

THESE TERMS OF BUSINESS HAVE BEEN DRAFTED IN ACCORDANCE WITH THE RULES OF THE FINANCIAL CONDUCT AUTHORITY AND RELATE ONLY TO THE BUSINESS OF TRADESTATION INTERNATIONAL LTD WITH CLIENTS RESIDING IN THE UNITED KINGDOM.

1. Scope and application

- a. This agreement sets out the terms and conditions under which TradeStation International Ltd (“TradeStation International” or “TSIL”) will do business with a client (the “Terms”). TradeStation International is a wholly owned subsidiary of TradeStation Group, Inc., a Florida (USA) corporation. TradeStation Group’s principal operating subsidiary is TradeStation Securities, Inc. (“TradeStation Securities”). Please note that TradeStation International does not offer any brokerage or trading services, and its activities are limited to introducing, assisting in the promoting/marketing and supporting the services of TradeStation Securities.
- b. Unless the context suggests otherwise, references to “we”, “us” and “our” in these Terms are references to TradeStation International, and references to “you” and “your” are references to you as the client of TradeStation International.

2. Background

TSIL is a trading name of TradeStation International Ltd, a company incorporated in England and Wales with company number 5166374. The registered office is located at Unit P03 The Old Power Station, 121 Mortlake High Street, London, SW14 8SN, United Kingdom. TSIL is authorised and regulated by the Financial Conduct Authority (“FCA”) in the United Kingdom to carry on designated investment business (as defined by the rules of the FCA). TSIL is listed on the FCA Register and the registration number is 445531. Further information can be obtained from the FCA Register by visiting the FCA’s website at www.fca.org.uk or by contacting the FCA at 25 The North Colonnade, Canary Wharf, London E14 5HS, United Kingdom or on telephone number 44 20 7066 1000.

3. Commencement

- a. The Terms shall come into effect immediately upon you signing and returning the Terms, signing through the online e-signature system and/or you providing us with instructions to conduct business with you after receipt of these Terms.
- b. If you are a retail client acting for purposes outside of your trade, business or profession, you are able to cancel these Terms within fourteen (14) calendar days beginning from the day you concluded the Terms.
- c. These Terms may be supplemented by additional terms in respect of particular services, transactions or types of transaction that we carry out with or for you.

4. Client categorisation

- a. In accordance with the rules of the FCA, we will categorise you as either a retail client or a professional client in respect of any or all of our Services (as defined by Clause 5 below). You will benefit from the regulatory protections afforded to that category of client under the rules of the FCA.
- b. Unless we notify you otherwise separately, we will categorise you as a retail client in respect of all Services. You have the right to request a different client categorisation. If we receive such a request, we will inform you of whether or not we accept it and, if we do accept it, of the consequences of the re-categorisation. However, until we receive such a request and inform you of our acceptance of it, we shall deal with you on the basis of our original categorisation.
- c. If we have categorised you as a professional client, you should be aware that you will not be entitled to certain protections afforded to retail clients by the rules of the FCA, including those rules:
 - i. setting out requirements as to the form, content and timing of information provided by us, including

- confirmations;
 - ii. requiring us to obtain additional information to assess the appropriateness of certain investment business that we conduct with a client;
 - iii. affecting our determination of the scope of our best execution obligations;
 - iv. affecting our handling and recording of complaints; and
 - v. governing rights of access to the Financial Ombudsman Service.
- d. Please notify us immediately, in writing, if at any point in time, your circumstances change and you consider you no longer fall within the definition of a professional client.
- e. For the avoidance of doubt, only you will be our client. If you act on behalf of a principal, you agree that whether or not you identify the principal to us, that principal will not, unless we agree otherwise in writing, be our “client” under the rules of the FCA.
- f. If you are a joint account client, then the liabilities of each of you under these Terms shall be joint and several (which means that you are all jointly liable but we can also enforce any liability against any one of you in full). We may act upon instructions received from any one person who is, or appears to us to be, a joint account client.

5. Services

- a. Our services (the “Services”) will mainly involve introducing you to other companies including our affiliated company, TradeStation Securities, for the purpose of them providing brokerage and dealing services to you in connection with the following investments:
- i. shares and share options;
 - ii. futures on commodities, securities, interest rate and debt instruments, stock or other indices, currencies and base and precious metals;
 - iii. exchange traded funds (ETFs);
 - iv. mutual funds;
 - v. options on shares, indices and futures; and
 - vi. investments which are similar or related to any of the foregoing.
- b. Where you have a direct relationship with any other company, such as TradeStation Securities, these Terms will not apply to your relationship with that company, which will be governed by such other terms as may be provided by, or agreed with, that company.
- c. We do not provide any investment, trading, tax, financial advice or investment management services to you. We may however provide other services if agreed between us from time to time.
- d. Subject to the foregoing, and unless agreed otherwise in writing, there are no restrictions on the markets or types of investment in respect of the Services.

6. Instructions

- a. We may rely and act on any instructions, notices or requests of any person who is, or whom we reasonably believe to be, a person designated or authorised by you to give such instructions, notices or requests (whether given in writing or by facsimile, telex, telephone, computer-based systems or other media) but we will not be

obliged to do so. You warrant that any list(s) of persons named by you as authorised to give instructions and sign documents and take other actions will be correct at the date thereof. You shall notify us immediately of any amendments to such list(s) and provide specimen signatures of new signatories.

- b. If, after instructions are received, we believe it is not reasonably practicable to act upon such instructions within a reasonable time, we may defer acting upon those instructions until it is, in our reasonable opinion, practicable to do so or notify you that we are refusing to act upon such instructions. We shall not be liable for any losses resulting from such deferral or refusal.
- c. We shall not be liable for any loss, expense, cost or liability (including consequential loss) suffered or incurred by you as a result of instructions being given, or any other communications being made, via the Internet. You will be solely responsible for the accuracy of all information sent to us via the Internet using your user name and password.
- d. You shall indemnify us and keep us indemnified against all losses which we may suffer as a result of:
 - i. any error in any instruction given by you; or
 - ii. acting on any instruction which is, or which we reasonably believe to be, given by you or on your behalf.
- e. You acknowledge and confirm that communications between you and us may be in electronic form.
- f. We and/or any affiliate may contact you on an unsolicited basis (including by telephoning you) in such circumstances, as we reasonably believe to be appropriate.

7. Our charges

- a. We may charge for the Services described in these Terms, although we currently do not do so. Our charges and the arrangements for payment will be notified to you and may be amended by us from time to time. The charges for the services provided are set out on the TradeStation Group website, www.tradestation.com.
- b. You will pay the charges prevailing at the time the Services are provided. We will not charge you any additional fees for using a means of distance communication.
- c. All of our charges are exclusive of VAT and you undertake, where applicable, to pay VAT in addition to the charges.
- d. You will be responsible for payment of all taxes, brokerage costs, transfer fees, registration fees, stamp duty and all other liabilities, charges, costs and expenses payable or incurred by us in connection with the Services except to the extent that such liabilities, charges, costs and expenses arise from our gross negligence, willful default or fraud. You should note that there may be other taxes or costs that may exist that are not paid through us or imposed by us.
- e. We may deduct from sums due to you or withhold any such estimated or actual charges at our reasonable discretion. Any difference between such estimated amounts and the final confirmed liability shall be promptly credited or debited to your account.
- f. We may share our charges with all or any of our affiliated companies or any third party.
- g. If you fail to pay any amount when it is due, we reserve the right to charge interest (both before and after judgment) on such unpaid amount which is due to us but unpaid, from the due date to the date of receipt of the amount in full at 3% above the sterling base rate from time to time of JPMorgan Chase. Such interest shall accrue and be calculated daily from the due date to the date of payment and shall be compounded monthly.

8. Client warranties

a. You warrant and represent that:

- i. you are not under any legal disability with respect to, and are not subject to any law or regulation which prevents, your performance of these Terms;
- ii. you have the authority to enter into these Terms; and
- iii. you are in compliance with all laws to which you are subject including, without limitation, all tax laws and regulations, exchange control requirements and registration requirements.

9. Client's best interests

- a. In fulfilling our obligations under these Terms and the rules of the FCA, we will take into account the information you have provided in the application form concerning your financial status and your trading experience.
- b. Our Services involve introducing you to TradeStation Securities and other companies with whom you will have a direct dealing relationship, and we do not provide execution services of any kind. If we receive an order from you, this will usually be transmitted by us in accordance with your specific instructions to TradeStation Securities or the other company to which your account was introduced for execution and with whom you have a direct contractual relationship.

10. Conflicts of interest

- a. We may have an interest or relationship, which conflicts with your interests or our duties to you. We have established and implemented a conflicts of interest policy (which may be revised and updated from time to time) pursuant to rules of the FCA, which sets out how we must seek to identify and manage all material conflicts of interest.
- b. Conflicting interests, relationships, duties or arrangements may arise, because:
 - i. we may make arrangements on your behalf with a person connected with us or receive a commission or other payment from the counterparty or broker to any transaction which we or our affiliated companies may carry out on your behalf;
 - ii. a transaction may be in investments in respect of which we or a person or persons connected with us are contemporaneously trading or have traded on our own account or have either a long or short position; and
 - iii. we may make arrangements on your behalf or on your instructions in relation to transactions in which we also act for other customers.
- c. Depending on the exact nature of the conflict of interest involved, we may take certain actions in accordance with the conflict of interest policy to mitigate the potential impact of the conflict. Such actions may include putting in place controls between the opposing sides of the conflict, which may control or prevent the exchange of information, and/or involve the appropriate management of staff activities and segregation of duties. If a material conflict arises and we are unable to satisfactorily mitigate the risk to a client, we will manage such conflicts by disclosing the interest to you and obtaining your consent before proceeding with the transaction.
- d. You may request at any time further details of the conflict of interests policy.

11. Indemnity and Liability

- a. You shall fully indemnify us and keep us fully indemnified against all losses, expenses, costs and liabilities (together "Losses") which arise as a result of or in connection with your breach of these Terms or the proper provision by us of the Services or the exercise of any rights envisaged by these Terms (including, for the

avoidance of doubt, any costs incurred in enforcing our rights or defending any action or claim brought by a third party).

- b. Nothing in these Terms shall exclude or limit:
 - i. our liability for death or personal injury resulting from the negligence caused by us or our officers, employees, contractors or agents; or
 - ii. any other liability which cannot be excluded or limited by law, including under the Financial Services and Markets Act 2000.
- c. Subject to Clause 11.b., we shall not be liable for any Losses suffered or incurred by you unless such Losses are suffered or incurred as a result of our gross negligence, willful default or fraud. We shall not be responsible for any consequential loss suffered or incurred by you whether arising from our negligence or otherwise or for any loss suffered or incurred by you as a result of any third party failing to perform its obligations to us.
- d. We may refrain from doing anything which could or might, in our reasonable opinion, be contrary to any laws or regulations which are binding upon us, or which would or might otherwise in our reasonable opinion render us liable to any person. We may do anything which, in our reasonable opinion, necessary to comply with any such laws and regulations or to avoid any such liability.

12. Client money

We are not permitted to hold client money. We never accept a cheque made out to us (unless it is in settlement of our charges or disbursements for which we have sent you a fee invoice). We do not handle cash.

13. Termination

- a. You are entitled to terminate these Terms immediately by giving a written notice to us. We may also terminate these Terms by giving a written notice to you and sending that notice to your last postal address known to us. Termination will take effect on the date stated on the notice. No penalty will become due from either you or us in respect of the termination of these Terms. Termination of these Terms will not affect any accrued charges under these Terms or any legal rights or obligations which may already have arisen.
- b. On termination for any reason whatsoever, you will pay us all outstanding charges, costs and expenses due to us, if any, in accordance with Clause 7 (Charges) of these Terms.

14. Changes to the Terms

- a. We may amend these Terms by giving you fourteen (14) calendar days' prior notice by posting the change at the website address: www.tradestation.com or notifying you of the change by electronic mail, postcard, regular mail or any other reasonable method of notice. Any change will become effective on a date to be specified in the notice. In particular, we may vary these Terms for the following reasons:
 - i. to comply with laws and regulations applicable to us;
 - ii. to rectify errors, inaccuracies or ambiguities;
 - iii. to take account of any corporate restructuring within our group of companies; or
 - iv. to reflect alterations in the scope and nature of the Service provided to you under these Terms resulting from the alterations made to:
 - 1. our system capabilities; or
 - 2. our administration procedures.

- b. Once you have received our written notice, if you do not agree with the proposed changes, you may terminate these Terms at any time without charge (see Clause 13). Any changes to these Terms proposed by you will become effective only once they have been agreed by us in writing.

15. Data Protection

- a. We use your personal data in order to provide the Services to you as further explained in our group privacy notice, which is available at www.tradestation.com/important-information/privacy. Our group privacy notice sets out the basis on which any personal data we collect from you, or that you provide to us, will be processed by us in relation to the Services. Our group privacy notice also contains important information about your rights in relation to your personal data and how to exercise them. Please read it carefully to understand our practices regarding your personal data and how we will treat it.
- b. Notwithstanding anything to the contrary in the group privacy notice, when you provide personal data directly to us to enable us to provide the Services, we will be the “controller” of that data. If, however, you have a direct relationship with TradeStation Securities and we process your personal data (whether it was made available to us by you or TradeStation Securities) solely in order to support the services provided to you by TradeStation Securities, we will be the “processor” of that data and TradeStation Securities will be the “controller.”

16. Assignment

- a. We may at any time assign, novate, transfer or deal in any manner with these Terms or any of our rights and/or obligations hereunder to any person who is in our reasonable opinion able to perform the obligations of TradeStation International under these Terms.
- b. You may not assign any of your rights or delegate any of your obligations under these Terms.

17. Complaints and compensation

- a. In the event of you wishing to complain about the performance of either ourselves or TradeStation Securities' duties under these Terms, such complaint should be in writing and addressed to the Compliance Officer at TradeStation International Ltd, c/o 8050 SW 10th Street, Suite 2000, Plantation, Florida, 33324 USA. If we have categorised you as a retail client, you may also be able to refer your complaint to the Financial Ombudsman Service. Further information is available from us on request or from the Financial Ombudsman Service itself at South Quay Plaza, 183 Marsh Wall, London E14 9SR (www.financial-ombudsman.org.uk). Retail clients may also request a copy of TSIL's complaint handling procedures summary leaflet. Please email international@tradestation.com.
- b. We are covered by the Financial Services Compensation Scheme (“FSCS”). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business you conduct, your status and the circumstances of the claim. If you are eligible, the maximum level of compensation the scheme may pay in relation to investments is £50,000 per person. Further information about the compensation scheme arrangements is available from us or the FSCS.

18. General

- a. No delay or omission in exercising any right, power or remedy provided by law or under these Terms, or partial or defective exercise thereof, shall prevent further or other exercise of, or operate as a waiver of, such right, power or remedy. No waiver of any breach of any term of these Terms shall (unless expressly agreed in writing by the waiving party) be construed as a waiver of a future breach of the same term or as authorising a continuation of the particular breach.
- b. Nothing in these Terms shall prevent us from providing the Services for anyone else.

- c. Nothing in these Terms shall confer on any third party any benefit or rights to enforce these Terms for the purposes of the Contracts (Rights of Third Parties) Act 1999 SAVE:
 - i. that our affiliated companies shall have a right to enforce the provisions of these Terms in accordance with provisions of Contracts (Rights of Third Parties) Act 1999; and
 - ii. where otherwise provided in these Terms or where otherwise agreed in writing.
- d. If any of the provisions of these Terms is held invalid, illegal or unenforceable for any reason, such provision shall be severed and the remainder of the provisions hereof shall continue in full force and effect as if these terms of business had been executed with the invalid provision eliminated.
- e. Any agreement made between you and us in accordance with these Terms and all communications from us will be in English.
- f. The information set out in these Terms is valid unless notified otherwise.
- g. This document is part of a legally binding contract that contains representations, obligations and other agreements that can be enforced against you.

19. Notices

- a. All correspondence, notices, contract notes, certificates and statements of account may be sent or transmitted to you at your last known address shown in our records, unless you expressly authorise us in writing to send them to some other address.
- b. You confirm that you have regular access to the Internet and consent to us providing you with information, including correspondence, notices, contract notes, certificates and statements of account, information about the nature and risks of investments, by electronic mail or (where appropriate and subject to maintaining your confidentiality) by posting such information on our website at www.tradestation.com or such other website as we may from time to time notify to you.

20. Governing Law and Jurisdiction

These Terms shall be governed by and construed in accordance with the laws of England and each party submits to the non-exclusive jurisdiction of the English Courts.

INFORMATION ON THE NATURE AND RISKS OF CERTAIN INVESTMENTS

The information contained in this notice cannot disclose all the risks and other significant aspects of derivative products such as futures, options and contracts for differences. 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.

1. General

The value of investments and the income from them may fluctuate and go down as well as up. There is no guarantee that you will get back the amount initially invested. The value of investments may be affected by a variety of factors, including economic and political developments, interest rates and foreign exchange rates, as well as issuer-specific events.

Investments denominated in currencies other than your base currency carry the risk of exchange-rate movements.

A movement in exchange rates may have a separate effect, unfavourable as well as favourable, on your gains and losses. Hedging techniques may, in certain circumstances, be limited or not be successful.

The market for some investments may be restricted or illiquid. There may be no readily available market and from time to time there may be difficulty in dealing in such investments or obtaining reliable information about the value and extent of risks associated with such investments.

2. Equity securities

Buying equity securities (the most common form of which are shares) will mean that you will become a member of the issuer company and participate fully in its economic risk. Holding equity securities will generally entitle you to receive any dividend distributed each year (if any) out of the issuer's profits made during the reference period.

Generally, holdings in equity securities will expose you to more risk than debt securities since remuneration is tied more closely to the profitability of the issuer. In the event of insolvency of the issuer, your claims for recovery of your equity investment in the issuer will generally be subordinated to the claims of both preferred or secured creditors and ordinary unsecured creditors of the issuer.

There is an extra risk of losing money when shares are bought in some smaller companies, such as penny shares. There is a big difference between the buying price and the selling price of these shares. If they have to be sold immediately, you may get back much less than was paid for them. The price may change quickly and it may go down as well as up.

If you buy equity securities you will be exposed to both the specific risks associated with individual securities held (and the financial soundness of their issuers), as well as the systemic risks of the equity securities markets.

3. Derivatives

Although 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:

(a) 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 6.

(b) 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.

(c) Contracts for differences

Futures and options contracts can also be referred to as contracts for differences. 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 3 (a) and (b) above 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 6.

(d) 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. You must ensure that it is 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.

4. Exchange Traded Funds

Exchange traded funds ("ETFs") are closed-ended collective investment schemes, traded as shares on stock exchanges, and typically replicate a stock market index, market sector, commodity or basket of assets. As such, they generally combine the flexibility and tradability of a share with the diversification of a collective investment scheme. Where you purchase ETFs, you will be exposed to similar risks as detailed in respect of equity securities, as well as the general risks detailed in paragraph 1.

5. Foreign markets

Foreign markets will involve different risks from the UK markets. In some cases the risks will be greater. You

should request from the firm with whom you trade an explanation of the relevant risks and protections (if any) which will operate in any foreign markets, including the extent to which it will accept liability for any default of a foreign firm through whom it deals. 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.

6. 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 with the firm with whom you trade 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.

Contingent liability investment transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

7. Limited liability transactions

Before entering into a limited liability transaction, you should obtain from 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.

8. Collateral

If you deposit collateral as security with the firm with whom you trade, 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 the firm with whom you trade how your collateral will be dealt with.

9. 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.

10. 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.

11. Clearing house protections

On many exchanges, the performance of a transaction by the firm with whom you trade (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, the customer, and may not protect you if the firm with whom you trade or another party defaults on its obligations to you. You should request of the firm with whom you trade to 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.

12. Insolvency

The insolvency or default of the firm with whom you trade, 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. You should request of the firm with whom you trade an explanation of the extent to which it will accept liability for any insolvency of, or default by, other firms involved with your transactions.