



ActivTrades Plc is authorised and regulated by the Financial Services Authority

CLIENT AGREEMENT

Margin Trading

Please read this Client Agreement as it will govern your relationship with us.

1. Introduction

1.1 This Agreement is between ActivTrades Plc (registered in England with number 5367727) whose registered office is at 1 Thomas More Square, United Kingdom, E1W 1YW (**we**) and

FULL NAME:

.....

ADDRESS:

.....

.....

.....

(TO BE COMPLETED IN BLOCK CAPITALS)

(**You**)

1.2 **Our** main business is to provide direct access brokerage on all major financial markets combined with integrated trading platforms and solutions. This business carries a high level of risk and can result in losses as well as gains. The margin trading service described in this Agreement is not suitable for everyone and it is designed for clients who are knowledgeable and experienced in the financial services market and in the types of transactions described in this Agreement.

1.3 **You** should not deal in the products or sign up to receive the margin trading service described in this Agreement unless **you** understand their nature and the extent of your exposure to risk. **You** should also be satisfied that the products and service are suitable for **you** in the light of **your** circumstances and financial position. An explanation of the risks associated with the types of the products offered by **us** is set out in the **Information Notice** and **you** should ensure **you** fully understand such risks before entering into this Agreement. If **you** are not experienced in the types of transactions described in this Agreement or if **you** are unsure about any of the terms, **you** should seek advice from **your** independent financial adviser.

1.4 **You** should also not deal in the products or sign up to receive the margin trading service described in this Agreement if you are a US resident or US citizen.

1.5 **We** are authorised and regulated by the Financial Services Authority (**FSA**) under the Financial Services and Markets Act 2000 and entered on the **FSA**'s Register of authorised persons with number 434413. The **FSA** may be contacted at 25 North Colonnade, Canary Wharf, London E14 5HS or by telephone on 020 7066 1000.

1.6 **Our** dealings with **you** will be conducted in the English language. This Agreement is supplied to **you** in English.

1.7 This Agreement and the **Information Notice** set out matters which **we** are required to disclose to **you** under the **FSA Handbook of Rules and Guidance (FSA Rules)**.

- 1.8 Please note that transactions in futures, options and contracts for difference may result in liability dependent on future uncertain events and give rise to the obligation for **you** to provide **us** with margin (a sum of money required to protect **us** against potential losses on a transaction). More details can be found in clause 18.
- 1.9 In order to provide investment services to **you**, **we** may provide an introduction or make arrangements with a view to **you** dealing with an overseas person who is not authorised to carry on investment business in the United Kingdom. The investment services undertaken on **your** behalf (or provided to **you**) by such person are not covered by the rules and regulations governing the protection of investors in the United Kingdom. This means that **you** will not have the benefit of rights, including compensation arrangements, designed to protect investors under **FSA Rules**. Similar protections may, however, be provided in the jurisdiction within which the business is to be carried on.
- 1.10 This Agreement, the **Information Notice**, the **Application Form**, the **Electronic Trading Supplement** and the terms of each **Transaction** as they may be amended or supplemented from time to time together constitute a single agreement between **you** and **us** and are referred to as **this Agreement**.

2. Definitions

2.1 Words and expressions used in this Agreement (unless the context otherwise requires) have the same meanings as in the **FSA Rules**.

2.2 In this Agreement, words are used that have special meanings. **We** have put these special words in bold text to help **you** understand what those special words mean when used in this booklet. The special words are incorporated as part of this Agreement. The following are the special words and expressions that are used together with their special meanings:

Act	the Financial Services and Markets Act 2000.
Affiliated Company	(in relation to a person) an undertaking in the same group as that person.
Application Form	the account application form completed by you and accessed through our Website .
Applicable Regulations	(i) FSA Rules or any other rules of a relevant regulatory authority; (ii) the rules of the relevant Exchange ; and (iii) all other applicable laws, rules and regulations as in force from time to time as applicable to this Agreement.
Appropriateness Assessment	the process we use to assess the appropriateness of a product or service for you .
Associate(s)	(in relation to a person) (A): (i) an Affiliated Company of A; (ii) an appointed representative of A or of any Affiliated Company of A; (iii) any other person whose business or domestic relationship with A or his Associate might reasonably be expected to give rise to an alignment of interests between them.
Base Currency	the currency used to open your account, which may be the lawful currency of the United Kingdom (GBP Sterling), the European Union (Euros), the United States (United States Dollars) and Switzerland (CHF Francs), as appropriate.

Business Day(s)	a day (other than a Saturday or Sunday) on which: <ul style="list-style-type: none"> (i) in relation to a date for the payment of any amount in: (a) any currency other than Euro, banks generally are open for business in the principal financial centre of the country of such currency; or (b) Euros, the settlement of payments denominated in Euros is generally possible in London or any other financial centre in Europe selected by us; and (ii) for all other purposes, is not a bank holiday or public holiday in London.
Client Money Rules	the provisions in the FSA's Client Assets sourcebook relating to client money.
Complex Product(s)	certain derivative products including, without limitation, warrants, securitised derivatives and contracts for difference.
Contract for Difference	a contract which mirrors the trading of a security (including foreign exchange rates) but which may only be settled in cash and does not involve the delivery of the underlying security. For the avoidance of doubt, in this Agreement, all FOREX transactions will be contracts for difference .
Corporate Action	the occurrence of any of the following in relation to the issuer of any relevant Underlying Securities : <ul style="list-style-type: none"> (i) a subdivision, consolidation or reclassification of shares, a share buy-back or cancellation, or a free distribution of shares to existing shareholders by way of a bonus, capitalisation or similar issue; (ii) any distribution of cash or shares, including any payment of dividend; (iii) a take-over; tender offer; or merger offer for shares; (iv) any other event in respect of the Underlying Securities comparable to any of the above events; (v) any equivalent event to the ones listed in (i) to (iv) on any non-UK stock exchange.
Credit Support Document	any document containing an obligation of a Credit Support Provider , or of you , in favour of us supporting any of your obligations under this Agreement.
Credit Support Provider	a third party who provides security for your obligations.
Electronic Trading Supplement	means the supplemental terms relating to online trading which can be found on our Website (a hard copy is available on request).
Event of Default	the occurrence of one or more of the following events: <ul style="list-style-type: none"> (a) your failure to make any payment (including any payment of margin) to us or to any Associate in accordance with clause 22 of this Agreement; (b) your or a Credit Support Provider's continued failure to perform any obligation to us one Business Day after we

have given **you** notice of non-performance;

- (c) the initiation by a third party of proceedings for **your** bankruptcy (if **you** are an individual) or for **your** winding-up or for the appointment of an administrator or receiver in respect of **you** or any of **your** assets (if **you** are a company) or (in both cases) if **you** make an arrangement or composition with **your** creditors or any other similar or analogous procedure is commenced in respect of **you** (a **Bankruptcy Default**);
- (d) if **you** are an individual, **your** death;
- (e) any representation or warranty made by **you** or a **Credit Support Provider** is or becomes untrue;
- (f) any **Credit Support Document** expires or is no longer in full force and effect before **your** obligations under this Agreement have been satisfied, unless **we** agree otherwise in writing;
- (g) **you** are or become unable to pay **your** debts as and when they fall due; or
- (h) any other circumstance where **we** reasonably believe that it is necessary or desirable to declare an **Event of Default** to protect **ourselves** or all or any of **our** other clients.

Exchange(s)	ME, CBOT, CME, KCBT, MGE, NYBOT on ICE, NYMEX Globex, NYMEX COMEX Globex, SFE, HKEX, SGX-DT, Euronext Paris, Eurex, IDEM, Euronext Amsterdam, MEFF, ICE, LME and Euronext LIFFE.
FSA	the Financial Services Authority.
FSA Rules	the FSA Handbook of Rules and Guidance.
Information Notice	the information notice in Schedule 1 to these Terms .
Limit Order	an order to buy or sell an investment at its specified price limit or better and for a specified size.
Platforms	electronic trading platforms, access to which we may from time to time facilitate for clients via links on our Website .
POA	power of attorney, a legal document granting another person access to your account, which we have agreed to in writing.
Retail Client	a retail client for the purposes of the FSA Rules .
Services	the services we provide to you as set out in clause 8.
Terms	the terms of business set out in this Agreement.
Transaction(s)	a transaction under this Agreement.
Underlying Securities	securities including stocks, shares, debt securities, futures, options, commodities, currencies, interest rates and bonds.

We, us and our	ActivTrades plc.
Website	the website at www.activtrades.com or such other website as we may maintain from time to time for access by clients.
You and your	the person or persons signing the Application Form .

3. Commencement and cancellation

- 3.1 This Agreement will commence on the date **you** receive notice from **us** in accordance with clause 5.1 below.
- 3.2 Due to the fact that the price of investments depends on fluctuations in the financial marketplace outside of **our** control, **you** have no right to cancel this Agreement once **you** have entered into it unless we commit a serious breach of our obligations. However, please see **your** rights to terminate at clause 26 below.

4. Applicable Regulations and Exchange requirements

- 4.1 This Agreement and all **Transactions** are subject to **Applicable Regulations** so that:
- 4.1.1 if there is any conflict between this Agreement and any **Applicable Regulations**, the **Applicable Regulations** will prevail;
 - 4.1.2 **we** may take or fail to take any action **we** consider necessary to ensure compliance with any of the **Applicable Regulations**;
 - 4.1.3 all **Applicable Regulations** and whatever **we** reasonably do or fail to do in order to comply with them will be binding on **you**; and
 - 4.1.4 neither **we** nor any of **our** directors, officers, employees or agents shall be responsible if **we** reasonably take or fail to take any actions in order to comply with any **Applicable Regulations**.
- 4.2 If any **Exchange** (or intermediate broker or agent, acting at the direction of, or as a result of action taken by, an **Exchange**) or regulatory body takes any action which affects a **Transaction**, then **we** may take any action that **we** reasonably consider desirable to minimise any loss. Any such action that **we** take shall be binding on **you**.

5. Account activation

- 5.1 When **you** sign this Agreement, **you** confirm that you (and anyone **you** appoint under a **POA**) are not a US resident or US citizen.
- 5.2 If **you** want to enter into FOREX transactions, please note that **we** only enter into FOREX transactions which do not involve delivery of the underlying currencies to **you** or from **you**. In other words, any FOREX transactions entered into by **us** will be a type of contract for difference. FOREX positions are traded on a global basis, but other types of contracts for difference are not. If **you** are planning on trading in contracts for difference positions, **you** are responsible for making sure that **you** are complying with all applicable laws of the country (or countries) **you** are trading in. If **you** have any doubts as to whether **you** are complying with all applicable laws of the country (or countries) **you** are trading in, **you** should seek advice from **your** independent financial adviser.
- 5.3 **Your** account will be activated by **us** giving notice to **you** as soon as **we** receive the completed **Application Form** and a completed, signed and dated copy of these **Terms** and the **Electronic Trading Supplement**. Where **you** are proposing to trade a **Complex Product** **you** must also successfully complete the **Appropriateness Assessment** before **we** can activate **your** account.
- 5.4 By law **we** are obliged to establish **your** identity before **we** can take **you** on as **our** client. **We** may, at **our** reasonable discretion, use various agencies to verify **your** details before activating **your** account.
- 5.5 It is **your** responsibility to keep the password(s) to **your** account(s) secure and confidential. **You** should not share **your** password details with any other party unless **you** have completed and returned the necessary **POA** to **us**. If **you** have told someone **your** password or log-in details, or **you** suspect that someone may know **your** password or log-in details, please notify **us** immediately by calling **us** on +44 (0)20 7392 8700 or emailing **us** at salesandsupport@activtrades.com.

- 5.6 If **you** wish for someone else (such as a partner or other family member) to have access to **your** account, then **you** must request this in writing and **we** will consider each request on a case-by-case basis.
- 5.7 When **you** sign this Agreement, **you** agree to provide **us** with relevant contact details so that **we** may contact **you** in writing, by email, by fax and/or by telephone, as applicable. It is **your** responsibility to notify **us** immediately if any of those contact details change.
- 5.8 **You** accept that, wherever possible, **we** will communicate with **you** via email or via notifications on **our Website**. If **you** are required to accept a communication which **you** would normally be required to sign, **we** will provide **you** with the means to sign that communication electronically.

6. Classification and investment objective

- 6.1 **We** will treat **you** as a **Retail Client** (unless **we** notify **you** in writing to propose that **we** treat **you** as a different type of client under **FSA Rules**).
- 6.2 Before activating **your** account to trade **Complex Products** **we** are required by **FSA Rules** to carry out an **Appropriateness Assessment**. **We** will do this by asking **you** to answer certain questions so that **we** can assess **your** knowledge and experience of the relevant product or service.
- 6.3 When assessing **your** classification and afterwards when dealing with **you**, **we** will rely on the truth, accuracy and completeness of the information provided by **you**, including the information provided by **you** on the **Application Form**. **You** expressly consent to **us** using and relying on all such information in making **our** assessment and **our** dealings with **you**.
- 6.4 If there is a change in **your** personal circumstances **you** must notify **us** immediately and in writing of the change so that **we** can consider **your** classification.
- 6.5 **These are our standard terms of business upon which we intend to rely, together with the Information Notice and the client classification. For your own benefit and protection, you should read these Terms, the Information Notice and the client classification carefully before signing them and completing the Application Form. If you do not understand any point, please ask for further information or seek independent legal or financial advice.**
- 6.6 **We** may review **your** classification from time to time to re-classify **you** as **we** think fit.

7. Capacity

- 7.1 When carrying out **Transactions**, **we** act as principal and therefore carry out **Transactions** in **our** own name. **We** will not act as **your** agent to carry out **Transactions** on **your** behalf unless **we** agree this with **you** or **we** notify **you** in writing.
- 7.2 **We** will treat **you** as **our** client and will provide the **Services** to **you** and hold **you** responsible for **your** obligations under this Agreement. This remains the case even if **you** notify **us** that **you** are acting as the agent of an identified principal, unless **we** agree in writing to treat that principal as **our** client, or **you** appoint an agent to act on **your** behalf and complete a **POA**.

8. Services

- 8.1 This Agreement sets out the basis on which **we** will deal in or arrange deals in investments, enter into **Transactions** and provide such other services as **we** may agree with **you** in writing from time to time. This Agreement governs each **Transaction** entered into or outstanding between **you** and **us** on or after **you** have signed up to this Agreement. If **we** deal or arrange deals in exchange traded futures or options for **you**, the provisions of Schedule 2 shall apply.
- 8.2 **We** may combine **your** orders with **our** own orders, orders of **Associates** and persons connected with **us** and orders of **your** agent or other clients. If **your** order is combined, **we** must reasonably believe that this is unlikely to operate to **your** and **our** other clients' disadvantage. However, on some occasions, combining orders may mean that **you** get a less favourable price than if **your** order had been executed separately.
- 8.3 **We** may undertake **Transactions** for **you** in units in unregulated collective investment schemes.
- 8.4 **We** will not provide personal recommendations or advice on the merits of any specific investment transactions. **We** deal on an execution-only basis and do not advise on the merits of particular **Transactions**. When giving

instructions **you** must rely on **your** own judgement. **You** may wish to seek independent advice before entering into a **Transaction**.

8.5 From time to time, **we** may decide to provide **you** with information in newsletters, which **we** may post on **our Website** or provide to **you** in any other manner. **We** will make all reasonable efforts to ensure the accuracy and completeness of this information, but it will not amount to investment advice or recommendation and if **you** have any doubts as to the effect or consequences of the information for **you**, **you** should contact **your** independent financial adviser.

8.6 **We** reserve the right to charge a fee for subscription to **our** newsletter, as detailed from time to time on **our Website**. If we do so, you are entitled to refuse subscription to the newsletter if you notify us in writing.

8.7 **We** may refuse to provide the **Services** to **you** at any time. **We** may not inform **you** of the reasons for this.

9. Instructions

9.1 Any person or agent that **you** have notified to **us** in writing is authorised by **you** may give **us** verbal or written instructions concerning any **Transaction** or proposed **Transaction** or any other matter.

9.2 **You** authorise **us** to rely and act on any order, instruction or communication **we** receive from **you** without further enquiry on **our** part as to the authenticity, genuineness, authority or identity of the person giving or claiming to give such instructions. **You** will be responsible for and bound by all obligations **we** enter into or assume on **your** behalf as a result of or in connection with such orders, instructions or communications.

9.3 Unless clause 9.4 applies, all instructions to enter into **Transactions** must be given by **you** through the **Platforms**. **You** can only cancel instructions if **we** have not acted upon them.

9.4 **We** will make reasonable endeavours to provide **you** with telephone support and assistance and (unless otherwise agreed in writing) **we** may pass on **your** orders to intermediate brokers or dealers, on an execution only basis. If **we** agree, **you** may give **us** instructions by telephone. If any instructions are received by **us** by telephone, **we** may ask **you** to confirm these instructions in writing. **We** shall be authorised to follow such instructions even if **you** fail to confirm them in writing.

9.5 **We** may decide to refuse to accept any order or instruction from **you**, provided that **we** inform **you** of **our** refusal as soon as reasonably practicable. **We** will endeavour to provide **you** with a reason for any refusal.

9.6 Once given, instructions may only be withdrawn or amended with **our** consent, which will not be unreasonably withheld.

9.7 **You** acknowledge and agree that **we** have the right (but no obligation) to set limits and/or parameters to control **your** ability to place orders. These limits and/or parameters may be amended, increased, decreased, removed or added to by **us** and may include (without limitation):

9.7.1 controls over maximum order amounts and maximum order sizes;

9.7.2 controls over **our** total exposure to **you**;

9.7.3 controls over prices at which orders may be submitted (to include (without limitation) controls over orders which are at a price that differs greatly from the market price at the time the order is submitted to the order book);

9.7.4 controls over the electronic services (to include (without limitation) any verification procedures to ensure that any particular order or orders has come from **you**); or

9.7.5 any other limits, parameters or controls which **we** may be required to put in place in accordance with **Applicable Regulations**.

However, in setting limits and/or parameters, **we** will seek to protect **your** interests as far as reasonably possible.

10. Corporate action and contracts for difference Transactions

- 10.1 The contracts for difference which **we** trade for **you** relate to **Underlying Securities**, which may be subject to a **Corporate Action**.
- 10.2 If any Underlying Security is subject to **Corporate Action**, **we** shall, acting reasonably, determine the appropriate adjustment, if any, to be made to the size and/or value and/or number of the affected **Transactions**. This remains the case whether the affected **Transactions** are open or have been closed (and/or to the level of any stop or **Limit Order** attaching to those bets), in order to account for the effect of the Corporate Action on those bets. The adjustment **we** make may take the form of a credit or debit payment to **your** account or an adjustment to **your** affected **Transactions**, which may involve **us** opening new **Transactions** on **your** account.

11. Normal market size

- 11.1 **You** may wish to make a **Transaction** which **we** consider to be larger than normal market size. **We** will be entitled to determine what constitutes normal market size. **We** will do this by reference to the level of trading activity for which prices are available on any relevant market or exchange about which **we** are reasonably able to obtain price information.
- 11.2 If **we** accept an offer from **you** to open or close a **Transaction** that is larger than normal market size, it may be subject to special conditions and requirements. **We** will tell **you** about these at the time **you** ask to open or close the **Transaction** with **us**. In particular, **we** may quote a revised price for entering into the proposed **Transaction**. **Our** quotation for a **Transaction** equal to or greater than normal market size is not guaranteed to be within any specific percentage of any underlying market or related market quotation.

12. Errors

- 12.1 From time to time it is possible that errors may occur in the pricing of contracts. Notwithstanding the rights that **you** have under **Applicable Regulations** or law, **we** reserve the right to void, or to amend the terms of, any **Transaction** that **we** reasonably believe, at **our** sole discretion, to contain or be based on an obvious or palpable error (a **Manifest Error**). In deciding whether an error is a **Manifest Error** **we** may take into account any relevant information including, the state of the underlying market at the time of the error and any error within, or lack of clarity of, any information source or pronouncement. In deciding whether or not there has been a **Manifest Error**, **we** will make reasonable efforts to take into account any financial commitments that **you** have made or refrained from making in reliance on a **Transaction**.
- 12.2 In the absence of **our** fraud, wilful default or negligence, **we** will not be liable to **you** for any losses following a **Manifest Error**. In the event that a **Manifest Error** is made by any information source, commentator or official on whom **we** reasonably rely, **we** will not be liable to **you**, except for **our** fraud, wilful default or negligence, for any losses.

13. Execution of orders

- 13.1 **We** shall use all reasonable steps to execute any order promptly, but in accepting **your** order **we** do not promise that it will be possible to execute the order in accordance with **your** instructions. If **we** encounter any material difficulty relevant to the proper execution of an order **we** shall notify **you** promptly. **We** shall only execute an order when the relevant exchange is open for dealing. Any instructions received outside **Exchange** opening hours will be executed as soon as possible once the relevant **Exchange** is next open for business (in accordance with the rules of that **Exchange**).
- 13.2 **We** execute trades on a number of markets including IDEM, EUREX, CME, CBOT, EURONEXT and ICE.
- 13.3 **You** agree that **we** may execute an order outside a regulated market or multilateral trading facility.
- 13.4 **We** will provide **you** with best execution in accordance with the **FSA Rules**.
- 13.5 **We** have established an order execution policy to enable **us** to take all reasonable steps to obtain, when executing orders, the best possible result in accordance with **FSA Rules**. The main execution factors that **we** use to determine the best possible result are price and the costs associated with executing the **Transaction**. Where **we** pass an order to another broker **we** check that the broker has a policy and arrangements designed to obtain the best possible result, taking into account the nature of the order and the relevant market. Before agreeing to these **Terms** and signing the **Application Form**, **you** confirm that **you** have read and agree to **our** order execution

policy, which is available on **our Website**. If **you** have any questions about **our** order execution policy, please call +44 (0)20 7392 8700 or email salesandsupport@activtrades.com before agreeing to these **Terms**.

- 13.6 **We** will monitor the quality of the execution received and will regularly monitor and review **our** order execution policy. Any material changes that **we** make to **our** order execution policy will be published on **our Website**.
- 13.7 When **you** give **us** a specific instruction such as a **Limit Order**, some or all of **our** order execution policy may not apply to the **Transaction** concerned.
- 13.8 **You** agree that **we** will not make public **Limit Orders** in shares that are not immediately executed under prevailing market conditions.
- 13.9 **You** will promptly deliver any instructions, money, documents or property required to be delivered by **you** under a **Transaction** in accordance with the terms of that **Transaction** (as amended by any instructions given by **us**) so that **we** can perform **our** obligations under the relevant matching **Transaction** on an **Exchange** or with an intermediate broker.
- 13.10 **We** may, at **our** reasonable discretion, arrange for any **Transaction** to be made with or through the agency of an intermediate broker, who may be an **Associate** of ours and may not be in the United Kingdom. **You** will be responsible for any intermediate brokers or agents selected by **you**.
- 13.11 **We** may require **you** to limit the number of open positions which **you** have with **us** at any time and **we** may, at **our** reasonable discretion, close out any one or more **Transactions** in order to ensure that such position limits are maintained.

14. Rollover on FOREX CFDs

All FOREX positions that remain open from 23:59:45 to 23:59:59 (Server time) will be subject to rollover. All positions which are opened or closed from 23:59:45 to 23:59:59 (Server time) may be subject to rollover. The positions will be rolled over by debiting or crediting **your** account with the amount calculated in accordance with the swaps policy webpage, which is available on **our Website**. If **you** will be dealing in FOREX positions, **you** should read the swaps information page on our **Website** (http://www.activtrades.co.uk/index.aspx?page=forex_swaps), which is updated regularly, before agreeing to these **Terms** and signing the **Application Form**.

15. Client Money

- 15.1 Money held by **us** on **your** behalf will be treated as client money within the meaning of the **Client Money Rules**. **We** will, on receiving client money, promptly place this money into a segregated client account held at **our** custodian bank, no later than close of business on the day on which **we** receive it.
- 15.2 **We** may pass money received from **you** to a third party (e.g. a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to make a **Transaction** through or with that person or to satisfy **your** obligation to provide a deposit (such as an initial requirement that **you** provide margin) in respect of a **Transaction**. Although **we** will remain responsible for money received from **you** even if **we** pass it to a third party, **you** may be exposed to the additional risk that, in the event of an insolvency or similar in relation to that third party, the amount of money received by **us** from the third party may not be sufficient to satisfy **your** claims. However, **you** may still be able to claim against **us** for any outstanding amounts.
- 15.3 **We** may hold client money on **your** behalf outside the European Economic Area (**EEA**). The legal and regulatory regime applying to any bank or person that holds **your** money outside the **EEA** will be different from that of the United Kingdom. As a result, should that bank or person go into insolvency or similar proceedings, **your** money may be treated differently than it would have been if the money was held with a bank in the United Kingdom. **We** will not be liable for the insolvency, acts or omissions of any third party referred to in this sub-clause.
- 15.4 To avoid doubt, **we** will not pay interest on any amounts in **your** account, unless **we** have agreed to do so in writing. Unless **we** have agreed otherwise in writing, on signing this Agreement, **you** consent to the fact that no interest will be paid to **you** on any amounts in **your** account and that **we** will retain all such interest.
- 15.5 **You** agree that, in the event that there has been no movement on **your** account balance for a period of at least six years (notwithstanding any payments or receipts of charges or similar items) and **we** are unable to trace **you** and return **your** account balance to **you**, despite having taken all reasonable steps to do so, **we** may cease to treat your money as client money and accordingly release any client money balances from the segregated

account. However, if at any point after this time, **you** ask **us** to return your account balance to **you**, **we** will do so if **your** account balance is in credit.

16. Currency

- 16.1 **We** shall be entitled, without giving notice to **you** first, to make any currency conversions **we** consider reasonably necessary or desirable for the purposes of complying with **our** obligations or exercising **our** rights under this Agreement or any **Transaction**. Any currency conversion shall be made by **us** in the manner and at the rates **we** determine to be appropriate, having due regard to the current rates for Currencies.
- 16.2 Where it is necessary to make a Currency conversion, **you** will bear all foreign currency exchange risk arising from any contract or from the compliance by **us** with **our** obligations or the exercise by **us** of **our** rights under this Agreement.
- 16.3 If **you** trade in contracts for differences, for any **Transaction** denominated in a currency other than a **Base Currency**, **we** will automatically convert the total sum of the **Transaction** into the **Base Currency** applicable to **your** account at the time of the **Transaction**. The exchange rate for all types of currency conversion will be based on the mid-market exchange rate. These details are available on request. Exchange rates fluctuate and may change between the time that the indicative exchange rate is quoted and the time that the amounts are converted. Where applicable the confirmation of the conversion will show the exchange rate used.

17. Confirmations and periodic statements

- 17.1 To the extent required under **FSA Rules**, **we** will send **you** daily confirmations in respect of **each Transaction**. Such confirmations may be sent electronically and it is **your** responsibility to inform **us** if **you** have not received a daily confirmation in respect of a **Transaction** which **you** expected to receive from **us**. **We** will send **you** a monthly statement in respect of each of **your** accounts within **10 Business Days** of the end of each calendar month.
- 17.2 Unless we receive written notice from **you** within two **Business Days** of delivery of a confirmation to **you** or **we** notify **you** of an error in the confirmation, **we** shall be entitled to conclude that the confirmation is conclusive and accepted by **you**.

18. Margin

- 18.1 Where **you** have successfully completed the **Appropriateness Assessment** and **we** agree to make a **Transaction** involving an option, future or a contract for difference **we** will require **you** to provide and maintain the amount of margin in **your** account that **we** consider appropriate. **You** should note that, depending on the nature of the **Transaction**, **you** may have to make additional payments if the **Transaction** fails to be completed or if the settlement or closing out of **your** position takes place early. The movement in the market price of **your** investment will affect the amount of margin payment **you** will be required to make. **We** will monitor **your** margin requirements on a daily basis and **we** will inform you as soon as it is reasonably practicable of the amount of any margin payment required under this clause.
- 18.2 When requested by us, **you** agree to provide us with payments of margin that **we** reasonably require to protect ourselves against loss or risk of loss on present, future or contemplated **Transactions** under this Agreement. Different margin requirements may apply to different accounts and/or investments traded. **You** may be required to add to this margin at any time when **your** account shows a negative balance or an increase in **your** margin requirement and **we** will normally inform **you** one **Business Day** beforehand if **we** require you to pay additional margin. **You** will pay or transfer margin within the minimum period specified by **us** (which will normally be at least one **Business Day** but in exceptional circumstances, may be required to be within the same day). However, in certain circumstances, there may be times when either **we** will be required to settle or close out **your** position early and **we** may not be able to provide **you** with notice of this before it happens. However, **we** will only do this where it is reasonable for **us** to do so (for example, where there is a risk of **your** account showing a negative balance).
- 18.3 Margin in relation to a particular type of **Transaction** will be provided in cash. **We** may in **our** discretion allow **you** to provide margin in the form of certain types of investments or other assets (if any) that **we** agree from time to time, in accordance with the provisions of Schedule 3 of this Agreement and on such other terms that **we** agree in a separate written agreement.
- 18.4 Unless the terms applying to a particular type of **Transaction** specify otherwise, the margin that **you** provide will be valued by **us** on the basis that **we** reasonably determine to be appropriate. This valuation may reflect,

amongst other things, **our** view as to the level of availability of the assets provided as margin or the discount to the current market value of the margin that **we** consider reflects its market risk.

- 18.5 We will be entitled to close out or liquidate some or all of **your** positions if **you** fail to pay margin when required or if the margin in **your** account falls below the minimum amount required and **your** account is at risk of showing a negative balance. However, **we** are under no obligation to close out or liquidate any **Transactions** or take any other action in respect of positions opened or acquired on **your** instruction if you fail to pay margin when required. For the avoidance of doubt it is **your** responsibility to maintain an appropriate amount of margin on **your** account at all times.
- 18.6 All cash margin and other payments due from **you** under this Agreement shall be made in freely transferable funds in the currency and to the bank account(s) that **we** may from time to time specify.
- 18.7 If **you** are providing margin in cash, please refer to clause 15. If **you** are allowed to provide non-cash margin, as referred to in sub-clause 18.2, **we** will be entitled to realise the value of such assets, in circumstances as described in the separate written agreement.

19. Margin in relation to contracts for difference

- 19.1 If **you** trade contracts for difference the provisions in this clause 19 will apply in addition to those in clause 18.
- 19.2 When **you** open an account to trade contracts for difference **we** will set a level of margin for **your** account. **You** agree that **we** may close out **your** position automatically if **your** margin falls below a pre-agreed percentage of that level of margin.
- 19.3 **You** must maintain a margin to cover **your** position on intra-day trading (the **Intra-day Margin**) and, if **you** hold a position overnight, **you** must hold an overnight margin (the **Overnight Margin**).
- 19.4 The **Intra-day Margin** that **we** set for **your** account will, in most cases, be lower than the amount that **we** set for **your Overnight Margin**. If **you** wish to hold a position overnight **you** will need to ensure that **you** have sufficient funds in **your** account to meet the higher **Overnight Margin** amount. **You** agree that if **you** hold a position overnight **you** will ensure that **you** have sufficient funds in **your** account to cover **your Overnight Margin**. This obligation applies to each account that **you** open with **us**.
- 19.5 At the close of business **we** will check any open positions held by **you** against the agreed **Overnight Margin**. **You** agree that if the amount held in **your** account is insufficient to meet **your Overnight Margin** **we** may close **your** open position without reference to **you**.

20. Your warranties

- 20.1 Representations and warranties are personal statements, assurances or undertakings given by **you** to **us** on which **we** rely when **we** deal with **you**. **You** make the following representations and warranties at the time **you** enter into this Agreement, at the date of every **Transaction** or any time **you** give **us** any other instruction:
- 20.1.1 if **you** are an individual, **you** are over 18 years old and **you** have full capacity to enter into this Agreement;
- 20.1.2 **you** have all necessary authority, powers, consents, licences and authorisations and have taken all necessary action to enable **you** lawfully to enter into and perform this Agreement and such **Transaction** and to grant the security interests and powers referred to in this Agreement;
- 20.1.3 the persons entering into this Agreement and each **Transaction** on **your** behalf have been duly authorised to do so;
- 20.1.4 this Agreement, each **Transaction** and the obligations created under them both are binding upon **you** and enforceable against **you** in accordance with their terms (subject to applicable principles of law) and do not and will not violate the terms of any regulation, order, charge or agreement by which **you** are bound;
- 20.1.5 no **Event of Default** or any event which may become an **Event of Default** (a **Potential Event of Default**) has occurred and is continuing with respect to **you** or any **Credit Support Provider**;

- 20.1.6 **you** are acting on your own behalf (unless we have agreed otherwise in writing) and not as trustee in entering into this Agreement and each **Transaction**;
- 20.1.7 any information which **you** provide or have provided to **us** in respect of **your** financial position, domicile or other matters is accurate and not misleading in any material respect;
- 20.1.8 **you** are willing and financially able to sustain a total loss of funds resulting from a **Transaction**; and
- 20.1.9 except as otherwise agreed by **us**, **you** are the sole beneficial owner of all margin **you** transfer under this Agreement, free and clear of any security interest whatsoever other than a right to withhold or dispose of assets routinely imposed on all securities in a clearing system in which such securities may be held.

20.2 **You** promise that:

- 20.2.1 **you** will at all times obtain and comply, and do all that is necessary to maintain in full force and effect, all authority, powers, consents, licences and authorisations referred to in this clause;
- 20.2.2 **you** will promptly notify **us** of the occurrence of any **Event of Default** or **Potential Event of Default** with respect to **yourself** or any **Credit Support Provider**;
- 20.2.3 **you** will take all reasonable steps to comply with all **Applicable Regulations** in relation to this Agreement and any **Transaction**, so far as they are applicable to **you** or **us**;
- 20.2.4 **you** will not send orders or take any action that could create a false impression of the demand for or value of a financial instrument, or send orders which **you** have reason to believe are in breach of **Applicable Regulations**. **You** shall observe the standard of behaviour reasonably expected of persons in **your** position and not take any step which would cause **us** to fail to observe the standard of behaviour reasonably expected of persons in **our** position; and
- 20.2.5 upon demand, **you** will provide **us** with any information that **we** may reasonably require as evidence of **your** compliance with the matters referred to in this clause or any **Applicable Regulations**.

21. Netting

- 21.1 If an **Event of Default** occurs at any time (other than a **Bankruptcy Default**), then we may exercise **our** rights under sub-clause 21.4. If a **Bankruptcy Default** occurs at any time, the provisions of clause 21.3 shall apply.
- 21.2 Subject to clause 21.3, at any time after an **Event of Default** occurs, **we** may provide **you** with notice of a day (the **Liquidation Date**) for the termination and liquidation of **Transactions** in accordance with the provisions of this clause.
- 21.3 Unless **we** tell you otherwise, the date on which any **Bankruptcy Default** occurs shall automatically be the **Liquidation Date (Automatic Termination)**, without the need for **us** to provide **you** with any notice and the provisions of clause 21.4 shall apply.
- 21.4 On the occurrence of a **Liquidation Date**:
 - 21.4.1 neither **you** nor **us** shall be obliged to make any further payments or deliveries under any **Transaction** which would, if not for this clause, have become due for performance on or after the **Liquidation Date** and these obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the **Liquidation Amount** (as defined below in sub-clause 21.4.3);
 - 21.4.2 **we** shall (on, or soon as reasonably practicable after, the **Liquidation Date**) determine for each **Transaction** referred to in sub-clause 21.4.1 above, the total cost, loss or gain as a result of the termination under this Agreement of each payment or delivery that would otherwise have been required to be made under each **Transaction**. Sums determined under this sub-clause will be expressed in the currency that **we** specify in writing to **you** or, if **we** do not specify a currency, the **Base Currency** applicable to **your** account; and

- 21.4.3 **we** shall treat each cost or loss to **us** as a positive amount and each gain by **us** as a negative amount and combine all of these amounts to produce a single, net positive or negative amount, expressed in the **Base Currency** applicable to **your** account (**Liquidation Amount**).
- 21.5 If the **Liquidation Amount** is a positive amount, **you** shall pay it to **us** and if it is a negative amount, **we** shall pay it to **you**. **We** shall notify **you** of the **Liquidation Amount**, and by whom it is payable, immediately after the calculation of this amount.
- 21.6 On the **Liquidation Date**, **we** shall also be entitled, at **our** reasonable discretion, to terminate and liquidate any other **Transactions** entered into between **us** that remain unsettled, in accordance with clause 21.4.
- 21.7 The **Liquidation Amount** shall be paid in the **Base Currency** applicable to **your** account by the close of business on the **Business Day** following the notification of the **Liquidation Amount** (converted as required by applicable law into any other currency, any costs of such conversion to be borne by **you**, and (if applicable) deducted from any payment to **you**). Any **Liquidation Amount** not paid on the due date shall be treated as an unpaid amount and bear interest at the rate reasonably determined by **us** to be the cost of funding that unpaid amount. Interest will accrue on a daily basis and will be due and payable by **you** as a separate debt.
- 21.8 For the purposes of any calculation under this clause 21, **we** may convert amounts denominated in any other currency into the **Base Currency** applicable to **your** account at the current rate at the time of the calculation that **we** reasonably select.
- 21.9 Unless a **Liquidation Date** has occurred or has been effectively set, **we** shall not be obliged to make any payment or delivery scheduled to be made by **us** under a **Transaction** for as long as an **Event of Default** or a **Potential Event of Default** with respect to **you** has occurred and is continuing.
- 21.10 **Our** rights under this clause shall be in addition to, and will not act to limit or exclude, any other rights which **we** may have (whether by agreement, operation of law or otherwise).
- 21.11 This clause applies to each **Transaction** entered into or remaining unsettled between **us** on or after the date this Agreement takes effect.
- 21.12 Subject to clause 21.6, the provisions of this clause shall not apply to any **Transaction** which is subject to liquidation and termination under another agreement. However, any sum resulting from a liquidation and termination under another agreement may be set off against the **Liquidation Amount**.
- 21.13 Unless otherwise agreed in writing between **us**, or the rules of any relevant **Exchange** provide otherwise, if **we** enter into any **Transaction** with **you** in order to close out any existing **Transaction** between **us** then **our** respective obligations under both such **Transactions** shall automatically and immediately be terminated upon entering into the second **Transaction**, except for any settlement payment due from one of **us** to the other in respect of such close-out.

22. Charges and Taxes

- 22.1 **You** agree to pay **us** any fees on any **Transaction** carried out for **you** under this Agreement as expressly agreed between **you** and **us**.
- 22.2 **You** must also pay any applicable VAT, stamp duty, stamp duty reserve tax, and any other taxes, levies or **Transaction** costs.
- 22.3 Please note that there is the possibility that other taxes or costs may exist that are not paid through **us** or imposed by **us**. **You** will at all times be fully responsible for payment of all other taxes due, for making all claims, for filing any tax returns and for providing any relevant tax authorities with information in relation to the services **we** carry out for **you** or **your** money and investments.
- 22.4 **We** do not usually charge a fee for contracts for differences. **We** may charge fees for trading in futures. All fees will be set out in writing and agreed with **you** in advance, before **you** sign this Agreement.
- 22.5 **We** may share charges with **our Associates** and other third parties or receive and retain payment from them in respect of **Transactions** carried out on **your behalf**. Details of any such payments or sharing arrangements will be made available to **you** before any such payments or sharing arrangements are made.

- 22.6 If **you** are required by law to deduct or withhold any sum for tax or other reasons, the amount owed to **us** will be increased, so that after **you** make such a tax deduction or withholding, **we** receive the same amount as if no such deduction or withholding had been made.
- 22.7 **We** may impose certain reasonable additional charges as set out from time to time in writing to you, which **you** shall have to pay in the event that **you** do not comply with **your** obligations under this Agreement. These additional charges may include, without limitation, any reasonable legal costs **we** may incur as a result of **your** failure to comply with this Agreement. There are no additional charges payable by **you** by virtue of the fact that this Agreement is entered into via email, telephone or fax or other distance means.
- 22.8 **We** may pass onto **you** certain third party charges incurred by **us**, for example, credit card fees. The charges are set out on **our Website**. If **you** have any questions about these charges, please contact us at salesandtrading@activtrades.com.

23. Conflicts of interest and material interests

Please refer to **our** conflicts of interest policy, available on **our Website** or in hard copy on request, for further information on how **we** manage conflicts which would affect the impartiality of the services **we** provide to **you**. If **you** have any questions on **our** conflicts of interest policy, please call + 44 (0)20 7392 8700 or email **us** at compliance@activtrades.com before agreeing to these **Terms**.

24. Limitations of liability

- 24.1 **We** will not be liable for any loss or expense **you** sustain in connection with, or directly or indirectly arising from:
- 24.1.1 any error or failure in the operation of the **Platforms** or any delay caused by the **Platforms**;
 - 24.1.2 **Transactions** made via the **Platforms**;
 - 24.1.3 any failure by **us** to perform any of **our** obligations under these **Terms** as a result of a cause beyond **our** control; or
 - 24.1.4 the acts, omissions or negligence of any intermediate broker or settlement agent,
- except to the extent caused by **our** negligence, fraud or wilful default.
- 24.2 Subject to clause 24.1, **we** are responsible for losses **you** suffer as a result of **us** breaking this Agreement if the losses are a foreseeable consequence of **us** breaking this Agreement. Losses are foreseeable where they could be contemplated by **you** and **us** at the time the Agreement was entered into. **We** are not responsible for indirect losses which happen as a side effect of the main loss or damage and which are not foreseeable by **you** and **us** (such as loss of profits or loss of opportunity).
- 24.3 **You** will pay **us** for any losses **we** may incur if **you** fail to perform any of **your** obligations under these **Terms** or a **Transaction**, or from **your** use of the **Platform**.

25. Variation

- 25.1 **We** may vary this Agreement at any time by giving **you** written notification of the changes. **We** will only make changes for the following reasons:
- 25.1.1 to make the terms clearer or more favourable to **you**;
 - 25.1.2 reflecting legitimate changes in the cost of providing the service to **you**;
 - 25.1.3 reflecting a change in the **Applicable Regulations** or any other applicable law, regulation or codes of practice or decisions by a court, ombudsman, regulator or similar body;
 - 25.1.4 reflecting changes in market conditions;
 - 25.1.5 reflecting changes in the way we do business.

- 25.2 If **we** vary this Agreement in accordance with clause 25.1, **we** will give **you** at least 30 days' notice of the changes. **We** may notify **you** in writing, by email, by posting an update on **our** Website or through any other method of communication which it is appropriate to contact you by.
- 25.3 If **you** object to any change **you** must tell us within 14 days of the date the notice is deemed to have been received by **you** under clause 31 (Notices). If **you** do not do so, **you** will be deemed to have accepted the change(s). If **you** give us notice that **you** object, then the changes will not be binding on **you**, but **we** may close **your** account as soon as reasonably practicable and/or restrict **your** activity to Transactions which will close out **your** open positions.

26. Default and termination

- 26.1 If an **Event of Default** occurs or if **we** reasonably believe that **you** will not be able or willing in the future to perform any of **your** obligations to **us**, **we** shall be entitled without first giving **you** notice:
- 26.1.1 to pay **you** the fair market value of the investments credited to **your** account at the time of this payment, instead of returning to **you** investments equivalent to those investments;
 - 26.1.2 to sell those of **your** investments that are in **our** possession or in the possession of any nominee or third party appointed under or in accordance with this Agreement, in each case as **we** may in **our** reasonable discretion select or and upon the terms that **we** reasonably think fit (without being responsible for any loss or reduction in price) in order to provide **us** with sufficient funds to cover any amount owed by **you** under this Agreement;
 - 26.1.3 to close out, replace or reverse any **Transaction**, buy, sell, borrow or lend or enter into any other **Transaction** or take, or refrain from taking, any other action at any time or times and in the manner that **we**, at **our** reasonable discretion, consider necessary or appropriate to cover, reduce or remove **our** loss or liability under or in relation to any of **your** contracts, positions or commitments; and/or
 - 26.1.4 to treat any or all **Transactions** have not been settled between **us** as having been repudiated by **you**, meaning that **our** obligations under the **Transaction(s)** are immediately cancelled and terminated.
- 26.2 **We** or **you** may terminate these **Terms** by giving the other written notice, which will take effect immediately or after any period that is specified in the notice. However, **we** will give **you** reasonable notice of termination unless there is a valid reason not to, such as an **Event of Default**.
- 26.3 On the termination of this Agreement, all amounts payable by **you** to **us** will become immediately due and payable, including (but without limitation) all outstanding fees, charges and commissions, any dealing expenses incurred by terminating this Agreement, and any losses and expenses resulting from the closing out of any **Transactions** or settling or concluding outstanding obligations incurred by **us** on **your** behalf.
- 26.4 Termination will be without prejudice to the completion of **Transactions** already initiated. All **Transactions** in progress will be executed in accordance with **your** instructions.
- 26.5 Upon termination of these **Terms** **we** will be entitled, without first giving **you** notice, to stop providing **you** with access to the **Platforms**.
- 26.6 The termination of these **Terms** will not affect any rights which may already have arisen or obligation which may already have been incurred by either of **us** under these **Terms**.

27. Personal data and recording of telephone calls

- 27.1 **We** may use, store or otherwise process personal information provided by **you** in connection with the provision of the **Services**.
- 27.2 **We** are registered as a data controller in the United Kingdom under the Data Protection Act 1998.
- 27.3 If **you** are an individual, **we** are obliged to supply **you**, on request, with a copy of the personal data which **we** hold about **you** (if any), provided that **you** pay a small fee.

- 27.4 Please be advised that by signing these **Terms**, **you** will be consenting to the transmittal of **your** personal data (and/or have obtained consent from individuals working on **your** behalf) outside the EEA.
- 27.5 **You** agree that **we** may pass information about **you** which **you** have provided to other companies in **our** group and to external companies to help **us** to process and/or analyse this information as part of the provision of **Services** to **you**.
- 27.6 With **your** permission, **your** personal data may also be used for marketing purposes or to conduct market research for **us** or other companies in **our** group, which may use the personal data to bring to **your** attention products and services that may be of interest to **you**, and also to assist in the efficient provision of the **Services**. **Please advise in writing if you do not wish your personal data to be used for such purposes.**
- 27.7 Any telephone conversation between **you** and **us** may be recorded. All instructions received by telephone will be binding as if received in writing. **Our** recordings shall be and remain **our** sole property and will be accepted by **you** as conclusive evidence of the orders, instructions or conversations so recorded. **You** agree that **we** may deliver copies of transcripts of such recordings to any court, regulatory or government authority.

28. Consent to direct contact

- 28.1 **We** may from time to time contact **you** in relation to administering the **Services** provided to **you** under this Agreement or to offer **you** other financial services or products that **you** may be interested in. **We** may contact **you** by telephone, fax or other methods of communication for these purposes and **you** consent to this contact. Please advise **us** in writing if **you** do not wish to hear about other financial services or products.
- 28.2 **You** consent to receive the communications described in sub-clause 28.1 above and acknowledge that such communication would not be considered by **you** as being a breach of any of **your** rights under any relevant data protection and/or privacy regulations.

29. Complaints and compensation

- 29.1 If **you** think that **you** have reason to make a complaint please write in the first instance to:

Complaints
ActivTrades Plc
1 Thomas More Square, E1W 1YW
United Kingdom

Your complaint will be fully investigated and a full resolution sought. **Our** complaints procedure is available upon request, but **we** will automatically provide **you** with a copy if **we** receive a complaint from **you**.

If **you** are unhappy or dissatisfied with **our** handling or findings in relation to **your** dispute or complaint **you** may refer the matter to the Financial Ombudsman Service for further investigation at Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.

We are a member of the Financial Services Compensation Scheme (the **Scheme**). **You** may be entitled to compensation from the **Scheme** if **we** cannot meet **our** obligations to **you**. This depends on the type of business and the circumstances of the claim. The **Scheme** is only available to certain types of claimants and claims. Payments under the **Scheme** in respect of investments are subject to a maximum payment to any eligible investor of 100% of the first £50,000. The amounts of compensation may be changed from time to time and **you** should check **your** entitlement with the **Scheme**. Further information about compensation arrangements is available from the **Scheme**. **You** can contact the **Scheme** by calling their Helpline on 0207 892 7300, logging onto their website at www.fscs.org.uk or writing to the Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN.

30. Confidentiality

The information **we** hold about **you** is confidential and will not be used for any purpose other than in connection with the provision of the **Services**. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Information of a confidential nature (including information relating to **your Transactions**) will only be disclosed outside a group of companies to which **we** belong in the following circumstances:

- 30.1 where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over **us** (or any respective **Associate**);

- 30.2 to investigate or prevent fraud or other illegal activity;
- 30.3 to any third party in connection with the provision of **Services to you** by **us**;
- 30.4 to intermediate brokers or settlement agents;
- 30.5 for purposes ancillary to the provision of the **Services** or the administration of **your** account, including, without limitation, for the purposes of credit or identification enquiries or assessments;
- 30.6 if it is in the public interest to disclose such information; or
- 30.7 at **your** request or with **your** consent.

31. Notices

- 31.1 Any notice or other communication given under this Agreement must be in writing and may be:
 - 31.1.1 made by electronic means, including e-mail;
 - 31.1.2 delivered personally;
 - 31.1.3 sent by prepaid recorded delivery or registered post, or registered airmail in the case of an address for service outside the United Kingdom; or
 - 31.1.4 by fax with a confirmatory copy sent by post (as above), to **your** or **our** address as specified in this Agreement or to such other address, the e-mail address or fax number as either **you** or **we** may have last notified to the other, as applicable.
- 31.2 Any such notice will be considered to have been served:
 - 31.2.1 if delivered by hand, at the time of delivery;
 - 31.2.2 if sent by prepaid recorded delivery or registered post, two clear **Business Days** after the date of posting (i.e. not including the day of posting itself); and
 - 31.2.3 if sent by registered airmail, five clear **Business Days** from the date of posting (i.e. not including the day of posting itself);
 - 31.2.4 if sent by fax, at the completion of transmission during business hours at its destination or, if not within business hours, at the opening of the next period of business hours, but subject to:
 - 31.2.4.1 proof by the sender that it holds a printed transmission report confirming despatch of the transmitted notice;
 - 31.2.4.2 the sender not receiving any telephone calls from the recipient, to be confirmed in writing, that the fax has not been received in a legible form; and
 - 31.2.4.3 despatch of the notice by post in accordance with clause 31.1.4 on the same day as its transmission; and
 - 31.2.5 if sent by e-mail, one hour after sending during business hours at its destination or, if not within business hours, at the opening of the next period of business hours, but subject to no "not sent" or "not received" message being received from the relevant e-mail providers.
- 31.3 For the purpose of clause 31.2, **business hours** means between 9.00 a.m. and 5.30 p.m. on a **Business Day**.
- 31.4 E-mail may be used to enable **us** to communicate with **you**. As with any other means of delivery this carries with it the risk of inadvertent misdirection or non delivery. It is **your** responsibility to carry out a virus check on any attachments received. As internet communications are capable of data corruption **we** do not accept any responsibility for changes made to such communications after their despatch. For this reason it may be inappropriate to rely on the content of an e-mail without obtaining written confirmation of it. All risks connected with sending confidential information relating to **you** are borne by **you** and are not **our** responsibility. If **you** do not accept this risk, **you** should notify **us** in writing that e-mail is not an acceptable means of communication.

32. General

- 32.1 The granting by **you** or **us** of any time or concession in respect of any breach of these **Terms** by the other will not be considered to be a waiver of that breach.
- 32.2 These **Terms** comprise the entire agreement between the parties relating to the subject matter hereof and each of the parties acknowledges that it has not entered into these **Terms** relying on any representation, statement or agreement, whether oral or in writing, other than those expressly incorporated in these **Terms**.
- 32.3 **Set-off:** in addition to any other right to withhold payment, **we** may at any time and without notice to **you**, set off any amounts owing between **you** and **us**. If **we** exercise the right of set-off and it shows that the amounts due to **us** exceed the amounts due to **you**, **we** will give **you** notice of this and **you** shall immediately pay such excess to **us**.
- 32.4 If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected.

33. Governing law and jurisdiction

These **Terms**, and any non-contractual obligations connected with them, are governed by and construed in accordance with English law and **you** and **we** submit to the exclusive jurisdiction of the English courts.

Document Checklist:

The following policies and documents are available on our Website (www.activtrades.com) or in hard copy on request. If you have any questions, please call +44 (0)20 7680 7300 or email us at compliance@activtrades.com.

I CONFIRM THAT I HAVE READ THE FOLLOWING POLICIES/DOCUMENTS AND AGREE TO THEIR TERMS.

- Order execution policy (http://www.activtrades.com/documents/en_GB/summary-execution-policy.pdf)
- Swaps information (http://www.activtrades.co.uk/index.aspx?page=forex_swaps)
- Conflicts of interest policy (http://www.activtrades.com/documents/en_GB/conflicts-of-interest-policy.pdf)
- Electronic Trading Supplement (http://www.activtrades.co.uk/documents/en_GB/EN_ElectronicTradingSupplement.pdf)

These are our standard terms of business upon which we intend to rely. For your own benefit and protection, you should read these Terms carefully before signing them. If you do not understand any point, please ask for further information or seek independent legal or financial advice.

I HAVE READ THE CLIENT AGREEMENT AND AGREE TO ITS TERMS:

Signed:.....

Name:

Date:.....

Schedule 1

Information Notice

This Notice is provided by ActivTrades Plc (registered in England with number 5367727) whose registered office is at 1 Thomas More Square, London E1W 1YW (**we**) to **you** in compliance with the **FSA Rules**.

All words and expressions defined in the **Terms** of business shall, unless the context requires otherwise, have the same meaning in this Notice.

The following statements are intended to make **you** aware of and disclose to **you** the nature and risk of certain investment types and trading strategies and potential for risk and loss that will arise in respect of trading on the financial markets.

This Notice cannot disclose all the risks and other significant aspects of either the investment types such as warrants and derivative products including futures, options, and contracts for differences, or the different trading strategies. Before undertaking any trading you must familiarise yourself with the product that you propose to trade and the way in which the market operates. Please ensure that you read all the information on our Website that is relevant to the trading that you propose to undertake with us. You should not deal in these products unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the product is suitable for you in the light of your circumstances and financial position. Certain strategies, such as a "spread" position or a "straddle", may be as risky as a simple "long" or "short" position.

Although warrants and/or derivative instruments can be utilised for the management of investment risk, some of these products are unsuitable for many investors. Different instruments involve different levels of exposure to risk and in deciding whether to trade in such instruments **you** should be aware of the following points:

1. Securitised derivatives

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

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

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

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

You should consider carefully whether or not this product is suitable for **you** in light of **your** circumstances and financial position, and if in any doubt please seek professional advice.

2. Futures

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of **your** investment, and this can work against **you** as well as for **you**. Futures transactions have a contingent liability, and **you** should be aware of the implications of this, in particular the margining requirements, which are set out in paragraph 11 below.

3. Options

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

Buying options:

Buying options involves less risk than selling options because, if the price of the underlying asset moves against **you**, **you** can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if **you** buy a call option on a futures contract and **you** later exercise the option, **you**

will acquire the future. This will expose **you** to the risks described under "futures" and "contingent liability investment transactions".

Writing options:

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

Traditional options:

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

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

4. Contracts for difference

Futures and options contracts can also be referred to as contracts for difference. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and **you** should be aware of these as set out in paragraphs 5 and 6 respectively. Transactions in contracts for differences may also have a contingent liability and **you** should be aware of the implications of this as set out in paragraph 12 below.

5. Off-exchange transactions in contracts for difference

These transactions are not carried out on a recognised exchange or designated exchange and this may mean a higher level of risk is incurred by the investor. The betting structure and the betting roles are established solely by **us**. This means, for example, that if **you** wish to close the bet earlier than at the time at which it would otherwise automatically expire, **you** will have to close it at **our** quotation, which may reflect a premium or discount to the underlying market. When the underlying market is closed, **our** quotation can be influenced by the weight of other clients buying or selling. Bets entered into with **us** can only be closed with **us**.

6. Off-exchange transactions in derivatives

It may not always be apparent whether or not a particular derivative is arranged on exchange or in an off-exchange derivative transaction. **We** must make it clear to **you** if **you** are entering into an off-exchange derivative transaction.

While some off-exchange markets are highly liquid, transactions in off-exchange or non-transferable derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid prices and offer prices need not be quoted, and, even where they are, they will be established by dealers in these instruments and consequently it may be difficult to establish what is a fair price.

7. Foreign markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. On request, **we** must provide an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which **we** will accept liability for any default of a foreign firm through whom **we** deal. The potential for profit or loss from transactions on foreign markets or in foreign denominated contracts will be affected by fluctuations in foreign exchange rates.

8. Contingent liability investment transactions

Contingent liability investment transactions, which are margined, require **you** to make a series of payments against the purchase price, instead of paying the whole purchase price immediately.

If **you** trade in futures, contracts for differences or sell options, **you** may sustain a total loss of the margin **you** deposit to establish or maintain a position. If the market moves against **you**, **you** may be called upon to pay substantial additional margin at short notice to maintain the position. If **you** fail to do so within the time required, **your** position may be liquidated at a loss and **you** will be responsible for the resulting deficit.

Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when **you** entered the contract.

Save as specifically provided by the **FSA**, **your** firm may only carry out margined or contingent liability transactions with or for **you** if they are traded on or under the rules of a recognised or designated investment exchange. Contingent liability investment transactions which are not so traded may expose **you** to substantially greater risks.

9. Limited liability transactions

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

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

10. Collateral

If **you** deposit collateral as security with **us**, the way in which it will be treated will vary according to the type of transaction and where it is traded. There could be significant differences in the treatment of **your** collateral depending on whether **you** are trading on a recognised or designated investment exchange, with the rules of that exchange (and the associated clearing house) applying, or trading off-exchange. Deposited collateral may lose its identity as **your** property once dealings on **your** behalf are undertaken. Even if **your** dealings should ultimately prove profitable, **you** may not get back the same assets which **you** deposited, and may have to accept payment in cash. **You** should ascertain from **us** how **your** collateral will be dealt with.

11. Commissions

Before **you** begin to trade, **you** should obtain details of all commissions and other charges for which **you** will be liable. If any charges are not expressed in money terms (but, for example, as a percentage of contract value), **you** should obtain a clear and written explanation, including appropriate examples, to establish what such charges are likely to mean in specific money terms. In the case of futures, when commission is charged as a percentage, it will normally be as a percentage of the total contract value, and not simply as a percentage of **your** initial payment.

12. Suspensions of trading

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

13. Clearing house protections

On many exchanges, the performance of a transaction by **us** (or third party with whom he is dealing on **your** behalf) is guaranteed by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover **you** and may not protect **you** if **your** firm or another party defaults on its obligations to **you**. On request, **we** must explain any protection provided to **you** under the clearing guarantee applicable to any on-exchange derivatives in which **you** are dealing. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

14. Insolvency

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

15. Past performance

You should be aware that the price of the financial instruments that **you** are dealing with depends on fluctuations in the financial markets outside of **our** control and that past performance is no indicator of future performance.

16. Non-readily realisable investments

We may arrange or enter into transactions in non-readily realisable investments. These are investments in which the market is limited or could become so. **You** may have difficulty selling this investment at a reasonable price and, in some circumstances, it may be difficult to sell it at any price. Do not invest in such investments unless **you** have carefully thought about whether **you** can afford it and whether it is right for **you**.

17. Dealing In securities which may be subject to stabilisation

This statement complies with the **FSA Rules**.

We, and/or **our** representatives, may from time to time carry out transactions on **your** behalf where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help **you** judge whether **you** wish **your** funds to be invested at all in such securities and, if **you** do, whether **you** wish:

(a) to be consulted before **we** carry out any such transaction on **your** behalf;

or

(b) to authorise **us** to carry out any such transaction on **your** behalf without first having to consult **you**.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The **FSA** allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is being carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that were previously sold to investors or allotted to institutions, which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation rules:

(a) limit the period when a stabilising manager may stabilise a new issue;

(b) fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and

(c) require him to disclose that he may be stabilising but not that he is actually doing so.

The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, or of the price at which they are prepared to buy the securities.

18. Listed securities where gearing is involved

In relation to listed securities where gearing is involved, the gearing strategy used by the issuer may result in movements in the price of the securities being more volatile than the movements in the price of the underlying investments. **Your** investment may be subject to sudden and large falls in value and **you** may get back nothing at all if there is a sufficiently large fall in **your** investment.

We intend to rely on this Information Notice. For your own benefit and protection, you should read this Information Notice carefully before signing it. If you do not understand any point, please ask for further information or seek independent legal or financial advice.

You hereby acknowledge and agree that you have read this Risk Warning Notice.

I/we have read the information on the ActivTrades website and the descriptions and risk warning set out in this Information Notice.

Signed:.....

Name:

Date:.....

Schedule 2

Futures and Options

1. Scope

- 1.1 The clauses in this Schedule apply to transactions in futures and options. In this Schedule, **Transaction** means a transaction in exchange-traded futures or options.
- 1.2 Any **Transaction** to which this Schedule applies shall be subject to clause 21 of the Agreement. The netting provisions of clause 21 shall not apply to any **Transaction** to the extent that action which conflicts with or overrides the netting provisions of clause 21 has been started in relation to that **Transaction** by an **Exchange** or clearing organisation under **Applicable Regulations** and is continuing.

2. Trading arrangements

- 2.1 **Matching trades:** In respect of every **Transaction** made between **you** and **us** subject to the rules of an **Exchange**, **we** shall, unless otherwise agreed in writing in relation to a particular **Exchange**, act as principal. **We** shall make (or arrange to make through an intermediate broker who may be an associate) on a principal-to-principal basis a matching **Transaction** on the relevant **Exchange** or accept the allocation to **us** of such a **Transaction**.
- 2.2 **Give-up:** In respect of every **Transaction** made between **you** and **us** and given up to be cleared by another broker or dealer as specified by **you**:
- (a) if such broker or dealer accepts the give-up, **we** shall (without prejudice to any claim **we** may have for commission or other payment) no longer be a party to the **Transaction** and shall have no obligation to **you** for its performance; or
 - (b) if such broker or dealer declines to accept the give-up, **we** shall be entitled at **our** option either to confirm the **Transaction** with **you** or to liquidate it by any sale, purchase, disposal or other **Transaction** or cancellation as **we** may in **our** discretion determine, whether on the relevant **Exchange** or by private contract or any other feasible method (including taking it over ourselves or transferring it to an **Associate**); and any balance resulting from such liquidation shall be promptly settled between **us** but without prejudicing **our** rights under this Agreement or otherwise.
- 2.3 **International Uniform Give-up Agreement:** **You** authorise **us** to enter into and execute any International Uniform Give-up Agreement on **your** behalf. Where **you** and **we** are party to an International Uniform Give-up Agreement, in the event of any inconsistency the provisions of such agreement shall prevail over this Agreement.
- 2.4 **Allocation on delivery or exercise:** Where the relevant **Exchange** or intermediate broker does not specify a particular **Transaction** when making a delivery or exercising an option, **we** may allocate randomly or in a way which seems to **us** to be most equitable.
- 2.5 **Exercise of options:** **You** understand that **Exchanges** have established exercise cut-off times for instructions in relation to the exercise of options and that options will become worthless in the event that **you** do not deliver instructions by the cut-off time. **You** also acknowledge that **we** may put in place exercise cut-off times that may be earlier than those of the relevant **Exchange**, and **you** shall have no claims against **us** arising out of the fact that an option was not exercised, except in circumstances where the option was not exercised as a direct result of **our** negligent failure to inform **you** of **our** own exercise cut-off time in respect of the particular option.
- 2.6 **Deemed exercise of options:** Where by virtue of **Exchange** rules an option is exercised automatically under a back-to-back **Transaction** which has been entered into by **us** on **your** instructions, the corresponding **Transaction** to which **you** and **we** are both party will be deemed to have been automatically exercised at the same time.
- 2.7 **Correction of order:** **You** understand that **Exchanges** may from time to time allow **us** to make contracts off-exchange in order to satisfy **your** order, where there has been an error in the execution of **your** order on-exchange. Where a better price (an improvement) can be obtained, **we** may seek to secure and offer that improvement to **you**. Where, in response to **your** order, **we** have bought or sold in accordance with the instruction in **your** order to buy or, as the case may be, to sell but have traded the wrong delivery/expiry month or wrong exercise price of the relevant contract, then **we** may, in accordance with the rules of any relevant **Exchange**, offset any loss arising from that trade against any improvement achieved for **you** in the course of correctly satisfying **your** order, thus offering **you** only the net improvement, if any.

3. EFP Transactions

3.1 **Definitions:** In this clause:

EFP Transaction means a transaction between **us** and **you** that consists of a **Physical Contract** that is intended to be replaced by **Futures Contracts**.

Futures Contract means a contract on terms prescribed by an **Exchange**.

Physical Contract means a **Transaction**, the terms of which are comparable with the terms of a **Futures Contract**, which is not entered into on or back-to-back with a transaction entered into by **us** on an **Exchange**.

Reverse EFP Transaction means a transaction between **us** which consists of a **Physical Contract** that is intended to replace **Futures Contracts**.

3.2 **EFPs:** In relation to each **EFP Transaction** (subject to its particular terms), once **we** become bound to **Futures Contracts** entered into in replication of the **Physical Contract**, the **Physical Contract** shall be automatically discharged.

3.3 **Reverse EFPs:** In relation to each **Reverse EFP Transaction** (subject to its particular terms), the **Physical Contract** with **you** shall arise automatically upon the closing out (including by creation of opposite positions, on the relevant **Exchange**) of the **Futures Contracts** which the **Physical Contract** is intended to replace.

3.4 **Existence of Transactions:** The existence of an **EFP Transaction** or **Reverse EFP Transaction** is conditional on registration of the **Futures Contracts** (or, as the case may be, contracts effecting close-out) occurring on the date specified in the confirmation relating to the **Transaction**.

3.5 **Payment:** **We** will notify **you** of the amount of any payment due between **us** as a result of entering into an **EFP Transaction** or **Reverse EFP Transaction**, to whom it is payable and when.