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# Terms and Conditions of Business

## -multi-asset trading account-

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Shard Capital Stockbrokers is a trading name of Shard Capital Partners LLP which is Authorised and Regulated by the Financial Conduct Authority. The Financial Conduct Authority has its address at 25 The North Colonnade, Canary Wharf, London E14 5HS. The Financial Conduct Authority maintains a register of all businesses that it regulates at [www.fca.org.uk/register/](http://www.fca.org.uk/register/).

### 1. DEFINITIONS – INTERPRETATION OF TERMS

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**1.1** In these General Business Terms (hereinafter the "Terms") the following terms shall, unless the context otherwise pledges, have the following meanings and may be used in the singular or plural as appropriate:

- "Account" shall mean a transaction account of the Client at Shard Capital Stockbrokers.
- "Account Statement" shall mean a periodic statement of the transactions credited or debited to an Account.
- "Account Summary" shall mean a statement of the Clients securities portfolio, open position's, margin requirements, cash deposit etc. at a specific point in time.
- "Agent" shall mean an individual person or legal entity undertaking a transaction on behalf of another individual person or legal entity but in his/its own name.
- "API" shall mean Application Programming Interface for the use of alternative trading interfaces or platforms.
- "Authorised Person" shall mean a person authorised by the Client to give instructions.
- "Best Execution Policy" shall mean Shard Capital Stockbroker's prevailing policy used when executing client orders.
- "Business Day" shall mean any day on which banks are open for business in England.
- "CFD Contract" or "CFD" shall mean a contract which is a contract for difference by reference to fluctuations in the price of the relevant security or index.
- "Client" shall mean the individual person, legal entity or firm being a customer of Shard Capital Stockbrokers;
- "Client Classification" shall mean Shard Capital Stockbroker's overall, product, or transaction specific classification of Clients.
- "Commercial use" shall mean any use of the Trading Platform by Clients which are legal entities or firms;
- "Commissions, Charges & Margin Schedule" shall mean the schedule of commissions, charges, margin, interest and other rates which at any time may be applicable to the Services as determined by Shard Capital Stockbrokers on a current basis.
- "Contract" shall mean any contract, whether oral or written, for the purchase or sale of any commodity, security, currency or other financial instrument or property, including any derivatives such as an option, a future, a CFD or other transaction relating thereto, entered into by Shard Capital Stockbrokers with the Client.
- "Contract Option" shall mean a contract between Shard Capital Stockbrokers and a Client the terms of which correspond in all respects to the terms of an option, which is quoted, listed or ordinarily purchased or sold on and cleared through a regulated market place or another market.
- "Counterparties" shall mean banks and/or brokers through whom Shard Capital Stockbrokers may cover its Contracts with Clients or with whom Shard Capital Stockbrokers otherwise deals in relation to Clients' transactions.
- "Durable Medium" means any instrument which enables the Client to store information in a way accessible for future reference for a period of time adequate to the purposes of the information and which allows the un-changed reproduction of the information stored.
- "FIFO" is an abbreviation of "First in - First Out" and refers to the fact that in case one or more Contracts with the same characteristics shall be closed, Shard Capital Stockbrokers will as a point of departure close the older Contract first.

- "Inside Information" shall mean non-published information which is likely to have a noticeable effect on the pricing of a Contract if it was made public.
- "Margin Trade" shall mean a Contract opened and maintained based on a margin deposit as opposed to a Contract based on a purchase price.
- "Market Maker" shall mean a professional participant in the financial markets who continuously offers purchase and sale prices for a financial instrument in order to buy and sell respectively in the event of interested Clients.
- "Market Rules" shall mean the rules, regulations, customs and practices from time to time of any exchange, clearing house or other organisation or market involved in, or otherwise relevant to, the conclusion, execution, terms or settlement of a transaction or Contract and any exercise by any such ex-change, clearing house or other organisation or market of any power or authority conferred on it.
- "Private use" shall mean any use of the Trading Platform by Clients that are physical persons. Terms and Conditions of Business Multi-Asset Trading Account
- "Security" shall mean any securities or other assets deposited with Shard Capital Stockbrokers by the Client.
- "Services" shall mean the services to be provided by Shard Capital Stockbrokers subject to the Terms.
- "Settlement/Trade Confirmation" shall mean a notification from Shard Capital Stockbrokers to the Client confirming the Client's entry into a Contract.
- "Terms" shall mean these General Business Terms governing the Client relationship between the Client and Shard Capital Stockbrokers.
- "Trading Platform" shall mean any online trading platform made available by Shard Capital Stockbrokers under the Terms.

In the Terms references to any law, statute or regulation or enactment shall include references to any statutory modification or re-enactment thereof or to any regulation or order made under such law, statute or enactment (or under such a modification or re-enactment).

## 2. RISK ACKNOWLEDGEMENT

**2.1** The Client acknowledges, recognises and understands that trading and investments in

leveraged as well as non-leveraged Contracts is: i) highly speculative; ii) may involve an extreme degree of risk; and iii) is appropriate only for persons who, if they trade on margin, can assume risk of loss in excess of their margin deposit.

**2.2** The Client acknowledges, recognizes and understands that:

- a. because of the low margin normally required in Margin Trades, price changes in the underlying asset may result in significant losses, which losses may substantially exceed the Client's investment and margin deposit;
- b. when the Client directs Shard Capital Stockbrokers to enter into any transaction, any profit or loss arising as a result of a fluctuation in the value of the asset or the underlying asset will be entirely for the Client's account and risk;
- c. the Client warrants that the Client is willing and able, financially and otherwise, to assume the risk of trading in speculative investments;
- d. the Client agrees not to hold Shard Capital Stockbrokers responsible for losses incurred as a consequence of Shard Capital Stockbrokers carrying the Client's account and following its recommendations or suggestions or those of its employees, associates or representatives, unless Shard Capital Stockbrokers has exercised gross negligence in connection herewith;
- e. the Client is aware of the fact that unless it is otherwise specifically agreed, Shard Capital Stockbrokers shall not conduct any continuous monitoring of the transactions already entered into by the Client neither individually nor manually. Hence, Shard Capital Stockbrokers cannot be held responsible for the transactions developing differently from what the Client might have presupposed and/or to the disadvantage of the Client;
- f. the Client accepts that guarantees of profit or freedom from loss are impossible in investment trading; and
- g. the Client accepts that the Client has received no such guarantees or similar representations from Shard Capital Stockbrokers, or representatives.

### 3. SERVICES

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Subject to the Client fulfilling its obligations under the Terms, Shard Capital Stockbrokers may enter into transactions with the Client in the following investments and instruments:

- a. Futures, and CFDs on commodities, securities, interest rate and debt instruments, stock or other indices, currencies and base and precious metals;
- b. Spot and forward bullion, currencies, and OTC derivatives;
- c. Securities, including shares, bonds, and other debt instruments, including government and public issues;
- d. Options and warrants to acquire or dispose of any of the instruments above, including options and Contract Options;
- e. Managed assets whether as OTC or stock exchange traded instruments; and
- f. Such other investments as Shard Capital Stockbrokers may from time to time agree.

### 4. THE SERVICES PROVIDED BY SHARD CAPITAL STOCKBROKERS MAY INVOLVE:

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- a. Margined transactions;
  - b. Short sales (i.e. sales where one party to the Contract is obliged to deliver an asset which it does not possess); or
  - c. Transactions in instruments which are: traded on exchanges which are not recognized or designated investment exchanges; and/or not traded on any stock or investment exchange; and/or not immediately and readily realisable.
- 4.1** Orders may be placed as market orders to buy or sell as soon as possible at the price obtainable in the market, or on selected products as limit and stop orders to trade when the price reaches a pre-defined level. Limit orders to buy and stop orders to sell must be placed below the current market price, and limit orders to sell and stop orders to buy must be placed above the current market price. If the bid price for sell orders or ask price for buy orders is reached, the order will be filled as soon as possible at the price obtainable in the market. Limit and stop orders are executed consistent with "Shard Capital

Stockbroker's Best Execution Policy" and are not guaranteed executable at the specified price or amount, unless explicitly stated by Shard Capital Stockbrokers for the specific order.

- 4.2** In relation to any transaction or Contract, Shard Capital Stockbrokers will effect such transaction or Contract as Principal unless it is specifically agreed that Shard Capital Stockbrokers shall act as Agent for the Client.
- 4.3** The Client shall, unless otherwise agreed in writing, relative to Shard Capital Stockbrokers enter into Contracts as Principal. If the Client acts as Agent, regardless of whether the Client identifies the Principal to Shard Capital Stockbrokers, Shard Capital Stockbrokers shall not be obliged to accept the said Principal as a client, and consequently Shard Capital Stockbrokers shall be entitled to consider the Client as Principal in relation to the Contract.
- 4.4** In the event Shard Capital Stockbrokers provides advice, information or recommendations to the Client Shard Capital Stockbrokers shall not be responsible for the profitability of such advice, information or recommendation and the Client acknowledges, recognizes and understands that:
- a. All transactions in exchange-traded investments and many Contracts will be effected subject to, and in accordance with, Market Rules;
  - b. Market Rules usually contain far-reaching powers in an emergency or otherwise undesirable situation;
  - c. If any exchange or clearing house takes any action which affects a transaction or Contract, directly or indirectly, including any Contract Option, then Shard Capital Stockbrokers is entitled to take any action relevant to the situation and reasonable to the parties in the interests of the Client and/or Shard Capital Stockbrokers;
  - d. Shard Capital Stockbrokers shall not be liable for any loss suffered by the Client as a result of the acts or omissions of any exchange or clearing house or any action reasonably taken by Shard Capital Stockbrokers as a result of such acts or omissions unless Shard Capital Stockbrokers has exercised gross negligence in connection hereby;
  - e. Where any transaction is effected by Shard Capital Stockbrokers as Agent for the Client,

delivery or payment (as appropriate) by the other party to the transaction shall be at the Client's entire risk;

- f. Shard Capital Stockbroker's obligation to deliver investments to the Client or to account to the Client or any other person on the Client's behalf for the proceeds of sale of investments shall be conditional upon receipt by Shard Capital Stockbrokers of deliverable documents or sale proceeds (as appropriate) from the other party or parties to the transaction;
- g. Shard Capital Stockbrokers may in whole or in part, on a permanent or temporary basis withdraw any account facility provided by Shard Capital Stockbrokers to the Client. Situations where Shard Capital Stockbrokers may take such action include situations where:
  - i) Shard Capital Stockbrokers considers that the Client may be in possession of Inside Information;
  - ii) Shard Capital Stockbrokers considers that there are abnormal trading conditions; or
  - iii) Shard Capital Stockbrokers is unable to calculate prices in the relevant Contract due to the unavailability of the relevant market information.

Shard Capital Stockbrokers informs the Client of the withdrawal and the reasons for it, where possible, before the withdrawal and if this is not possible immediately thereafter, unless giving such information would compromise objectively justified security reasons.

- 4.5** Shard Capital Stockbrokers shall not provide any advice to the Client on any tax issues related to any Services. The Client is advised to obtain individual independent counsel from its financial advisor, auditor or legal counsel with respect to tax implications of the respective Services.
- 4.6** Notwithstanding any other provision of the Terms, in providing its Services, Shard Capital Stockbrokers shall be entitled to take any action considered necessary and reasonable to ensure compliance with the Market Rules and all other applicable laws and regulatory decisions.

## 5. DEALINGS BETWEEN SHARD CAPITAL STOCKBROKERS AND THE CLIENT

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- 5.1** The Client may provide Shard Capital Stockbrokers with oral or written instructions (which shall include instructions provided via the internet or by e-mail as described below). Shard Capital Stockbrokers shall acknowledge the reception of the instructions orally or in writing, as appropriate.
- 5.2** The Client shall inform Shard Capital Stockbrokers in writing of the persons the Client has granted a Power of Attorney to instruct Shard Capital Stockbrokers on behalf of the Client. For practical reasons, Shard Capital Stockbrokers can only undertake to register one Power of Attorney for the Client. If the Client at any time wishes to revoke such a Power of Attorney, to change the extent of the Power of Attorney, or grant Power of Attorney to a different person this shall also be informed to Shard Capital Stockbrokers in writing. Shard Capital Stockbrokers is in accordance with general rules regarding Power of Attorneys entitled to receive instructions from any person authorised by the Client as well as persons who appear authorised.
- 5.3** In addition to the terms listed on Shard Capital Stockbroker's the following terms apply to Contracts executed on the internet:
  - a. Shard Capital Stockbrokers shall not undertake the risk towards Clients for any loss, expense, cost or liability suffered or incurred by the Client due to failure of the system, transmission failure or delays or similar technical errors unless Shard Capital Stockbrokers has exercised gross negligence in connection herewith.
  - b. Shard Capital Stockbrokers may offer real-time tradable prices to the Client. Due to delayed transmission between the Client and Shard Capital Stockbrokers the price offered by Shard Capital Stockbrokers may have changed before an order from the Client is received by Shard Capital Stockbrokers. If automatic order execution is offered to the Client, Shard Capital Stockbrokers shall be entitled to change the price on which the Client's order is executed to the market value at the time at which the order from the Client was received;

- c. Prices offered by Shard Capital Stockbrokers regarding the sale, purchase or exercise of Contract Options reflect the price of the relevant ex-change traded product. Due to delays from the Client's execution of an order or instruction regarding a Contract Option to the execution of the relevant exchange traded product on the exchange, the price as listed on the Trading Platform is subject to change, in order for the Contract Option to reflect the price of the relevant exchange traded product at the time of its execution or exercise (as applicable);
  - d. The Trading Platform may be available in several versions, which may be differentiated in various aspects including, but not limited to the level of security applied, products and services available etc. Shard Capital Stockbrokers shall not be liable to the Client for any loss, expense, cost or liability suffered or incurred by the Client due to the Client using a version different from Shard Capital Stockbroker's standard version with all available updates installed;
  - e. The Client shall be responsible for all orders, and for the accuracy of all information, sent via the internet using the Client's name, password or any other personal identification means implemented to identify the Client;
  - f. The Client is obliged to keep passwords secret and ensure that third parties do not obtain access to the Client's trading facilities;
  - g. If the Trading Platform is used for Commercial use the Client is liable to Shard Capital Stockbrokers for Contracts executed by use of the Client's password even if such use might be wrongful;
  - h. Regardless of the fact that the Trading Platform might confirm that a Contract is executed immediately when the Client transmits instructions via the Trading Platform, it is the Settlement/Trade Confirmation forwarded by Shard Capital Stockbrokers or made available to the Client on the Trading Platform which solely constitutes Shard Capital Stockbroker's confirmation of execution.
- 5.4** Any instruction sent via the Trading Platform or by e-mail by the Client shall only be deemed to have been received and shall only then constitute a valid instruction and/or binding Contract between Shard Capital Stockbrokers and the Client when such instruction has been recorded as executed by Shard Capital Stockbrokers and confirmed by Shard Capital Stockbrokers to the Client through the Settlement/Trade Confirmation and/or Account Statement, and the mere transmission of an instruction by the Client shall not constitute a binding Contract between Shard Capital Stockbrokers and the Client.
- 5.5** The Client shall promptly give any instructions to Shard Capital Stockbrokers, which Shard Capital Stockbrokers may require. If the Client does not give such instructions promptly, Shard Capital Stockbrokers may, at its reasonable discretion, take such steps at the Client's cost, as Shard Capital Stockbrokers considers necessary or desirable for its own protection or the protection of the Client. This provision is similarly applicable in situations when Shard Capital Stockbrokers is unable to obtain contact with the Client.
- 5.6** Shard Capital Stockbrokers may (but shall not in any circumstances be obliged to) require confirmation in such form as Shard Capital Stockbrokers may reasonably request if an instruction is to close an Account or remit money due to the Client or if it appears to Shard Capital Stockbrokers that such confirmation is necessary or desirable.
- 5.7** Pursuant to general rules regarding power of attorney the Client is accountable to Shard Capital Stockbrokers for losses which Shard Capital Stockbrokers may suffer as a result of instructions from a person who has explicitly or tacit power of attorney to give Shard Capital Stockbrokers instructions on behalf of the Client.
- 5.8** In general, Shard Capital Stockbrokers shall act according to instructions as soon as practically possible and shall, as far as trading instructions are concerned, act consistent with the companies Best Execution Policy. However if, after instructions are received, Shard Capital Stockbrokers believes that it is not reasonably practicable to act upon such instructions within a reasonable time, Shard Capital Stockbrokers may defer acting upon those instructions until it is, in Shard Capital Stockbrokers' reasonable opinion, practicable to do so or as soon as possible notify the Client that Shard Capital

Stockbrokers is refusing to act upon such instructions.

**5.9** We are required by the Financial Conduct Authority to obtain prior consent from the client to our order execution policy and the client will be deemed to provide such consent once the client has given their first order after receipt of these terms. For our full order execution policy please visit:

[www.shardcapitalstockbrokers.com/importantinformation](http://www.shardcapitalstockbrokers.com/importantinformation).

**5.10** It is possible that errors may occur in the prices of transactions quoted by Shard Capital Stockbrokers. In such circumstances, without prejudice to any rights it may have English law, Shard Capital Stockbrokers shall not be bound by any Contract which purports to have been made (whether or not confirmed by Shard Capital Stockbrokers) at a price which:

- a. Shard Capital Stockbrokers is able to substantiate to the Client was manifestly incorrect at the time of the transaction; or
- b. was, or ought to have reasonably been known by the Client to be incorrect at the time of the transaction.

In which case Shard Capital Stockbrokers reserves the right to either 1) cancel the trade all together or 2) correct the erroneous price at which the trade was done to either the price at which Shard Capital Stockbrokers hedged the trade or alternatively to the historic correct market price.

**5.11** The Client agrees that Shard Capital Stockbrokers may record all telephone conversations, internet conversations (chat), and meetings between the Client and Shard Capital Stockbrokers and use such recordings, or transcripts from such recordings, as evidence towards any party (including, but not limited to, any regulatory authority and/ or court of law) to whom Shard Capital Stockbrokers at its reasonable discretion sees it to be desirable or necessary to disclose such information in any dispute or anticipated dispute between Shard Capital Stockbrokers and the Client. However, technical reasons may prevent Shard Capital Stockbrokers from recording a conversation, and recordings or transcripts made by Shard Capital Stockbrokers will be destroyed in accordance with Shard Capital Stockbroker's normal practice. Consequently, the

Client should not rely on such recordings to be available.

**5.12** When the Client instructs Shard Capital Stockbrokers to enter into a position opposite to one or more of the Client's open positions, Shard Capital Stockbrokers will close out the opposite position in accordance with the FIFO principles unless the position has related orders or otherwise agreed.

**5.13** The Client acknowledges that Shard Capital Stockbrokers has the right to, but not the obligation to close directly opposite positions. This applies not only when the positions are held on the same account, but also when they are held on separate accounts.

**5.14** If the Client operates several Accounts (or sub-accounts) and opposite positions are opened on different Accounts (or subaccounts), Shard Capital Stockbrokers shall not close out such positions. The Client is specifically made aware that unless closed manually, all such positions may be rolled over on a continuous basis and thereby consequently all incur a cost for such roll-over.

## 6. SPECIAL NOTE ON THE USE OF THE TRADING PLATFORM

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**6.1** The technical requirements to which the Client's IT equipment, operating system, Internet connection etc. shall conform are described on Shard Capital stockbroker's website.

**6.2** The Client shall enter his user ID and password when logging on to the Trading Platform. The Client should memorize the password. Entering an in-correct password five times in a row will automatically terminate the connection and block the user ID. Shard Capital Stockbrokers informs the Client of the termination/blocking and the reasons for it, where possible, before the termination/blocking and if this is not possible immediately thereafter, unless giving such information would compromise objectively justified security reasons. The Client is obligated to notify Shard Capital Stockbrokers at telephone 0203 463 4989 without undue delay on becoming aware of unauthorised use of the Trading Platform, or if the Client suspects that the password has been misappropriated by a third party, the Client shall contact Shard Capital Stockbrokers at telephone

0203 463 4989 immediately to block his Trading Platform. The Client can then order a new password.

The Client is for a period of 18 months after notification entitled to request Shard Capital Stockbrokers to provide the Client with the means to prove that he made such notification.

- 6.3** The Client can block his Trading Platform at any time by contacting Shard Capital Stockbrokers at telephone 0203 463 4989. Blocking the Trading Platform prevents other persons from accessing it. Open orders and positions placed on the platform before the blocking will not be affected by the blocking unless the Client specifically requests so, and the Client is responsible for deciding about his positions.
- 6.4** The right to use the Trading Platform is personal, and the Client shall not allow other persons to use his user ID and/or his password. If the Client wants to allow a third party to trade on the Client's account, the Client shall issue a separate power of attorney. The power of attorney shall be written on one of Shard Capital Stockbrokers's power of attorney forms. The issue of the power of attorney shall be approved by Shard Capital Stockbrokers. A personal user ID and password shall be provided to the holder of the power of attorney by Shard Capital Stockbrokers.
- 6.5** From the Trading Platform the Client can print reports on trading activities and his account balances.
- 6.6** Where the Client has placed an order which he subsequently regrets, the Client may request that the order be cancelled up until the time of execution. The Client is aware that Shard Capital Stockbrokers is under no obligation to cancel the order. A request for cancellation or an order can be made via the Trading Platform or by calling Shard Capital Stockbrokers Sales Trading. Requests concerning cancellation of orders generated when the margin is exceeded can only be made to Shard Capital Stockbrokers Sales Trading. An order shall not be considered to be cancelled until the Client has received a written confirmation from Shard Capital Stockbrokers.
- 6.7** If the Trading Platform is used for Private Use, the following limitations on Client liability in case of abuse or other unauthorised use of the Trading Platform shall apply:
- a. If Shard Capital Stockbrokers proves that:
    - i) the Client or a person to whom the holder has entrusted his user ID and/or his password, by grossly irresponsible conduct has made the unauthorised use by a third party possible, or
    - ii) the Client or a person to whom the holder has entrusted his user ID and/or his password, has failed to inform Shard Capital Stockbrokers as soon as possible after having become aware that his user ID and/or his password has become known to an unauthorized third person, or
    - iii) the unauthorized use is made by a person to whom the Client has disclosed the user ID and/or the password without the matter being covered by Clause iii, the Client shall be liable to the extent of up to DKK 8,000 for losses caused by unauthorized use of the Trading Platform.
  - b. The Client shall be liable without limitation if the unlawful use was made by someone with whom the Client has knowingly entrusted his user ID and password in circumstances where the Client realized or should have realized that there was an obvious risk of abuse as a result of such disclosure.
- 6.8** The Client shall not be liable for unlawful use of the Trading Platform occurring after the Client has informed Shard Capital Stockbrokers.
- 6.9** Where the Trading Platform is used for Private Use, Shard Capital Stockbrokers shall be liable for direct losses resulting from non-executed or defective executed orders, unless non-executed or defective executed order is due to conditions for which the Client is liable. Shard Capital Stockbrokers shall not be liable for any indirect losses.
- 6.10** Shard Capital Stockbrokers shall not be liable for losses in cases of abnormal and unforeseeable circumstances beyond the control of Shard Capital Stockbrokers pleading for the application of those circumstances, the consequences of which would have been unavoidable despite all efforts to the contrary.
- 6.11** If the Trading Platform is used for Commercial use Shard Capital Stockbrokers shall not be liable for any indirect losses and/or losses resulting from:

- a. Operational failures preventing the use of the Trading Platform;
- b. Interruptions preventing the Client from accessing the Trading Platform;
- c. Use of the Internet as a means of communication and transport;
- d. Damage caused by matters relating to the Client's own computer systems.

**6.12** Shard Capital Stockbrokers shall not be responsible for losses resulting from the Client's installation and use of the computer programs used on the Trading Platform, unless such liability follows from indispensable rules of law. Where the Trading Platform is used for Commercial Use, the Client shall be responsible for ensuring that the Trading Platform is adequately insured against direct and indirect losses which may result from the installation and use of the computer programs in the Client's computer system. Furthermore, the Client shall be obliged to make backup copies of data which, should such data be lost, might result in losses for the Client.

## 7. TRANSFER OF FUNDS TO THE CLIENT'S ACCOUNT AT SHARD CAPITAL STOCKBROKERS

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**7.1** The Client understands and accepts that in order to secure the identity of the sender Shard Capital Stockbrokers only allows transfers to the Client's Account from the Client's own accounts in other banks. This entails that Shard Capital Stockbrokers must receive sufficient information about the transfer from the sending bank to make a certain identification of which Client and which account the funds shall be registered on. Therefore, the Client understands and accepts that Shard Capital Stockbrokers only is able to respect the time limits mentioned in Clause 7.2 and 7.3 if Shard Capital Stockbrokers can identify the sender as the Client and on which Client and account the funds shall be registered.

**7.2** For transfers of currency of an EU or EEA country from an account in a bank in an EU or EEA country the funds are booked and at disposal on the Client's Account without undue delay after Shard Capital Stockbrokers has received the funds if Shard Capital Stockbrokers receives the funds before 2 p.m. CET on a Business Day. If the transfer is received in the

period between 2 p.m. CET on a Business Day to 8 a.m. CET on the following Business Day, the Client cannot expect the funds to be at the Client's disposal until the following Business Day after 10 a.m. CET.

**7.3** When the Client transfers funds in another currency or from another country than mentioned in clause 7.2, the funds are booked and at disposal on the Client's Account no later than two Business Days after the funds are received by Shard Capital Stockbrokers. If Shard Capital Stockbrokers receives the funds on a non-Business Day or receives the funds after 2 p.m. CET on a Business Day, the funds are considered to be received on the following Business Day and, consequently, the Client cannot expect the funds to be at disposal until the third following Business Day after 10 a.m. CET.

**7.4** When the Client transfers funds between two accounts held with Shard Capital Stockbrokers, the funds are at the disposal on the receiving account on the day of the transfer.

**7.5** The Client acknowledges that Shard Capital Stockbrokers cannot be held liable for how many days it takes from the sending bank sends funds to Shard Capital Stockbrokers receives them.

**7.6** The Client is made aware, that special events can cause the booking of funds to be delayed by up to three Business Days from the day that Shard Capital Stockbrokers receives it.

## 8. MARGINS, SECURITY, PAYMENTS AND DELIVERY

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**8.1** The Client shall pay to Shard Capital Stockbrokers on demand:

- a. such sums of money by way of deposits, or as initial or variation margin as Shard Capital Stockbrokers may require. In the case of a Contract effected by Shard Capital Stockbrokers on an exchange, such margin shall be not less than the amount or percentage stipulated by the relevant exchange plus any additional margin that Shard Capital Stockbrokers at its reasonable discretion may require;
- b. such sums of money as may from time to time be due to Shard Capital Stockbrokers under a Contract and such sums as may be required in or towards clearance of any debit balance on any Account;

- c. such sums of money as Shard Capital Stockbrokers may from time to time require as security for the Client's obligations to Shard Capital Stockbrokers; and
  - d. any amount to maintain a positive cash-balance on any and all Account(s).
- 8.2** When dealing with Contract Options Shard Capital Stockbrokers will enter into a contract with its Counterparties which is identical in all respects to the Contract Option between Shard Capital Stockbrokers and the Client and Shard Capital Stockbrokers may under such Counterparty contract be required to deliver additional margin from time to time. Shard Capital Stockbrokers may without notice change the margin requirement towards the Client to reflect changes in applicable margin requirements for Shard Capital Stockbrokers from time to time under any Counterparty contract.
- 8.3** If the Client makes any payment which is subject to any price fluctuations, withholding or deduction, the Client shall pay to Shard Capital Stockbrokers such additional amount to ensure that the amount actually received by Shard Capital Stockbrokers will equal the full amount Shard Capital Stockbrokers would have received had no price fluctuations, withholding or deduction been made.
- 8.4** Payments into the Client's account are deposited by Shard Capital Stockbrokers on the condition of Shard Capital Stockbrokers receiving the amount in question. This shall apply irrespective of whether it has been explicitly stated in receipts or other notices of or requests for payment.
- 8.5** With the prior written agreement of Shard Capital Stockbrokers on each occasion, the Client may deposit Security with Shard Capital Stockbrokers or provide Shard Capital Stockbrokers with a guarantee or indemnity from a person and in a form acceptable to Shard Capital Stockbrokers instead of cash for the purpose of complying with its obligations. The Client is made specifically aware that Shard Capital Stockbrokers at its reasonable discretion may determine the value by which Security shall be registered and consequently contribute to Shard Capital Stockbroker's demand towards the Client and Shard Capital Stockbrokers may continuously change such value of Security without prior notice to the Client.
- 8.6** Any Security will be held by an intermediate broker or eligible custodian, appointed by Shard Capital Stockbrokers, and the intermediate broker or eligible custodian shall be responsible for claiming and receiving all interest payments, income and other rights accruing to the Client.
- 8.7** Shard Capital Stockbrokers is with the Client's specific consent entitled to:
- a. pass on any money or Security received from the Client in order to satisfy Shard Capital Stockbroker's obligations to any third party;
  - b. charge, pledge or grant any security arrangement over Security in order to satisfy Shard Capital Stockbroker's obligations to any third party in which case the Security may or may not be registered in the Client's name
  - c. lend Security to any third party in which case the Security may or may not be registered in the Client's name; and
  - d. return to the Client other Security than the original Security.
- 8.8** Shard Capital Stockbrokers shall not be obliged to account to the Client for any income received by Shard Capital Stockbrokers as a result of carrying out any of the activities described in this Clause.
- 8.9** The Client shall be obliged to promptly deliver any money or property deliverable by it under a Contract in accordance with the terms of that Contract and with any instructions given by Shard Capital Stockbrokers for the purpose of enabling Shard Capital Stockbrokers to perform its obligations under any corresponding Contract entered into between Shard Capital Stockbrokers and a third party.
- 8.10** If the Client fails to provide any margin, deposit or other sum due under the Terms in respect of any transaction Shard Capital Stockbrokers may close any open position without prior notice to the Client and apply any proceeds thereof to payment of any amounts due to Shard Capital Stockbrokers.
- 8.11** If the Client fails to make any payment when it falls due, the Client shall pay interest (from the due date and until payment takes place) on the outstanding amount.
- 8.12** The Client is advised that Shard Capital Stockbrokers shall have the right, in addition to any other rights it may have under the Terms, or English law in general, to limit the size of the Client's open

positions (net or gross) and to refuse orders to establish new positions. Shard Capital Stockbrokers will inform the Client as soon as possible regarding such refused orders and the reason for the refusals. Situations where Shard Capital Stockbrokers may exercise such right include, but are not limited to, where:

- a. Shard Capital Stockbrokers has reason to believe that the Client may be in possession of Inside Information;
- b. Shard Capital Stockbrokers considers that there are abnormal trading conditions;
- c. the value of the Client's Security (as determined by Shard Capital Stockbrokers) falls below the minimum margin requirement as defined in Shard Capital Stockbroker's Commissions, Charges & Margin Schedule; or
- d. the Client has a negative cash-balance on any Account.

## 9. MARGIN TRADES

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- 9.1** On the date of the opening of a Margin Trade between Shard Capital Stockbrokers and the Client, Shard Capital Stockbrokers may require the Client to have margin on the Account at least equivalent to Shard Capital Stockbrokers' initial margin requirement.
- 9.2** Shard Capital Stockbroker's margin requirement shall apply throughout the term of the Margin Trade. It is the Client's responsibility continuously to ensure that sufficient margin is available on the Account at any time. If practicably possible Shard Capital Stockbrokers shall notify the Client if the margin requirements are not met. If, at any time during the term of a Margin Trade, the margin available on the Account is not sufficient to cover Shard Capital Stockbroker's margin requirement, the Client is obliged to reduce the amount of open Margin Trades or transfer adequate funds to Shard Capital Stockbrokers. Even if the Client takes steps to reduce the size of open Margin Trades or to transfer sufficient funds to Shard Capital Stockbrokers, Shard Capital Stockbrokers may close one, several or all of the Client's Margin Trades or part of a Margin Trade and/or liquidate or sell securities or other property at the Client's account at its sole discretion without

assuming any responsibility towards the Client for such action.

- 9.3** If Shard Capital Stockbrokers due to insufficient margin close one, several or all of the Client's Margin Trades, the Client shall expect, unless otherwise agreed and confirmed by Shard Capital Stockbrokers that all of the Client's open Margin Trades will be closed.
- 9.4** If the Client has opened more than one Account, Shard Capital Stockbrokers is entitled to transfer money or Security from one Account to another, even if such transfer will necessitate the closing of Margin Trades or other trades on the Account from which the transfer takes place.
- 9.5** Shard Capital Stockbroker's general margin requirements for different types of Margin Trades are displayed on Shard Capital Stockbroker's trading platforms. However, Shard Capital Stockbrokers reserves the right to determine specific margin requirements for individual Margin Trades.
- 9.6** The Client is specifically made aware that the margin requirements are subject to change without notice. When a Margin Trade has been opened, Shard Capital Stockbrokers is not allowed to close the Margin Trade at its discretion but only at the Client's instruction or according to Shard Capital Stockbroker's rights under the Terms. However, Shard Capital Stockbrokers will increase the margin requirements if Shard Capital Stockbrokers considers that its risk on a Margin Trade has increased as compared to the risk on the date of the opening.

## 10. ACCOUNTS

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- 10.1** Shard Capital Stockbrokers will make available to the Client a Settlement/Trade Confirmation in respect of any transaction or Contract entered into by Shard Capital Stockbrokers with or for the Client and in respect of any open position closed by Shard Capital Stockbrokers for the Client. Settlement/Trade Confirmations will normally be available instantly following the execution of the transaction.
- 10.2** An Account Summary and Account Statement are available to the Client through the Trading Platform. The Account Summary will normally be updated periodically during Shard Capital Stockbroker's opening hours. The Account Statement

will normally be updated every Business Day with information for the previous Business Day. By accepting the Terms the Client agrees not to receive any Account Statements or Account Summaries in printed form from Shard Capital Stockbrokers other than upon specific request.

- 10.3** Any notice or other communication to be provided by Shard Capital Stockbrokers under the Terms, including Account Statements and Settlement/Trade Confirmations, may be sent by Shard Capital Stockbrokers at its option to the Client in electronic form by email or by display on the Client's account summary on the Trading Platform. The Client is obliged to provide Shard Capital Stockbrokers with an e-mail address for this purpose. An e-mail message is considered received by the Client when sent from Shard Capital Stockbrokers. Shard Capital Stockbrokers is not responsible for any delay, alteration, re-direction or any other modification the message may undergo after transmission from Shard Capital Stockbrokers. A message on the Client's account on the Trading Platform is considered received by the Client when Shard Capital Stockbrokers has placed the message on the Trading Platform. It is the responsibility of the Client to ensure that the Client's software and hardware setup does not stand in the way of the Client receiving e-mails or get access to the Trading Platform from Shard Capital Stockbrokers.

## 11. COMMISSIONS, CHARGES, AND OTHER COSTS

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- 11.1** The Client shall be obliged to pay to Shard Capital Stockbrokers the commissions and charges set out in the Commissions, Charges & Margin Schedule. The platform charges can be found at [www.shardcapitalstockbrokers.com/important-information](http://www.shardcapitalstockbrokers.com/important-information).
- 11.2** Shard Capital Stockbrokers may vary such commissions and charges without notice when the change is to the Client's advantage, or the grounds for changes are due to external circumstances beyond Shard Capital Stockbroker's control. Such circumstances are:
- Changes in the relationship with Shard Capital Stockbroker's counterparties, which affect Shard Capital Stockbrokers cost structures; and/or
  - Changes in commissions and charges from exchanges, clearing houses, information providers or other third party providers that are passed on to the Client by Shard Capital Stockbrokers.
- 11.3** Shard Capital Stockbrokers may vary such commissions and charges, with one month's notice if:
- market conditions, including competitive behaviour, call for changes to Shard Capital Stockbrokers conditions;
  - Shard Capital Stockbrokers for commercial reasons wishes to change its general cost and pricing structure; and/or
  - significant particulars of the Client, based on which individual conditions were provided, have changed.
- 11.4** In addition to such commissions and charges, the Client shall be obliged to pay any applicable taxes, storage and delivery charges, ex-change and clearing house fees and all other fees which could be incurred by Shard Capital Stockbrokers in connection with any Contract and/or in connection with maintaining the Client relationship.
- 11.5** Furthermore, Shard Capital Stockbrokers shall be entitled to demand that the following expenses are paid separately by the Client:
- all extraordinary disbursements resulting from the client relationship e.g. telephone, telefax, courier, and postal expenses in case the Client requests hardcopy Settlement/Trade Confirmations, Account Statements etc. which Shard Capital Stockbrokers could have delivered in electronic form;
  - any expenses of Shard Capital Stockbrokers, caused by nonperformance by the Client, including a fee determined by Shard Capital Stockbrokers in relation to forwarding of reminders, legal assistance etc
  - any expenses of Shard Capital Stockbrokers in connection with replies to inquiries by public authorities, including a fee determined by Shard Capital Stockbrokers in relation to forwarding of transcripts and enclosures and for the preparation of copies
  - administration fees in connection with security deposits, and any expenses of Shard Capital Stockbrokers in relation to a pledge, if provided, including any insurance premium payments; an

- e. any expenses of Shard Capital Stockbrokers in connection with auditor's comments/reports if such is requested by the Client.
- 11.6** Shard Capital Stockbrokers reserves the right to introduce new fees.
- 11.7** Shard Capital Stockbrokers may share commissions and charges with its associates, Introducing Brokers or other third parties or receive remuneration from them in respect of Contracts entered into by Shard Capital Stockbrokers. Details of any such remuneration or sharing arrangement will not be set out on the relevant Settlement/ Trade Confirmations. Shard Capital Stockbrokers (or any associate) may benefit from commission, mark-up, mark-down or any other remuneration where it acts for the Counterparty to a Contract.
- 11.8** Shard Capital Stockbrokers will upon reasonable request and to the extent possible disclose to the Client the amount of commission, mark-up, mark-down or any other remuneration paid by Shard Capital Stockbrokers to any Introducing Broker or other third party.
- 11.9** Unless specified otherwise in the Terms, all amounts due to Shard Capital Stockbrokers (or Agents used by Shard Capital Stockbrokers) under the Terms shall, at Shard Capital Stockbroker's option:
- be deducted from any funds held by Shard Capital Stockbrokers for the Client; or
  - be paid by the Client in accordance with the provisions of the relevant difference account, Settlement/Trade Confirmation or other advice.
- 11.10** Furthermore, the Client acknowledges, recognizes and accepts that the procedures described in Clause 11 and Clause 14 may result in additional indirect costs for the Client.
- b. account to the Client for any interest received by Shard Capital Stockbrokers on such sums or in connection with any Contract.
- 12.2** The Client is entitled to interest on the basis of the Client's positive Net Free Equity in accordance with the terms in Shard Capital Stockbroker's Commissions, Charges & Margin Schedule.
- 12.3** The Client is obliged to pay interest on the basis of the Client's negative Net Free Equity in accordance with the terms in Shard Capital Stockbroker's Commissions, Charges & Margin Schedule.
- 12.4** Shard Capital Stockbrokers may vary such interest rates and/or thresholds for interest calculation without notice when changes are to the Client's advantage, or the grounds for changes are due to external circumstances beyond Shard Capital Stockbroker's control. Such circumstances are:
- Changes in the monetary or credit policies domestic or abroad that affect the general interest level in a way that is of importance to Shard Capital Stockbrokers;
  - Other changes in the general interest level, including in the money and bond markets, that is of importance to Shard Capital Stockbrokers;
  - Changes in the relationship with Shard Capital Stockbroker's Counterparties, which affect Shard Capital Stockbroker's cost structures.
- 12.5** Shard Capital Stockbrokers may vary such interest rates where the Trading Platform is used for Commercial use with one month's notice, and where the Trading Platform is used for Private use with two months' notice if:
- market conditions, including competitive behaviour, call for a change to Shard Capital Stockbrokers conditions;
  - Shard Capital Stockbrokers wishes to change its general commission, fee and pricing structure for commercial reasons; and/or
  - changes to significant particulars of the Client, based on which individual conditions were provided, occurs.

## 12. INTEREST AND CURRENCY CONVERSIONS

- 12.1** Subject to the Clause 12.2 below and save as otherwise agreed in writing, Shard Capital Stockbrokers shall not be liable to:
- pay interest to the Client on any credit balance in any Account or on any other sum held by Shard Capital Stockbrokers; or

The Client is deemed to have accepted such changes if he does not, before the proposed date of their entry into force, notify Shard Capital Stockbrokers that he does not accept them.

- 12.6** Shard Capital Stockbrokers is entitled, but shall not in any circumstances be obliged, to convert:
- any realised gains, losses, option premiums, commissions, interest charges and brokerage fees which arise in a currency other than the Client's base currency (i.e. the currency in which the Client's Account is denominated) to the Client's base currency;
  - any cash currency deposit to another cash currency deposit for the purpose of purchasing an asset denominated in a currency other than the Client's base currency;
  - any monies held by Shard Capital Stockbrokers for the Client into such other currency as Shard Capital Stockbrokers considers necessary or desirable to cover the Client's obligations and liabilities in that currency.

- 12.7** Whenever Shard Capital Stockbrokers conducts currency conversions, Shard Capital Stockbrokers will do so at such reasonable rate of exchange as Shard Capital Stockbrokers selects. Shard Capital Stockbrokers shall be entitled to add a mark-up to the exchange rates. The prevailing mark-up is defined in the Commissions, Charges & Margin Schedule.

### 13. PLEDGE AGREEMENT

- 13.1** Any and all Security transferred to Shard Capital Stockbrokers by the Client or held by Shard Capital Stockbrokers or by Shard Capital Stockbroker's Counterparties on behalf of the Client is pledged as a security for any liability that the Client may have or get towards Shard Capital Stockbrokers. Without limitation such Security shall comprise the credit balances on Accounts, the securities registered as belonging to the Client on Shard Capital Stockbroker's books, and the value of the Client's open positions with Shard Capital Stockbrokers.

- 13.2** If the Client fails to fulfil any obligation under the Terms, Shard Capital Stockbrokers is entitled to sell any pledged Security immediately without any notice or court action. Such sale shall take place by the means that Shard Capital Stockbrokers in its reasonable discretion determines and at the price that Shard Capital Stockbrokers in its reasonable discretion determines to be the best obtainable.

### 14. NETTING AGREEMENT

- 14.1** If on any date the same amounts are payable under the Terms by each party to the other in the same currency, then, each party's obligations to make payment of any such amount will be automatically satisfied by netting.
- 14.2** If the aggregate amount that is payable by one party exceeds the aggregate amount that is payable by the other party, then the party by whom the larger aggregate amount is payable shall pay the excess to the other party and the obligations to make payment of each party will be satisfied and discharged.
- 14.3** If the Client, at any time during the Client relationship, has a negative cash-balance in any Account, Shard Capital Stockbrokers is entitled but not obligated to net between the Client's Accounts. The Client shall bear all the charges and any other costs associated with such netting in accordance with the Commissions, Charges & Margin Schedule.
- 14.4** If the Client relationship is terminated, the claims that the parties have against each other shall be finally discharged by means of netting (closed). The value of open Contracts shall be determined according to the principles set forth below and the final amount to be paid by one of the parties shall be the difference between the payment obligations of the parties.
- 14.5** Rates based on which the Contracts shall be closed shall be market rates applicable on the day on which Shard Capital Stockbrokers decides to close the Contracts.
- 14.6** Shard Capital Stockbrokers may at its reasonable discretion determine the rates by obtaining an offer from a Market Maker in the asset in question or by applying rates from electronic financial information systems.
- 14.7** When determining the value of the Contracts to be netted, Shard Capital Stockbrokers shall apply its usual spreads and include all costs and other charges.
- 14.8** This netting agreement shall be binding towards the estate and creditors of the parties to the client relationship.

## 15. MARKET MAKING

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- 15.1** When Shard Capital Stockbrokers executes orders as Agent for the Client on a recognized stock or futures exchange, Shard Capital Stockbrokers will not be a party to such a trade as such orders will be executed in the trading system of the relevant exchange at the best price and the most favourable conditions available at the time of the order or according to the Client's specific instructions, e.g. in a situation where the Client has chosen to limit the order. Shard Capital Stockbrokers will not include any additional spread in the price of the execution achieved for the Client but will be remunerated according to the Commissions, Charges & Margin Schedule.
- 15.2** In order for Shard Capital Stockbrokers to quote prices with the swiftness normally associated with speculative trading, Shard Capital Stockbrokers may have to rely on available price or availability information that may later prove to be faulty due to specific market circumstances, for instance, but not limited to, lack of liquidity in or suspension of an asset or errors in feeds from information providers or quotes from Counterparties. If so and if Shard Capital Stockbrokers has acted in good faith when providing the price to the Client, Shard Capital Stockbrokers may cancel the trade with the Client but shall do so within reasonable time and shall provide the Client with a full explanation for the reason for such cancellation.
- 15.3** Following execution of any position with a Client, Shard Capital Stockbrokers may at Shard Capital Stockbroker's reasonable discretion subsequently offset each such client position with another client position, or a position with one of Shard Capital Stockbroker's Counterparties or retain a proprietary position in the market with the intention to obtain trading profits from such positions. Such decisions and actions may therefore result in Shard Capital Stockbrokers offsetting client positions at prices different - sometimes significantly different - from prices quoted to clients, resulting in trading profits or losses for Shard Capital Stockbrokers. This in turn can raise the possibility of the Client incurring what may be seen as an implied cost.
- 15.4** The Client acknowledges, recognizes and accepts that the price quoted to the Client includes a

spread when compared with the price to which Shard Capital Stockbrokers may have covered or expected to be able to cover the Contract in a trade with another client or a Counterparty. Furthermore, the Client acknowledges, recognizes and accepts that said spread constitutes remuneration to Shard Capital Stockbrokers and that such spread not necessarily can be calculated for all Contracts and that such spread will not be specified at the Settlement/Trade Confirmation or otherwise revealed to the Client.

- 15.5** If the Client is an active trader and is undertaking numerous transactions, the total impact of as well visible as not visible costs may be significant. Consequently the Client may have to obtain significant profits in the markets in order to cover the costs associated with trading activities with Shard Capital Stockbrokers. For very active Clients, such costs may over time exceed the value of the margin deposited. Normally, when trading margined derivatives, the lower the percentage of the applicable margin rate, the higher the proportion of the costs associated with executing a transaction.

## 16. AGGREGATION AND SPLIT

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- 16.1** Shard Capital Stockbrokers is in accordance with the company's Best Execution Policy entitled to aggregate the Client's orders with the company's own orders, orders of any of the company's associates and/or persons connected with Shard Capital Stockbrokers including employees and other clients. Furthermore, Shard Capital Stockbrokers may split the Client's orders when executing these. The orders will only be aggregated or split if Shard Capital Stockbrokers reasonably believes it to be in the best interest of the Client. On some occasion's aggregation and split of the Client's order may result in the Client obtaining a less favourable price than if the Client's orders had been executed respectively separately or mutually.

## 17. SHARD CAPITAL STOCKBROKERS'S COUNTERPARTIES

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- 17.1** In order to give effect to the Client's instructions, Shard Capital Stockbrokers may instruct a Counterparty selected at Shard Capital Stockbroker's

discretion and Shard Capital Stockbrokers shall do so where the transaction is to be subject to the rules of an exchange or market of which Shard Capital Stockbrokers is not a member.

**17.2** Shard Capital Stockbrokers shall not be responsible for errors committed by such Counterparties unless it is proven that Shard Capital Stockbrokers has not acted with sufficient care when selecting the Counterparty.

## 18. DEFAULT AND DEFAULT REMEDIES

**18.1** The provisions contained in this Clause supplement any other rights that Shard Capital Stockbrokers or any of its associates have according to the Terms, including but not limited to the Pledge Agreement referred to in Clause 13, and furthermore any other rights Shard Capital Stockbrokers has according to English law.

**18.2** Shard Capital Stockbrokers reserves the right to retain, or make deductions from, any amounts which Shard Capital Stockbrokers owes to or is holding for the Client if any amounts are due from the Client to Shard Capital Stockbrokers.

**18.3** The Client authorises Shard Capital Stockbrokers, at Shard Capital Stockbrokers' discretion, at any time and without notice, to sell, apply, set-off and/or charge in any manner any or all of the Client's property and/or the proceeds of any of the same of which Shard Capital Stockbrokers or any of its associates or Agents has custody or control, in order to discharge any or all of the Client's obligations to Shard Capital Stockbrokers.

**18.4** Each and any of the following events shall constitute an Event of Default in relation to all of a Client's Contracts, Margin Trades, securities and other business with Shard Capital Stockbrokers (regardless of whether the Event of Default only relates to part of the business with Shard Capital Stockbrokers):

- a. if the Client fails to make any payment or fails to do any other act required under the Terms or by Shard Capital Stockbrokers at its reasonable discretion;
- b. if the Client fails to remit funds necessary to enable Shard Capital Stockbrokers to take delivery under any Contract on the first due date;

- c. if the Client fails to provide assets for delivery, or take delivery of assets, under any Contract on the first due date;
- d. if the Client dies or becomes of unsound mind;
- e. if an application is made in respect of the Client for any action pursuant to the Bankruptcy Act or any equivalent act applicable to the Client or, if a partnership, in respect of one or more of the partners, or if a company, that a receiver, trustee, administrative receiver or similar officer is appointed;
- f. if a petition is presented for the winding-up or administration of the Client;
- g. if an order is made or a resolution is passed for the winding up or administration of the Client (other than for the purposes of amalgamation or reconstruction with the prior written approval of Shard Capital Stockbrokers);
- h. if any distress, execution or other process is levied against any property of the Client and is not removed, discharged or paid within seven days;
- i. if any security created by any mortgage or charge becomes enforceable against the Client and the mortgagee or chargee takes steps to enforce the security or charge;
- j. if any indebtedness of the Client or any of its subsidiaries becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of default of the Client (or any of its subsidiaries) or the Client (or any of its subsidiaries) fails to discharge any indebtedness on its due date;
- k. if the Client fails to fully comply with obligations under the Terms or any Contract, including refrains from complying with Margin requirements;
- l. if any of the representations or warranties given by the Client are, or become, untrue;
- m. if Shard Capital Stockbrokers or the Client is requested to close a Contract (or any part of a Contract) by any regulatory agency or authority; or
- n. if Shard Capital Stockbrokers reasonably considers it necessary for its own protection or the protection of its associates.

- 18.5** Upon the occurrence of an Event of Default, Shard Capital Stockbrokers shall at its discretion be entitled to:
- sell or charge in any way any or all of the Client's collateral, assets and property which may from time to time be in the possession or control of Shard Capital Stockbrokers or any of its associates or Agents or call on any guarantee, without any notice or court order. Sale of Security, assets and property shall take place by means that Shard Capital Stockbrokers in its reasonable discretion determines and at the price that Shard Capital Stockbrokers in its reasonable discretion determines to be the best obtainable.
  - buy or sell any Security, investment or other property where this is, or is in the reasonable opinion of Shard Capital Stockbrokers likely to be, necessary in order for Shard Capital Stockbrokers to fulfil its obligations under any Contract and the Client shall reimburse Shard Capital Stockbrokers for the full amount of the purchase price plus any associated costs and expenses;
  - deliver any Security, investment or property to any third party, or otherwise take any action Shard Capital Stockbrokers considers to be desirable in order to close any Contract;
  - require the Client immediately to close and settle a Contract in such manner as Shard Capital Stockbrokers may in its reasonable discretion request;
  - to enter into any foreign exchange transaction, at such market rates and times as Shard Capital Stockbrokers may determine, in order to meet obligations incurred under a Contract;
  - reinvoice all or part of any assets standing to the debit or credit of any Account (including commuting Shard Capital Stockbrokers or the Client's obligation to deliver an asset into an obligation to pay an amount equal to the market value of the asset (determined by Shard Capital Stockbrokers at its reasonable discretion) on the date re-invoicing takes place); and
  - close-out all Contracts and net all the Client's and Shard Capital Stockbrokers obligations towards each other as of the date fixed by Shard Capital Stockbrokers with effect to third parties.
- 18.6** The Client authorises Shard Capital Stockbrokers to take any or all of the steps described in this Clause without notice to the Client and acknowledges that Shard Capital Stockbrokers shall not be responsible for any consequences of it taking any such steps, unless Shard Capital Stockbrokers has exercised gross negligence in connection herewith. The Client shall execute the documents and take the action as Shard Capital Stockbrokers may request in order to protect the rights of Shard Capital Stockbrokers and its associates under the Terms or under any agreement the Client may have entered into with Shard Capital Stockbrokers.
- 18.7** If Shard Capital Stockbrokers exercises its rights to sell any Security or property of the Client under this Clause, it will effect such sale, without notice or liability to the Client, on behalf of the Client and apply the proceeds of sale in or towards discharge of any of the Client's obligations to Shard Capital Stockbrokers or to Shard Capital Stockbrokers.
- 18.8** Without prejudice to Shard Capital Stockbrokers other rights under the Terms or under prevailing law, Shard Capital Stockbrokers may, at any time and without notice, combine or consolidate any of the accounts maintained by Shard Capital Stockbrokers and off-set any and all amounts owed to, or by, Shard Capital Stockbrokers in such manner as Shard Capital Stockbrokers at its reasonable discretion may determine.
- 19 CLIENT WARRANTY:**
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- 19.1** The client warrants and represents that:
- investments or other assets supplied by the Client for any purpose shall, subject to the Terms, at all times be free from any charge, lien, pledge or encumbrance and shall be beneficially owned by the Client;
  - the information provided by the Client to Shard Capital Stockbrokers is complete, accurate and not misleading in any material respect.
- 19.2** The above warranties and representations shall be deemed to be repeated each time the Client in the future for the duration of the client relationship provides instructions to Shard Capital Stockbrokers.

## 20. INDEMNITY AND LIMITATIONS OF LIABILITY

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- 20.1** The Client is obliged to compensate Shard Capital Stockbrokers for all losses, taxes, expenses, costs and liabilities whatsoever (present, future, contingent or otherwise and including reasonable legal fees) which may be suffered or incurred by Shard Capital Stockbrokers as a result of or in connection with:
- the Client's breach of the Terms;
  - Shard Capital Stockbrokers taking any of the steps which Shard Capital Stockbrokers is entitled to take in an Event of Default; unless and to the extent only that such losses, taxes, expenses, costs and liabilities are suffered or incurred as a result of Shard Capital Stockbrokers gross negligence or wilful default.
- 20.2** This right to compensation shall survive any termination of the Client relationship.
- 20.3** Without prejudice to Clause 6 Shard Capital Stockbrokers shall not be liable for:
- any loss (including consequential and other indirect losses), expense, cost or liability (together referred to as "Loss") suffered or incurred by the Client as a result of or in connection with the provision of the Services unless and to the extent that such Loss is suffered or incurred as a result of Shard Capital Stockbrokers gross negligence or wilful default;
  - any Loss due to actions taken by Shard Capital Stockbrokers according to its rights under the Terms, or;
  - any consequential or other indirect loss suffered or incurred by the Client whether arising from Shard Capital Stockbrokers negligence or otherwise.

## 21. TERMINATION

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- 21.1** The Client relationship shall remain in force until terminated.
- 21.2** The Client is entitled to terminate the Client relationship immediately by giving written notice to Shard Capital Stockbrokers. Shard Capital Stockbrokers is entitled to terminate the Client relationship. Shard Capital Stockbrokers will provide notice to the Client on a Durable Medium.

Termination shall not affect any accrued rights and obligations.

## 22. DISPUTES

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- 22.1** Without prejudice to any of Shard Capital Stockbrokers other rights under the Terms, in case of a dispute or complaint between the Client and Shard Capital Stockbrokers over a Margin Trade or alleged Margin Trade or any instruction relating to a Margin Trade, Shard Capital Stockbrokers is entitled at its reasonable discretion and without notice to close any such Margin Trade or alleged Margin Trade if Shard Capital Stockbrokers reasonably believes such action to be desirable for the purpose of limiting the maximum amount involved in the dispute. Shard Capital Stockbrokers shall not be responsible to the Client in connection with any subsequent fluctuations in the level of the relevant Margin Trade. If Shard Capital Stockbrokers closes a Margin Trade under this Clause such action shall be without prejudice to Shard Capital Stockbrokers right to contend that such Margin Trade had already been closed by Shard Capital Stockbrokers or was never opened by the Client. Shard Capital Stockbrokers shall take reasonable steps to inform the Client that Shard Capital Stockbrokers has taken such action as soon as practicable after doing so. Where Shard Capital Stockbrokers closes a Margin Trade or alleged Margin Trade in accordance with this Clause, the closing shall be without prejudice to the Client's rights to open a new Margin Trade, provided that such Margin Trade is opened in accordance with the Terms. When calculating margin or other funds required for such Margin Trade, Shard Capital Stockbrokers is entitled to do so on the basis that Shard Capital Stockbrokers view of the disputed events or instructions is correct.

## 23. MISCELLANEOUS

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- 23.1** If at any time any provision of the Terms 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 the Terms under the law of that jurisdiction nor the legality, validity or enforceability

of such provision under the law of any other jurisdiction shall be in any way affected.

- 23.2** Shard Capital Stockbrokers shall not be liable to the Client for any failure, hindrance or delay in performing its obligations under the Terms where such failure, hindrance or delay arises directly or indirectly from circumstances beyond its reasonable control. Such force majeure events shall include without limitation any technical difficulties such as telecommunications failures or disruptions, non-availability of Shard Capital Stockbrokers website e.g. due to maintenance downtime, declared or imminent war, revolt, civil unrest, catastrophes of nature, statutory provisions, measures taken by authorities, strikes, lockouts, boycotts, or blockades, notwithstanding that Shard Capital Stockbrokers is a party to the conflict and including cases where only part of Shard Capital Stockbrokers functions are affected by such events.
- 23.3** If the Client's combined exposure in one or more margin trades reaches a level which - in case of an adverse market development - may lead to a significant deficit not covered by the Client's deposits and/or margin with Shard Capital Stockbrokers, Shard Capital Stockbrokers may in its reasonable discretion
- increase the margin requirements and/or
  - reduce the Client's exposure by closing one or more or all of the client's open positions.
- 23.4** Furthermore, Shard Capital Stockbrokers is entitled in its reasonable opinion to determine that an emergency or an exceptional market condition has occurred. Such conditions shall include, but are not limited to, the suspension or closure of any market or the abandonment or failure of any event to which Shard Capital Stockbrokers relates its quote or the occurrence of an excessive movement in the level of any Margin Trade and/or underlying market or Shard Capital Stockbrokers reasonable anticipation of the occurrence of such a movement. In such cases Shard Capital Stockbrokers may increase its margin requirements, reduce the Client's exposure, close any or all of the Client's open Margin Trades and/or suspend trading.
- 23.5** The Client may not assign its rights or delegate any of the Client's obligations under the Terms or according to any Contract to others whereas Shard Capital Stockbrokers may assign its rights or delegate its obligations to any regulated financial institution.
- 23.6** For various investments, instruments and groups of Clients, Shard Capital Stockbrokers may provide additional business terms. The Client acknowledges, understands and accepts that:
- such business terms made available to Clients shall constitute an addition to the Terms; and
  - the Client should not undertake any transaction unless the business terms applicable for such investment, instrument or group of Clients have been understood and accepted. Transactions undertaken by the Client notwithstanding above, shall be deemed as had this sub-clause indeed been complied with.
- 23.7** The rights and remedies contained in the Terms are cumulative and not exclusive of any rights or remedies provided by law.
- 23.8** No delay or omission on the part of Shard Capital Stockbrokers in exercising any right, power or remedy provided by law or under the Terms, or partial or defective exercise thereof, shall:
- impair or prevent further or other exercise of such right, power or remedy; or
  - operate as a waiver of such right, power or remedy.
- 23.9** No waiver of pleading a default of a clause in the Terms shall (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same clause or as authorising a continuation of the particular breach.
- 23.10** The Client hereby ratifies all transactions with Shard Capital Stockbrokers effected prior to the Client's acceptance of the Terms and agrees that the rights and obligations of the Client in respect thereto shall be governed by the Terms.
- 23.11** By accepting the Terms on behalf of a corporation or other legal entity, the person signing represents and warrants that he/she is authorised to act on behalf of such corporation or legal entity and to bind the same to the Terms and all obligations arising hereunder. If at a later stage it becomes apparent that the signatory was not duly authorised to bind the corporation or legal entity, Shard Capital Stockbrokers will have the right to seek restitution from this person. Furthermore, the signatory shall indemnify Shard Capital Stockbrokers against all liabilities, losses, damages, costs and expenses in

relation to any claims or actions brought against Shard Capital Stockbrokers as a result of the signatory holding out to be authorised to act and bind any such corporation or legal entity.

**23.12** Client shall be able to communicate with Shard Capital Stockbrokers in English or any other language as Shard Capital Stockbrokers may offer from time to time. Shard Capital Stockbrokers may communicate with the Client in English or any other language agreed between the parties.

**23.13** The Client accepts that Shard Capital Stockbrokers may be closed on significant European holidays.

This brief statement, which constitutes an addition to the Terms, does not disclose all of the risks and other significant aspects of trading foreign exchange and derivatives. In consideration of the risks, you should enter into transactions with the mentioned products only if you understand the nature of the contracts and the contractual legal relationship into which you are entering and the extent of your exposure to risk. Transactions in foreign exchange and derivatives are not suitable for many members of the public. You should carefully consider whether transacting is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances.

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## RISK DISCLOSURE STATEMENT FOR TRADES IN FOREIGN EXCHANGE AND DERIVATIVES (INCLUDING CFD'S, FUTURES AND OPTIONS)

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### FOREIGN EXCHANGE AND DERIVATIVES

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#### **Effect of "Leverage" or "Gearing"**

Transactions in foreign exchange and derivatives carry a high degree of risk. The amount of initial margin may be small relative to the value of the foreign exchange or derivatives contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact on the funds you have deposited or will have to deposit; this may work against you as well as for you. You may sustain a total loss of initial margin funds and any additional funds deposited with Shard Capital Stockbrokers to maintain your position. If the market moves against your position and/or margin requirements are increased, you may be called upon to deposit additional funds on short notice to maintain your position. Failing to comply with a request for a deposit of additional funds, may result in closure of your position(s) by Shard Capital Stockbrokers on your behalf and you will be liable for any resulting loss or deficit.

#### **Risk-reducing Orders or Strategies**

The placing of certain orders (e.g. "stop-loss" orders, where permitted, or "stop-limit" orders), which are intended to limit losses to certain amounts, may not be adequate given that markets conditions make it impossible to execute such orders, e.g. due to illiquidity in the market. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

### ADDITIONAL RISKS COMMON TO FOREIGN EXCHANGE AND DERIVATIVE TRANSACTIONS

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#### **Suspension or Restriction of Trading and Pricing Relationships**

Market condition (e.g. illiquidity) and/or the operation of the rules of certain markets (e.g., the suspension of trading in any contract or contract month because of

price limits or "circuit breakers") may increase the risk of loss by making it difficult or impossible to effect transactions or close/ offset positions.

Normal pricing relationships between the underlying asset and a derivative do not always exist. The absence of an underlying reference price may make it difficult to judge "fair" value.

#### **Deposited Cash and Property**

You should familiarize yourself with the protections accorded the Security you deposit by way of money or other assets in domestic and foreign transactions, particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or other assets is governed by the legislation and local rules in the country at which location the counterparty acts.

#### **Commission and Other Charges**

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit or loss.

#### **Transactions In Other Jurisdictions**

Transactions on markets in other jurisdictions, including markets formally linked to a domestic market, may expose you to additional risk. Such markets may be subject to regulation, which may offer different or diminished investor protection. Your local regulatory authority will be unable to compel the enforcement of the rules of regulatory authorities or markets in other jurisdictions where your transactions have been effected.

#### **Currency Risks**

The profit or loss in transactions in foreign currency-denominated contracts in another currency than your account currency will be affected by fluctuations in currency rates where there is a need to convert from the currency denomination of the contract to the account currency.

### Trading Facilities

Most open-outcry and electronic trading facilities are supported by computer-based component systems for the order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the clearing house and/or member firms. Such limits may vary.

### Electronic Trading

Trading on an electronic trading system may differ not only from trading in an open-outcry market but also from trading on other electronic trading systems. If you undertake transactions on an electronic trading system, you will be exposed to risks associated with the system including the failure of hard-ware and software. The result of any system failure may be that your order is either not executed according to your instructions, is not executed at all and a lack of capability to keep you informed continuously about your positions and fulfilment of the margin requirements.

These terms are applicable from September 01, 2013 and shall remain effective until a more recent version is released. The prevailing version of the Terms is always available at [www.shardstockbrokers.com](http://www.shardstockbrokers.com)

### RISK WARNING

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The value of Stock investments can go down as well as up and as a consequence investors may not realise the sum originally invested. If you are unsure of the suitability of Share dealing specifically for you then you should contact an Advisor.

Past performance is never a reliable indicator to future performance of investments.

The geared nature of CFD's means that both profits and losses are magnified. If you do not use stop losses and your position moves against you, you could incur very large losses.

In the event of a trade moving against you and reducing your cash balance, you may be subject to a 'Margin Call'. This is to ensure you have sufficient funds in your account for the initial margin requirements to keep your positions open. If you do not have sufficient funds in your account you may be forced to close your position.

CFDs are more suited to short term investors as opposed to long term investors due to the associated costs.

As an investor, you do not have the right to a vote at the AGM or any other meeting.

You are liable to pay out the dividend if you hold an equity position when they go ex-dividend.

It is important to know you are trading contracts with the CFD provider, not physically trading in the underlying market. This means you don't actually own any assets.

It is possible to lose more than your original investment if you do not use guaranteed stop losses and the position you are in is subject to slippage, gapping or a fast market.