevant behaviour in clause 32.1.

32.4 We can exercise the rights in this clause 32 even if you have entered into (or refrained from entering into) arrangements with third parties relating to the relevant Transaction and even if you may suffer a trading loss as a result.

32.5 If we exercise any of our rights under clause 32.1, and if you have received any monies from us in connection with any associated Transactions, you agree that those monies are due and payable to us and you agree to immediately return an equal sum to us.

### 33. CLIENT MONEY

33.1 Unless otherwise agreed in writing, we will hold your money (including cash deposited, realised profit and unrealised profit) as trustee in a segregated account at a bank or other financial institution chosen by us in accordance with the Client Money Rules and subject to and in accordance with the Agreement.

33.2 We may, subject to our legal and regulatory requirements, hold client money in a client money bank account located outside the EEA.

The legal and regulatory regime applying to any such bank will be different from that of the EEA and in the event of the insolvency or any other equivalent failure of that bank, your money may be treated differently from the treatment which would apply if the money was held with a bank in the EEA.

33.3 Although we will take reasonable care in the selection of a bank or financial institution for the purposes of clauses 33.1 and 33.2, we accept no responsibility for the solvency of the bank or other financial institution and to the extent that part or all of your money is lost by reason of the partial or complete failure of the bank or other financial institution the loss will be borne by you, not us.

33.4 Unless you notify us in writing or otherwise, we may pass on client money or allow another person, such as an exchange, a clearing house or an intermediate broker, to hold or control client money where we transfer the client money (i) for the purposes of a Transaction for you through or with that person; or (ii) to meet your obligations to provide collateral for a Transaction (e.g. a margin requirement).

33.5 This clause governing the transfer of full ownership of money only applies to you if you have been classified as a Professional client or an Eligible Counterparty and have signed, or otherwise agreed to, an election statement pursuant to which you agree that:

- (i) funds which you pay into your account are held by us to cover your current and future open Transactions. When you pay funds into your account you will therefore be treated as transferring full ownership of money to us for the purpose of securing or otherwise covering present, future, actual, contingent or prospective obligations which you might owe to us, and as such we will not be required to hold those funds pursuant to the Client Money Rules (set out in the Client Asset Sourcebook of the FCA's Handbook of Rules and Guidance, which you can access at <http://www.fca.org.uk>).
- (ii) As a result, you will cease to have a proprietary claim over any funds which you have paid into your account and we will be permitted by the Client Money Rules to hold and deal with those funds in such manner as we may determine at our discretion. You may ask us to return to you all or any part of the credit balance of your account from time to time but we will only be required to do so to the extent that such amounts are not securing or otherwise covering current open Transactions.

(iii) If we close all of your accounts so that there are no open Transactions, we will pay to you the net credit balance of your account after deducting all outstanding amounts which you owe to us.

33.6 We do not pay interest to you on any money that we hold and by entering into the Agreement you acknowledge that you are waiving any entitlement to interest on such money under the Client Money Rules or otherwise.

33.7 You agree that, in the event that there has been no movement on your account for a period of at least six years (apart from adjustments in respect of charges, interest or other items that do not stem from Transactions or cash payments made by you to us) and we are unable to trace you despite having taken reasonable steps to do so, we may cease to treat your money as client money under the Client Money Rules and donate it to a registered charity of our choice.

#### 34. CONFLICTS OF INTERESTS

34.1 Due to the range of financial services that we offer there is the risk that, under certain circumstances, we or our Associated Companies, counterparties or other clients may hold interests, financial or otherwise, and benefits that may be in conflict with your interests or our duties to you.

34.2 To prevent and to minimise the risk of conflicts of interest, we have adopted a number of systems and procedures pursuant to Applicable Law, which set out how we seek to identify and manage all material conflicts of interests. These are detailed in our Conflicts of Interest Policy which is available on the Website (as may be amended from time to time).

34.3 You acknowledge and accept that there is a possibility that conflicts may arise and consent to us acting in accordance with our Conflicts of Interest Policy notwithstanding such conflict.

#### 35. NEGATIVE BALANCE PROTECTION FOR RETAIL CLIENTS

35.1 If according to the LCG's policies you are categorised as a Retail Client, the terms on which we provide our services to you are intended to prevent your Account Balance from going into debit (i.e. incurring a negative balance) due to normal trading activity. However, in certain circumstances it may still be possible for your trading activity to cause the Account Balance to go into debit. In such circumstances, we will cancel and reimburse any such negative balance on your account, such that your Account Balance is no longer less than zero, provided that we have determined that the following

conditions are each satisfied at the time the Account Balance goes into debit:

i. the relevant deficit is, in its entirety, related to your normal trading activity only and not due to other reasons (including, without limitation, fees or charges applied to your account in accordance with the Agreement);

ii. you are classified by us as a retail client;

iii. you are, at all relevant times, a resident of Germany or France

iv. we have not determined, in our sole discretion, that the provisions of this clause will not apply to you, whether or not you have been notified as such (which such right is hereby reserved);

v. no Default Event has occurred;

vi. you have not otherwise breached the Agreement

vii. no Force Majeure Event or Disruption Event in respect of a relevant Underlying Market has occurred; and

viii. none of you, any Authorized Third Party or any other third party has undertaken any actions (or omissions) that constitute fraud, negligence, market abuse, misconduct, or unfair or improper behaviour.

35.2 In respect of any account with a negative Account Balance, we will be entitled to combine the balances of any other accounts you hold with us, including any Joint Accounts, with such account, and to effect any set-off of amounts owing between you and us, pursuant to the terms of this Agreement or otherwise, in each case in order to reduce or remove the relevant negative balance before effecting the negative balance protection provisions set out in this clause

35.3 It is strongly stressed and brought to your attention the fact that this clause apply only to trades/transactions that are entered/opened/performed after the **June 10<sup>th</sup>, 2017**, LCG will not be liable nor obliged to reimburse any negative balance amount and/or fee for the transactions resulting in negative balance before this date.

#### 36. COMPLAINTS

36.1 Any queries or complaints should, in the first instance, be raised with our customer services department or with our dealers. To assist us in resolving your query or complaint quickly, we recommend that you provide full and accurate details of the relevant query or complaint promptly and in writing.

36.2 All queries and complaints will be handled according to our complaints procedure, a copy of which is available on the Website. If you are dissatisfied with the decision reached by our Compliance Department, you may be able to refer the complaint to the Financial Ombudsman Service ([www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)) for further investigation at Exchange Tower, London E14 9SR and we will be bound by their ruling.

36.3 We may suspend trading on your account while a query or complaint is being investigated and resolved.

36.4 In the event of any query or complaint we may immediately close, at the prevailing LCG Quote or the first LCG Quote available, any Transaction that is in dispute. Regardless of the subsequent result of the query or complaint, we will not reopen or reinstate any such closed Transaction and will not be responsible or liable for the implications of any Market movement after the Transaction has been closed.

36.5 In relation to any query or complaint you may have, you acknowledge and agree that you will be under a general responsibility to mitigate your losses.

### 37. COMPENSATION

37.1 We are covered by the Financial Services Compensation Scheme. If you are an eligible claimant under the rules of the FCA, your account is protected by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered up to the first £50,000 per claimant. Further information about compensation arrangements is available from the Financial Services Compensation Scheme website ([www.fscs.org.uk](http://www.fscs.org.uk)).

### 38. RIGHTS AND REMEDIES

38.1 All of our rights and remedies under the Agreement may, unless otherwise stated, be exercised in our sole and absolute discretion and we are under no obligation to exercise any or all of them.

38.2 All determination, decisions and calculations to be made by us under the Agreement will be done in our sole and absolute discretion.

38.3 We may waive or relax any terms of the Agreement from time to time. Any liability accrued due to such permission is your sole responsibility. Any agreement to waive or failure to enforce any part of the Agreement will not

constitute a waiver by us of our right to enforce it at a subsequent time.

38.4 No delay in the exercise or non-exercise by either party of any right, power or remedy provided by law or under or in connection with the Agreement will impair such right, power or remedy or operate as a waiver or release of that right. Any waiver or release must be specifically granted in writing, signed by the party granting it.

38.5 The rights and remedies of each party under the Agreement are cumulative and not exclusive of any rights or remedies of that party under the general law. Each party may exercise each of its rights as often as it thinks necessary.

### 39. AMENDMENTS

39.1 The Agreement is subject to change from time to time, and you will be notified of any such changes via the Website or via email. All changes will be effective in accordance with the notification, and will apply to all open Transactions and unfilled Orders as at and after the effective date of the changes. Unless it is impractical in the circumstances, we will give you 10 business days' notice. By continuing to use the services following such notification, you will be deemed to accept and agree to the amendment. If you do object to the amendment, you must notify us within 10 business days of notification of the amendment. If you notify us that you do not accept the amendment your account will be suspended and you will be required to close your account as soon as reasonably practicable. If your account is still open 10 business days after you notify us that you object to the amendment, we may close the account and all open Transactions immediately.

### 40. LANGUAGE

40.1 We may elect to provide you with documents and information in languages other than English; however, we reserve the right to communicate with you in English.

40.2 In the event of a conflict or inconsistency between the English version of the Agreement and that provided in any other language, the English version will prevail.

### 41. TAXES

41.1 Tax regulations may change at any time. It is your sole responsibility to ensure that your trading activities comply with your local income tax regulations and any other applicable laws.

41.2 We will never provide you with any tax advice and you should seek such third party advice on tax as you deem necessary.

**42. ASSIGNMENTS AND TRANSFERS**

- 42.1 You will not assign, transfer, charge or sub-contract any of the rights or liabilities hereunder.
- 42.2 We may assign, transfer, charge, sub-contract or deal in any manner with all or any of our rights and/or liabilities hereunder including by way of transfer of the same to an Associated Company or Trading Partner.

**43. RIGHTS OF THIRD PARTIES**

- 43.1 The parties do not intend any term of the Agreement to be enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 except that any Associated Company is entitled to enforce the terms of the Agreement pursuant to that legislation.

**44. SEVERABILITY**

- 44.1 If any of the terms of the Agreement are found to be unenforceable or invalid, such unenforceability or invalidity will not affect any other part of the Agreement (or the remaining portion of the affected part as the case may be), which will remain in full force and effect.

**45. GOVERNING LAW AND JURISDICTION**

- 45.1 The Agreement, all business transacted between us and you and any dispute or claim arising out of or in connection with the Agreement or its subject matter or formation (including non-contractual disputes or claims) will be governed by the laws of England, and all parties where ever resident submit to and are subject to the non- exclusive jurisdiction of the English courts. Nothing in this clause will prevent us from bringing proceedings against you in any other jurisdiction.

**46. INTERPRETATION**

- 46.1 The headings are included for convenience only and will not affect the interpretation or construction of the Agreement.
- 46.2 Unless the context requires otherwise, any reference to:
  - (i) a clause, sub-clause, paragraph or term is a reference to a clause, sub-clause, paragraph or term of these terms and conditions;
  - (ii) a party or the parties, is to a party or to the parties (as the case may be) to the Agreement;
  - (iii) a statute or statutory provision includes any consolidation or re-enactment,

modification or replacement of the same, any statute or statutory provision of which it is a consolidation, re-enactment, modification or replacement and any subordinate legislation in force under any of the same from time to time and includes all instruments or orders made under such enactment;

- (iv) a person includes a firm, corporation and unincorporated associations, trust, government, state or agency of state, or any association or partnership or joint venture (whether or not having a separate legal personality);
- (v) a time of day is to the time in London, United Kingdom unless specified otherwise; and
- (vi) a document is a reference to that document as varied, supplemented or replaced from time to time.

46.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

46.4 Any words following the terms **including, include, example, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

46.5 General words will not be given a restrictive interpretation by reason of this being preceded or followed by words indicating a particular class of acts, matters or things.

**47. DEFINITIONS**

- 47.1 In the Agreement (and in addition to expressions defined elsewhere on the Website) the following words and expressions have the following meanings:

**“Account Balance”** means the balance on your account, but does not include unrealised profits or losses on open Transactions.

**“Agreement”** has the meaning given to it in clause 1.2.

**“Applicable Law”** 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 FCA Rules are recognised under the law of England and Wales.

**“Application Form”** means the form supplied by us that you complete, whether in hard copy or

electronically on the Website, in order to apply for an account.

**“Associated Company”** means any holding company or subsidiary company (as defined in the Companies Act 2006) of us and/or any subsidiary company of any such holding company or its subsidiaries.

**“Authorised Third Party”** means a person authorised by you to initiate Transactions or close existing Transactions using your account details, as referred to in clause 22.

**“Base Currency”** means, subject to our agreement, the currency in which you choose to have your account denominated.

**“Bid”** means the price at which you can sell (subject to the terms of this Agreement).

**“Buy”** (including **“Long”**) means making a Buy Transaction or “buying the market” quoted by us.

**“Client”** (including **“you”** and **“your”**) means a person or company who has opened an account with us and has agreed to be bound by the Agreement.

**“Client Money Rules”** means the FCA’s Client Money Rules as set out in Chapter 7 of the Client Asset Sourcebook of the FCA’s Handbook of Rules and Guidance.

**“Credit Account”** means an account where we have offered a credit line to use as Trading Resources. Additional terms and conditions apply in respect of such an account.

**“Default Event”** means the occurrence of any of the following events:

- (i) you fail to pay when due, and in the manner required, any payment to us or any of our Associated Companies or Trading Partners;
- (ii) you are in breach of any warranty or representation made under the Agreement;
- (iii) any representation or warranty made by you under the Agreement and/or any information provided to us in connection with the Agreement is or becomes untrue or misleading;
- (iv) you breach any provision of the Agreement or fail to do anything that you have stated that you will do whether orally over the telephone or by any form of written or electronic message;

(v) you fail to provide information requested in relation to any verification undertaken by us;

(vi) at any time and for any periods deemed reasonable by us where you are not contactable or you do not respond to any notice or correspondence from us;

(vii) you suffer an Insolvency Event;

(viii) if you are an individual, you die or become of unsound mind;

(ix) any law enforcement agency or regulator of our business or our Agreement requires that we cease providing the services to you;

(x) you have a dispute or complaint over any instruction or any Transaction and we decide that we are unable to continue to provide services to you;

(xi) we suspect or have any reason to suspect that you may be involved in market abuse, money laundering, criminal or fraudulent activity;

(xii) you act in a rude or abusive manner to our employees;

(xiii) any other event designated as a “Default Event” elsewhere in the Agreement; or

(xiv) we believe that any of the events set out above are likely to happen.

**“Deposit Account”** means an account where you need to deposit funds before you can place any Transactions.

**“Disruption Event”** means, in respect of any Underlying Market, any event which disrupts the trading of the relevant security or trading or causes the relevant market to become insufficiently liquid for our normal hedging or borrowing requirements, including due to the suspension of or limitation of trading by reason of movements in price exceeding limits permitted by the relevant exchange, or of regulatory or other intervention, or early closure of the exchange or otherwise, and any other event causing market disruption and which is a material disruption.

**“Eligible Counterparty”** means a Client categorised as a per se or elective eligible counterparty in accordance with the FCA’s Conduct of Business Sourcebook (COBS).



**“Expiry Date”** means the date and time at the end of the contract period at which an expired Transaction will settle.

**“Force Majeure Event”** has the meaning given to it in clause 25.

**“FCA”** means the Financial Conduct Authority or any organisation that will replace it or take over the conduct of its affairs.

**“FCA Rules”** means the rules and regulations issued by the FCA from time to time.

**“FSMA”** means the Financial Services and Markets Act 2000.

**“Gapping”** or **“Gapped”** means an occurrence whereby the market moves from one price to another and this second price is significantly different to the first. This price Gap can occur at any time during trading hours, often with the release of price sensitive information, or at the market open. Where such an event happens and where the second price is through an Order level when the first price was not, this may result in Slippage to the Order price. This may happen because:

- (i) the particular Underlying Market on which the Order is placed has opened and started trading at a price significantly different from the previous session’s closing price;
- (ii) the Underlying Market may have become unusually volatile or illiquid for a period of time causing sudden dramatic price movements (in such instances the Underlying Market may stop quoting a price and may only recommence trading at a price below (or above) an Order level or may have traded at a price for an insufficient Size, as represented by the Size of your Order, for us to have been reasonably able to place a Transaction in the Underlying Market); or
- (iii) of the release of a piece of economic, political, environmental or corporate news.

**“Guaranteed Stop Order”** means a type of Stop Loss Order which guarantees the closure of an open Transaction at a pre-determined level. It is not subject to any Slippage (as a result of Gapping in a market and may only be offered on a limited number of markets, and in limited Transaction Sizes. A Guaranteed Stop Order may only be placed or amended at certain times of day, attracts a premium charge and is placed further away from your entry level than an ordinary Stop Loss Order.

**“Insolvency Event”** means, in respect of a person, the following: if such person is an individual, on the passing, or proposal, by such person of a voluntary arrangement under the Insolvency Act of 1986 (specifically part VIII) or an agreement/ composition with its creditors generally, or the making of a bankruptcy order; if such person is 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 such person is unable to pay its debts as they fall due or any act of insolvency or similar or analogous event or action taken in respect of such person.

**Intellectual Property Rights** means patents, rights to inventions, copyright and related rights, trade marks, business names and domain names, rights in get-up, goodwill and the right to sue for passing off, rights in designs, rights in computer software, database rights, rights to use, and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.

**“Joint Account”** means an account opened by you together with one or more other persons.

**“Limit Order”** means an instruction to take a profit on an open Transaction if Our Quote reaches the level requested. A Limit Order can be added to an open Transaction or to a New Order (contingent on that New Order being executed).

**“Limited Risk Account”** means an account which has a Guaranteed Stop Order attached to every open Transaction, either specified automatically by the system or the client. Limited Risk Accounts conform to all the other rules accorded to Guaranteed Stop Orders.

**“LCG”** (including **“we”**, **“us”**, **“our”** and **“ourselves”** as appropriate) means London Capital Group Limited.

**“LSE”** means the London Stock Exchange.

**“Margin Call”** means a request for the payment of monies to cover a deficit, arising as a result of adverse market movement or otherwise, in order to enable one or more open Transactions to

remain open and not be subject to enforced closure.

**“Margin Level”** means an amount equal to the unencumbered Trading Resources on your account divided by the margin required to maintain all open Transactions, as determined by us and expressed as a percentage.

**“Market”** means indices, equities, currencies, commodities, bonds and interest rates or any other product that may be quoted by us from time to time.

**“Market Information”** means the documents available online which provide technical details and information on our market/ product offering; including but not limited to: current Quoting Hours, margin requirements, Overnight Financing information, other market specifications and other information applicable to Transactions.

**“Market Order”** means an instruction to deal in a specified size at the best available price for that size.

**“Mid”** means the midpoint between the Bid and the Offer.

**“Offer”** means the price at which you can Buy (subject to the terms of this Agreement).

**“Order”** means any or all of the types of instruction to open a new Transaction or close an existing Transaction that we offer (as appropriate to the context), including but not limited to Instant Orders, Limit Orders, Market Orders, Stop Loss Orders, Guaranteed Stop Orders and Trailing Stop Orders.

**“Order Execution Policy”** means our Order Execution Policy which may be amended from time to time, and is available on the Website.

**“Overnight Financing”** means the credit or debit applied to your account when you hold a Transaction in certain contracts open from one trading session to the next, and reflects the financing costs of doing so.

**“Platform”** means our trading platform, the Metatrader platform and any successor or replacement trading platform.

**“Pricing Error”** means a misquote by us where the price quoted materially and clearly deviates from the prevailing Underlying Market price (or the forward calculated market price) at the time that it was quoted.

**“Rolling Daily”** means Transactions that automatically roll into the next trading day

without incurring any profit or loss. Such Transactions usually have a long Expiry Date and attract Overnight Financing costs.

**“Quote”, “Our Quote” and “LCG Quote”** mean the price quoted by us. All Quotes are based upon an Underlying Market that is sourced from either a recognised global exchange or from a wholesale counterparty.

**“Quoting Hours” and “LCG Quoting Hours”** mean the times detailed in the Market Information when we quote our Markets. We will not quote any Markets outside of our opening hours which are generally Sunday 23:00 to Friday 21:15, UK time.

**“Sell” and “Short”** means making a sell Transaction or “selling the market” quoted by us.

**“Size(s)”** means the Size of the Buy or Sell Transaction. The standard, minimum and maximum Transaction Sizes that we allow can differ from Market to Market and are detailed in the Market Information.

**“Slippage”, “Slipped” or “Slip”** means when an Order is executed at a different level to the specified Order level. This may occur in the event of Gapping or when there is insufficient liquidity in the Underlying Market for us to reasonably cover your Order, in accordance with our Order Execution Policy.

**“Stop Loss Order”** means an Order to close an open Transaction at a pre-determined level.

**“Stop Level”** means the price or number of points away from your opening price at which your Stop Loss Order, Trailing Stop Order or Guaranteed Stop Order will be triggered and thereby the price at which the open Transactions to which it is associated will be closed. The Stop Level of a Stop Loss Order or Trailing Stop Order is subject to Slippage.

**“Stop Out”** means the function which closes open Transactions at a pre-determined level when more than a specified percentage of funds available to support the open Transactions have been eliminated by the impact of adverse market movement.

**“Swap-Free Account”** means an account with us in respect of which we do not charge or pay (if applicable) interest or Overnight Financing costs. Additional terms and conditions apply in respect of such an account.

**“Trading Partners”** means anyone with whom we have a contractual relationship, for example but not limited to: a joint venture relationship, partnership relationship, agency relationship,

white label relationship or introducing broker relationship.

“**Trading Resources**” means the funds you have available to open new Transactions and maintain them.

“**Trading Robot**” means an automated trading system used in conjunction with a Platform.

“**Trailing Stops Order**” means an order to automatically track a profitable open Transaction, and close it if the market changes direction and start reducing the uncrystallised profit. You specify the Stop Level (how far away from the opening level the Trailing Stop Order is to be placed) and the Trailing Stop Order will move in predetermined increments if the price moves in a favourable direction.

“**Transaction**” means any derivative trade entered into with us via a Platform, in respect of the following types of instrument: (i) contracts for difference; (ii) spread bet; (iii) rolling spot foreign exchange; (iv) and such other investments as we may from time to time agree to offer, in each case in respect of, or any combination of commodity, equity, currency, interest rate and index.

“**Script**” means a written program which is used to perform a single action and then stops once that action has been executed.

“**Underlying Market**” means the market in which the physical underlying assets (from which our markets and prices are derived) are traded.

“**Website**” means the Website operated by us for the purposes of providing the services to you.