



# GENERAL BUSINESS TERMS

## SAXO CAPITAL MARKETS UK LTD

Effective as of 3rd January 2018

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Please read these General Business Terms as they will govern your relationship with Saxo Capital Markets UK Ltd (hereafter referred to as "SCML" "we" or "us").

## 1. DEFINITIONS AND INTERPRETATION OF TERMS

1.1 In these Terms the following words shall, unless the context otherwise requires, have the following meanings and may be used in the singular or plural as appropriate:

- i. **"Abnormal Trading Conditions"** includes, but is not limited to, the suspension or closure of any market or the abandonment or failure of any event to which we relate or quote or the occurrence of an excessive movement in the level of any Margin Trade and/or underlying market or our reasonable anticipation of the occurrence of such a movement;
- ii. **"Account"** means your transaction account(s) with SCML;
- iii. **"Account Statement"** means a periodic statement of the Transactions credited or debited to an Account;
- iv. **"Account Summary"** means a statement of your portfolio of Instruments, open positions, collateral, cash deposits, etc. at a specific point in time;
- v. **"Agent"** means an individual person or legal entity undertaking a transaction on behalf of another

individual person or legal entity but in his/its own name;

- vi. **"API"** means Application Programming Interface for the use of alternative trading interfaces or platforms;
- vii. **"Appropriateness Assessment"** means the process we use to assess the appropriateness of a product or Service for you;
- viii. **"Authorised Person"** shall mean a person authorised by you to give instructions to us in accordance with Clause 6.1;
- ix. **"Bankruptcy Default"** shall have the meaning given to it in Clause 24.3 iii;
- x. **"Business Day(s)"** shall mean any day on which banks are open for business in the UK (other than a Saturday or Sunday or public holiday in London);
- xi. **"CFD Contract"** or **"CFD"** shall mean a contract which is a contract for difference by reference to changes in the price of the relevant Instrument or index;
- xii. **"Client"** means the natural or legal person, being a customer of SCML;
- xiii. **"Client Application Form"** means the account application form completed by you and assessed by us;

- xiv. **"Client Categorisation"** shall mean any one of the following categories as per MiFID II:
- a) Eligible Counterparty (ECP);
  - b) Professional Client; and
  - c) Retail Client as more specifically described in Clause 4;
- xv. **"Client Money Rules"** means the provisions in the FCA's Client Assets sourcebook relating to client money;
- xvi. **"Collateral"** means (i) any cash, (ii) any Instruments, (iii) the value of any outstanding Contracts of the Client, (iv) any guarantee or indemnity accepted by SCML pursuant to Clause 26.6, and (v) any other assets of the Client, in each case ((i)-(v)) deposited with, possessed or controlled by SCML;
- xvii. **"Commissions and Charges"** means the Commissions and Charges to be paid by Clients to SCML as stated in the Commissions, Charges & Margin Schedule;
- xviii. **"Commissions, Charges & Margin Schedule"** shall mean the schedule of Commissions, Charges, Margin, Interest and other rates applicable to the Services which is displayed on our Website <https://www.home.saxo/en-gb/> and may be updated from time to time;
- xix. **"Confidential Information"** means any and all information (including personal data) related to the Parties and their relationship and all dealings between the Parties, including, but not limited to, any information relating to the business, investments and finances of SCML, the Saxo Bank Group and the Client;
- xx. **"Conflict of Interest Policy"** means our current policy regarding conflicts of interest which is available on our Website <https://www.home.saxo/en-gb/>
- xxi. **"Contract"** means any contract, whether oral or written, between SCML and the Client for the purchase of, or with reference to, an Instrument and any other transaction relating thereto, between the Client and SCML, including Margin Positions;
- xxii. **"Corporate Action"** means a corporate event that may impact the share price of the relevant company. Corporate Actions include e.g. share and rights issues, delistings, mergers and demergers, conversions, share splits, sell-offs and dividends;
- xxiii. **"Counterparties"** mean banks and/or brokers through whom SCML may cover Contracts with you;
- xxiv. **"Custody Securities"** means securities held in custody by

- SCML, including shares, bonds, units in collective investment undertakings and similar instruments that are not traded on Margin;
- xxv. **"Durable Medium"** means any instrument which enables you 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 unchanged reproduction of the information stored e.g. email, paper etc;
- xxvi. **"EEA"** means European Economic Area;
- xxvii. **"Eligible Counterparties"** means Clients categorised as Eligible counterparties pursuant of MiFID II.
- xxviii. **"EMIR"** means the European Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (Regulation 648/2012);
- xxix. **"Event of Default"** shall have the meaning given to this term in Clause 24.3;
- xxx. **"Exceptional Market Condition"** includes, but is not limited to, (i) the suspension or closure of any Regulated Market or other market, (ii) the abandonment or failure of any event, service or information to which SCML relates its quotes and other pricing, (iii) the occurrence of an excessive movement in the level of any Margin Position and/or any underlying market, (iv) situations described in Clause 15.4 or Clause 15.5 and/or (v) in each of (i)-(iv) SCML's reasonable expectation that such event might occur;
- xxxii. **"Exchange"** means any securities or futures exchanges, alternative trading system or multi-lateral trading facility as the context may require from time to time;
- xxxiii. **"Execution"** means when any of the activities in Clause 5.8 have occurred.
- xxxiv. **"FCA"** means the UK Financial Conduct Authority and any successor body;
- xxxv. **"FCA Rules"** means the FCA Handbook of Rules and guidance, as from time to time varied, amended or substituted by the FCA;
- xxxvi. **"FIFO"** is an abbreviation of "First in - First Out" and refers to the fact that where one or more Contracts with the same characteristics are to be closed, we will close the oldest Contract first;
- xxxvii. **"Force Majeure"** means an event which is beyond the reasonable control of a party which shall include, without limitation, any technical difficulties such as telecommunications failures or disruptions, suspension or closure

of any market, the imposition of unusual terms on the trading in any such market, the failure of any supplier or counterparty to perform its obligations, non-availability of our Website e.g. due to maintenance downtime, declared or imminent war, revolt, civil unrest, catastrophes of nature, statutory provisions, measures taken by authorities, strikes, lock outs, boycotts, or blockades, notwithstanding that we are a party to the conflict and including cases where only part of our functions are affected by such events;

xxxvii. **"Information Notice"** means the information notice at Schedule 1;

xxxviii. **"In the money"** shall, in relation to put options, mean when the strike price is above the market price, and shall, in relation to call options, mean when the strike price is below the market price;

xxxix. **"Inside Information"** shall mean information that is not publicly available, which if it was publicly available would be likely to have a significant impact on the price of a financial product;

xl. **"Insolvency Proceedings"** means bankruptcy, composition negotiations, suspension of payments, administration of the insolvent estate of a deceased Client, debt restructuring as well as any other Danish and foreign types of liquidation or

reorganisation measures caused by the insolvency of the Client, including (i) collective proceedings involving realisation of the assets and distribution of the proceeds among the creditors, shareholders or members as appropriate, which involve any intervention by administrative or judicial authorities, including where the collective proceedings are terminated by a composition or other analogous measure, whether or not they are founded on insolvency or are voluntary or compulsory, and (ii) measures which involve any intervention by administrative or judicial authorities which are intended to preserve or restore the financial situation and which affect pre-existing rights of third parties, including, but not limited to, measures involving a suspension of payments, suspension of enforcement measures or reduction of claims;

xli. **"Instruction Deadline"** means the deadline given by SCML to the Client for the Client to give instructions regarding a Corporate Action. Instruction Deadline may vary from deadlines stipulated in the prospectus or other material referring to market deadlines;

xlii. **"Instrument"** means any financial instrument or other instrument, whether traded OTC or traded on a Regulated Market or other market, including, but not limited to, shares, bonds and other debt

- instruments (including debt instruments issued by governments and public authorities), mutual and other investment funds, currencies, commodities, interest rates, indices, spots and derivatives (including options, futures, CFD's, forwards, warrants or other Contracts, including Custody Securities);
- xliii. **"Introducing Broker"** shall mean a financial institution or advisor which is paid by us and/or Clients for referral of Clients to us and/or for provision of advice to such Clients and/or execution of such Clients' transactions with us;
- xliv. **"Joint Account"** means an Account held in the name of two or more persons and references to Joint Account holder shall mean any one or all persons in whose name the Account is held;
- xlv. **"Joint Account Client"** means a Client holding a Joint Account with one or more other Joint Account Client;
- xlvi. **"Limit Order"** means an order to buy or sell at a specified price limit or better and for a specified size;
- xlvii. **"Liquidity Provider"** means banks, brokers and/or trading venues through whom SCML may cover or hedge its Contracts with Clients or with whom SCML otherwise deals in relation to Clients' transactions;
- xlviii. **"Listed Option"** means an option contract between SCML and a Client the terms of which are identical to the terms of a Reference Option;
- xlix. **"Listed Derivative"** means a derivative contract (including a Listed Option) between SCML and a Client the terms of which is identical to the terms of a Reference Derivative;
- i. **"Manifest Error"** shall have the meaning given to it in Clause 7.11;
- ii. **"Margin"** means a sum of money (or, where agreed, other collateral) required to protect us against potential losses on a Transaction which you are required to hold in your Account in order to open and maintain a Transaction;
- iii. **"Margin Trade"** means a Contract opened and maintained based on a Margin deposit as opposed to a Contract based on a purchase price;
- liii. **"Margin Utilisation"** means funds utilised for Margin purposes expressed as a percentage of other collateral and the Account Value less the amount of any funds on your Account which are not available to be used as Margin;
- liv. **"Market Maker"** means a person

- who on an organised, continuous and systematic basis deals on own account against proprietary capital at prices defined by the Market Maker in relation to Instruments and thereby create a market for such Instruments;
- iv. **"Market Rules"** means the following:
- a) the rules, including the regulations, customs and practices from time to time of any exchange, clearing house or other organisation or market involved in the conclusion, execution or settlement of a Transaction or Contract;
  - b) the FCA Rules; and
  - c) all other applicable laws, rules and regulations in force from time to time;
- lvi. **"MiFID II"** means MiFID II Directive and MiFID II Delegated Regulation and any other regulations issued on the basis thereof.
- lvii. **"MiFID II Directive"** means European Directive 2014/65/EC on markets in financial instruments;
- lviii. **"MiFID II Delegated Regulation"** means European Commission Delegated Regulation 2017/656 supplementing Directive 2014/65/EU as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- lix. **"Net Free Equity"** means the net free equity as defined in the Commissions, Charges & Margin Schedule, which forms the basis for the calculation of interest;
- lx. **"Order Execution Policy"** shall mean our current order execution policy for executing Client Orders available at our Website;
- lxi. **"OTC"** means "over the counter", i.e. not listed or traded on any Regulated Market or other market;
- lxii. **"Power of Attorney"** means a power of attorney, set out in our prescribed form, which is available on and can be downloaded from our Website;
- lxiii. **"Principal"** shall mean the individual person or the legal entity which is a party to a transaction;
- lxiv. **"Professional Clients"** means Clients categories as Professional Clients pursuant to MiFID II.
- lxv. **"QMMF"** means Qualified Money Market Fund which is a collective investment scheme.
- lxvi. **"Regulated Market"** means a regulated market as defined in Article 4(1)(21) of the MiFID II Directive;
- lxvii. **"Related Orders"** means an instruction by the Client pursuant



- to which a position shall only be closed if a certain price level is reached, including Limit Orders and Stop Orders;
- Ixxviii. **"Retail Clients"** means Clients categorised as retail clients pursuant to MiFID II;
- Ixxix. **"SCML"** shall mean Saxo Capital Markets UK Ltd, a company registered in England & Wales no: 7413871 with registered address at 40 Bank Street, Canary Wharf, London, E14 5DA;
- Ixxx. **"Security"** shall mean any securities or other assets deposited with us by you e.g. cash, shares, property etc.;
- Ixxxi. **"Services"** shall mean the Services to be provided by us to you in accordance with these Terms;
- Ixxxii. **"Settlement/Trade Confirmation"** shall mean a notification from us to you confirming your entry into a Contract;
- Ixxxiii. **"Stop Order"** means an order to buy or sell once the price reaches a specified level;
- Ixxxiv. **"Terms"** has the meaning set out in Clause 2.11;
- Ixxxv. **"TradingFloor.com"** means the website at [www.tradingfloor.com](http://www.tradingfloor.com);
- Ixxxvi. **"Trading Platform"** shall mean any online trading platform made available by us under these Terms;
- Ixxxvii. **"Transaction(s)"** means a transaction under these Terms;
- Ixxxviii. **"Website"** means SCML's website at [www.home.saxo/en-gb](http://www.home.saxo/en-gb).
- 1.2 To the extent that the Payment Services Regulations 2009 apply, all relevant provisions shall be read so that they will not apply to you if you are not a consumer, micro-enterprise or a charity, where this is allowed under the Payment Service Regulations 2009.
- 1.3 In these Terms any references to "us", "we", "our" or "SCML" shall mean Saxo Capital Markets UK Ltd.
- 1.4 In these Terms any reference to an individual person shall include bodies corporate, unincorporated associations, partnerships and individuals.
- 1.5 Headings and notes in these Terms are for reference only and shall not affect the contents and interpretation of the Terms.
- 1.6 In these Terms references to any law, statute or regulation shall include references to any changes made to that law or regulation.
- 1.7 These Terms are subject to Market Rules so that:
- i. if there is any conflict between these Terms and any Market Rules, the Market Rules will prevail;
  - ii. we may take or omit to take any action we consider necessary to ensure compliance with any of the Market Rules;
  - iii. all Market Rules and whatever we

reasonably do or omit to do in order to comply with them will be binding on you; and

- iv. Neither we nor any of our directors, officers, employees or agents shall be responsible if we reasonably take or omit to take any actions in order to comply with any Market Rules except where we have acted in negligence, fraud or wilful default.

## 2. Introduction

- 2.1 SCML is a company registered in England (number 7413871) with registered office at 40 Bank Street, Canary Wharf, London E14 5DA and is regulated by the Financial Conduct Authority (registration number 551422).
- 2.2 We are authorised and regulated by the UK Financial Conduct Authority under the Financial Services and Markets Act 2000 and entered on the FCA's Register of authorised persons with number 551422. The FCA may be contacted at 25 North Colonnade, Canary Wharf, London E14 5HS or by telephone on 020 7066 1000.
- 2.3 Our main business is to provide online brokerage on all major financial markets combined with integrated trading platforms and solutions. Trading some of the products on offer within our brokerage service carries a high level of risk and can result in losses in excess of your initial capital deposited as well as gains. The Services described in this Agreement are not suitable for everyone and are designed for Clients who are knowledgeable and experienced in the financial services market and in the types of transactions described in these

General Business Terms.

- 2.4 You should read these Terms carefully, including the Commissions, Charges & Margin Schedule, the Conflict of Interest Policy, the Order Execution Policy and the Product Risk Categorisation and any other documents that we have supplied or will supply to you in the future.
- 2.5. You should not deal in the products or sign up to receive the Services described in these General Business Terms unless you understand their nature and the extent of your exposure to risk. You should also be satisfied that the products and Services are suitable for you in the light of your circumstances and financial position. An explanation of the risks associated with the types of the products offered by us is set out in the Information Notice and you should ensure you fully understand such risks before accepting these General Business Terms. If you are not experienced in the types of transactions described in these General Business Terms or if you are unsure about any of the terms, you should seek advice from your independent financial adviser.
- 2.6 Our dealings with you will be conducted in the English language. These General Business Terms are supplied to you in English.
- 2.7 We reserve the right to communicate with you using any Durable Medium, but we will normally contact you in writing or email in accordance with the Notices Clause below. You may communicate with us using email, fax, in writing or by telephoning us.
- 2.8 These General Business Terms and the

Information Notice set out matters which we are required to disclose to you under the FCA Rules.

- 2.9 Please note that Transactions that require the provision of Margin products such as futures, FOREX, options and contracts for difference may result in liability dependent on future uncertain events and give rise to the obligation for you to provide us with Margin. More details can be found in Clause 11.
- 2.10 In order to provide investment services to you, we may provide an introduction or make arrangements with a view to you dealing with an overseas person who is not authorised to carry on investment business in the United Kingdom. The investment services undertaken on your behalf (or provided to you) by such person are not covered by the rules and regulations governing the protection of investors in the United Kingdom. This means that you will not have the benefit of rights, including compensation arrangements, designed to protect investors under FCA Rules. Similar protections may, however, be provided in the jurisdiction within which the business is to be carried on.
- 2.11 These General Business Terms, the Information Notice, the Client Application Form and the terms of each Transaction as they may be amended or supplemented from time to time together constitute a single agreement between you and us and are collectively referred to as the Terms.

### 3. RISK ACKNOWLEDGEMENT

- 3.1 You should be made aware that trading and investments in leveraged as well as unleveraged 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.
- 3.2 You acknowledge and agree that:
- i 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 your investment and Margin deposit;
  - ii where SCML holds a Client's retail Account, SCML will inform you, the Client where the initial value of each instrument depreciates by 10% and thereafter at multiples of 10%;
  - iii when you instruct us to enter into any Transaction, any profit or loss arising as a result of a change in the value of the asset or the underlying asset will be entirely at your own risk;
  - iv you are willing and able, financially and otherwise, to assume the risk of trading in speculative investments;
  - v you are aware that, unless otherwise agreed, we shall not conduct any continuous monitoring of the Transactions already entered into by you neither automatically nor manually. We will not be held responsible for Transactions developing differently from what you might have expected and/or to your

- disadvantage;
- vi you acknowledge and accept that guarantees of profit or immunity from loss are impossible in investment trading; and
- vii you acknowledge and accept that you have received no assurance otherwise and no guarantees of profit or similar representations of whatever nature as described in Clause 3.2 (vi) above from us, any entity of the Saxo Bank Group, any Introducing Broker, or representatives thereof or any other entity with whom you have a SCML account.

#### 4. CLIENT CATEGORISATION

4.1 In accordance with MiFID II and the FCA Rules, we classify our Clients into three main categories:

- i. Eligible Counterparties (ECPs);
- ii Professional Clients; and
- iii Retail Clients,

Each of these Terms is defined in the FCA Rules.

4.2 We will treat you as a Retail Client (unless we notify you in writing to propose that we treat you as a different type of Client under FCA Rules). As a Retail Client you may have the right to elect to be re-categorised (in writing) as a Professional Client. We will consider each request on a case by case basis, but will only accept such a request where we are able to do so in accordance with FCA Rules.

4.3 There are different levels of regulatory

protection to each category of clients. In particular, Retail Clients are afforded the most regulatory protection pursuant of MiFID II; Professional Clients and ECPs are considered to be more experienced, knowledgeable and sophisticated and better able to assess their own risk and are therefore afforded fewer regulatory protections. However this does not mean that you will automatically be eligible to bring a claim under any investor compensation scheme or ombudsmen service available.

4.4 Before activating your Account we are required by FCA Rules to carry out an Appropriateness Assessment. We will do this by asking you to answer certain questions, contained in the Client Application Form so that we can assess your knowledge and experience of the relevant product or service.

4.5 When assessing your Client Categorisation and afterwards when dealing with you, we will rely on the truth, accuracy and completeness of the information provided by you, including the information provided on the Client Application Form. You expressly consent to us using and relying on all such information in making our assessment and in our dealings with you.

4.6 If there is a change in your personal circumstances you must notify us immediately of the change so that we can consider your categorisation.

4.7 We may review your Client Categorisation from time to time, upon request or otherwise, and may re-categorise you as we think fit.

4.8 You acknowledge that the Services that SCML offers you may depend on your Client Categorisation, and that all Services may therefore not be available to all types of Clients.

4.9 We reserve the right to choose whether or not to provide services under the requested classification following the outcome of a further Appropriateness Assessment.

## 5. SERVICES

5.1 You acknowledge that the Services that SCML offers you may depend on the Client Categorisation, and that all Services may therefore not be available to all types of Clients.

5.2. We will treat you as our Client and will provide the Services to you and hold you responsible for your obligations under these Terms. This remains the case even if you notify us that you are acting as the Agent of an identified Principal, unless we agree in writing to treat that Principal as our Client, or you appoint an Agent to act on your behalf and complete a Power of Attorney

5.3 SCML provides a variety of trading related Services. Unless otherwise specifically agreed in writing, all Services provided by SCML to Clients are subject to these Terms.

5.4. SCML provides execution-only services to the Client unless otherwise agreed. SCML accepts no obligation to provide individual advice, surveillance, information or recommendations in respect of any Instrument or Service. Any

advice, information or recommendations are provided on a non-independent basis.

5.5 The decision about whether to proceed with an individual Transaction, and the details of that Transaction, lies solely with you. You should familiarise yourself with the specific features of your Transaction and consider the advantages and disadvantages before deciding to proceed with a Transaction.

5.6 We will not provide any advice to you on or in relation to any tax issues related to any Services. **You should obtain independent advice with respect to the tax implications of any Services**

5.7 The nature and risks of Instruments relevant to the Services are generally described on SCML's website: [www.home.saxo/en-gb](http://www.home.saxo/en-gb)

5.8 The Services provided by SCML may involve:

- i Transactions that require the provision of Margin;
- ii Short sales (i.e. sales where one party to the Contract is obliged to deliver an asset which it does not possess); or
- iii Transactions in instruments which are: traded on exchanges which are not recognised by the FCA or designated investment exchanges according to the FCA Rules; and/or not traded on any stock or investment exchange; and/or not immediately and readily realisable. You and SCML will enter into any Contract as Principals. SCML may at its discretion cover or hedge any Contracts with its

Liquidity Providers, but you will have no recourse against any of SCML's Liquidity Providers.

- 5.9 SCML shall be entitled to consider you as Principal in relation to any Contract even if you, in its arrangements with any third party act as Agent on behalf of such third party, regardless of whether the you have identified the arrangement and/or the third party to SCML.
- 5.10 Notwithstanding any other provision of these Terms, in providing its Services, SCML is entitled to take any action considered necessary and reasonable to ensure compliance with the Market Rules, decisions by and agreements with Regulated Markets, other markets, Liquidity Providers or public authorities and/or applicable law.
- 5.11 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 predefined 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 consistently with our Order Execution Policy. We do not guarantee orders will be executed at the specified price or amount, unless explicitly stated by us for that specific order. For further information on order types please refer to the Commission, Charges & Margin Schedule on our Website.
- 5.12 If you enter into a market order on the Trading Platform outside of market hours, that market order will not be executed until the market re-opens.
- 5.13 When carrying out OTC, options and futures Transactions, we act as Principal and therefore carry out Transactions in our own name. When carrying out Exchange Contracts (with the exception of options and futures Contracts) we will act as agent on an undisclosed principal basis, and therefore carry out transactions on our own name but on your behalf and you will be directly responsible for the Transaction.
- 5.14 When you place a trade the consideration for the transaction as well as commission payable and all applicable Charges and Taxes to the trade will be your responsibility and will be taken from your account and held by us pending settlement. If the trade does not occur on the day expected, the money will still be treated as client money;
- 5.15 It is your responsibility to ensure that at all times there are sufficient cleared funds on your account to settle both the trades carried out alongside any Charges and Taxes associated with the trade.
- 5.16 When there is a specified settlement/sale date, the proceeds will be credited to your account even if the action did not occur on that day.
- 5.17 A trade will be executed when SCML performs any service that results in

reception and transmission of orders, an execution of orders on behalf of clients, dealings by you yourself, making investment decisions or transfer of funds to or from accounts.

5.18 We may provide information or disseminate research to you from time to time. You acknowledge and accept that we shall not be responsible or liable in any way for the outcome of any Transaction or Contract entered into by you in reliance on any information or research provided by us except in the case of our fraud, gross negligence or wilful default. You further acknowledge, and accept that:

- i All Transactions in exchange-traded investments and Contracts can be affected by Market Rules including but not limited to circumstances such as an emergency situation or under Abnormal Trading Conditions;
- ii If any exchange, clearing house or other organisation or market takes any action which affects a Transaction or Contract then we may take any action we consider necessary or desirable to protect the interests of you and/or us;
- iii We shall not be held liable for any loss suffered by you (as further stipulated in Clause 25) as a result of the acts and/or omissions of any exchange, clearing house or other organisation or market or any action reasonably taken by us as a result of such acts and/or omissions except in the case of our fraud, gross negligence or wilful default in connection therewith.

5.19 In certain circumstances, we may have to cancel a Transaction you have made on the Trading Platform, for example, if the relevant exchange the Transaction is traded on, does not allow us to complete the Transaction. In such cases, we will endeavour to notify you as soon as possible and inform you of the reason, unless we are prevented from doing so by law.

5.20 To the extent that the Transactions between you and us are subject to EMIR the provisions set out in Annex 1 and Annex 2 will apply. However, you may opt-out of the provisions of Annex 2 by emailing us at:

[UKSupport@saxomarkets.com](mailto:UKSupport@saxomarkets.com)

5.21 If you opt-out of the provisions of Annex 2, we will provide you with information that may be of assistance to you in reporting Transactions yourself.

5.22 To the extent that you wish to use your Account to access and place trades through TradingFloor.com, the provisions set out in Annex 3 will apply.

## **6. DEALINGS BETWEEN SCML, AND YOU, THE CLIENT**

6.1 You or any person granted Power of Attorney by you and notified to us in accordance with Clause 6.2 (an **Authorised Person**) may provide us with verbal or written instructions concerning any Transaction or proposed Transaction or any other matter which shall include instructions provided via the internet or by e-mail as described below. If you are a legal entity, you must notify us in writing of which individuals in that legal entity will

be Authorised Persons, but these individuals are not required to be authorised using a Power of Attorney. We shall acknowledge receipt of the instructions verbally or in writing, as appropriate.

- 6.2 You shall provide us with written notification of the persons to whom you have granted a Power of Attorney. If you at any time wish to revoke or amend a Power of Attorney or grant Power of Attorney to a different person in place of the existing Attorney, you shall inform us in writing immediately. We will be entitled to rely on your written notification without further enquiry as to whether the Power of Attorney has been granted, revoked or amended lawfully.
- 6.3 Subject to the provision within the Power of Attorney, you authorise us to rely and act on any order, instruction or communication we receive from you or an Authorised Person without further enquiry as to the authenticity, genuineness, authority or identity of the person giving or claiming to give such instructions. You will be responsible for and bound by all obligations we enter into or assume on your behalf and will be accountable to us for all losses, expenses, costs and liabilities we may suffer as a result of or in connection with such orders, instructions or communications.
- 6.4 We may decide to refuse to accept any order or instruction, provided that we inform you of our refusal as soon as reasonably practicable. We will endeavour to provide you with a reason for any refusal unless provision of such notice would be unlawful.

6.5 In order to give effect to your instructions, we may instruct a Counterparty selected at our discretion and in any event shall do so where the Transaction is to be subject to the rules of an exchange or market of which we are not a member.

6.6 We shall not be responsible for losses resulting from the acts/omissions of any Counterparties except where such losses were caused by our fraud, gross negligence or wilful default.

6.7 In addition to the terms listed on our Website (i.e. the Conflict of Interest Policy and the Order Execution Policy) and the terms stated in Clause 9 regarding the Trading Platform, the following terms apply to Contracts executed on the internet:

- i We may offer you real-time tradable prices. If there is any delayed transmission between you and us whereby the price offered by us has changed before an order from you is received or your order is based on the delayed price, you acknowledge that we shall be entitled to substitute the price on which the order is given to the prevailing real-time market price at the time we received your order as opposed to the delayed price as transmitted;
- ii The Trading Platform may be available in several versions, which may be differentiated in various respects including, but not limited to the level of security applied, products and services available etc. We shall not be liable to you for any loss, expense, cost or liability sustained by you due to you using a version of the



Trading Platform different from our latest updated version as long as we have made reasonable efforts to inform you of latest version of the Trading Platform;

- iii You shall be responsible for all orders, and for the accuracy of all information, sent via the internet using your name, password or any other personal identification means implemented to identify you;
- iv It is your responsibility to keep your password(s) secure and confidential. You must not share your password details with any other party unless that party has completed and returned the prescribed Power of Attorney to us. If you have told someone your password or log-in details, or suspect that someone may know your password or log-in details, please notify us immediately by calling us on +44 (0) 207 151 2041 or emailing us at [clientservices@saxomarkets.com](mailto:clientservices@saxomarkets.com);
- v If you are a legal entity or firm using the Trading Platform you and any Authorised Person shall be liable to us for all Contracts and Transactions executed by use of your password;
- vi The Settlement/Trade Confirmation forwarded by us or made available to you on the Trading Platform constitutes our sole confirmation of execution.

6.8 Any instruction sent via the Trading Platform or by e-mail shall only constitute a valid instruction and/or binding Contract between us and you when such instruction has been recorded as executed by us and confirmed by us to

you through the Settlement/Trade Confirmation and/or an Account Statement. The mere transmission of an instruction by you shall not constitute a binding Contract.

- 6.9 You, as the Client, shall be aware that if there is dealing with an Introducing Broker, they receive transaction fees, and other income (hereinafter together referred to as the transaction fees) based on your transactions with SCML. The fees are agreed between you and the Introducing Broker. If Transaction fees are:
- i. Withdrawn from your account to the Introducing Broker's account based on your instructions there may be a conflict of interest if the Introducing Broker is authorised to act on behalf of you because the transaction fees are typically dependent on the number and size of executed transactions.
  - ii. On Client Commissions, payable to the Introducing Broker, may entail that you pay more than SCML's standard retail rates.

## 7. INSTRUCTIONS

- 7.1 You shall promptly give any instructions to us, which we may reasonably require. If you do not give such instructions promptly, we may, at our reasonable discretion, take such steps at your cost, which we consider necessary or desirable for our or your protection. This provision shall also apply where we have tried but are unable to obtain contact with you and it is necessary for us to receive your instructions as quickly as possible.

- 7.2 We (or the relevant sub-custodian as referred to in Clause 14.1) will notify you, in accordance with the Notices Clause below, of any Corporate Action which requires your instruction in relation to any Securities held by us on your behalf.
- 7.3 If you do not notify us of your intention to exercise an option or to act on Corporate Action which requires your instruction within the time stipulated by us, we may allow the option or Corporate Action to lapse or at our reasonable discretion, elect the treatment that provides you with a favourable outcome.
- 7.4 We will not inform you about any ordinary or extraordinary general meeting or any extraordinary information communicated by the issuer of any Securities held by us on your behalf. Unless otherwise specifically agreed you, you will not be entitled to vote at any shareholders' annual general meetings.
- 7.5 SCML may from time to time be informed about class action litigation relating to Instruments that SCML holds or has held in custody on behalf of its Clients. Unless specifically agreed with SCML, SCML is not required to provide any information about class action litigation to you or to take any action on behalf of Clients in relation to class action litigation.
- 7.6 SCML will at least on a quarterly basis send to you a statement of any held Custody Securities pursuant to MiFID II Delegated Regulation Art 63. Upon your request, SCML shall provide such statements more frequently at a commercial cost.
- 7.7 We may, in our reasonable discretion, require confirmation from you in such form as we may reasonably request in the following circumstances:
- i. we have received an instruction to close an Account;
  - ii. we are required to return money due to you; or
  - iii. we have received an instruction from you in relation to a Transaction that we reasonably consider to be unclear or unusual.
- 7.8 SCML does not guarantee that you will be able to enter into Transactions on the Trading Platform to the extent that those Transactions are subject to Corporate Actions.
- 7.9 We shall act according to instructions as soon as practically possible and shall, as far as trading instructions are concerned, act consistently with our Order Execution Policy. However if, after instructions are received, we believe that 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.
- 7.10 If you purchase an exchange traded fund or any other instrument that has a Key Investor Information Document ("KIID") or Key information Document ("KID") we will require that you have read the relevant KIID or KID before you execute. By executing the transaction you will have represented that you have read the KIID/KID whether it by via email, PDF or by any other durable medium that is not paper

- 7.11 From time to time it is possible that errors may occur in the pricing of Transactions. Notwithstanding the rights that you have under Market Rules, we reserve the right to void, or to amend the terms of, any Transaction that we reasonably believe, at our sole discretion, to contain or be based on an obvious or palpable error (a **Manifest Error**). In deciding whether an error is a Manifest Error we may take into account any relevant information including, the state of the underlying market at the time of the error and any error within, or lack of clarity of, any information source or pronouncement. In deciding whether or not there has been a Manifest Error, we will make reasonable efforts to take into account any financial commitments that you have made or refrained from making in reliance on a Transaction.
- 7.12 In the absence of our fraud, wilful default or negligence, we will not be liable to you for any losses following a Manifest Error. In the event that a Manifest Error is made by any information source, commentator or official on whom we reasonably rely, we will not be liable to you for any losses, except for our fraud, wilful default or negligence.
- 7.13 Trading strategies aimed at exploiting errors in prices and/or concluding trades at off-market prices (commonly known as "sniping") are not acceptable. Provided that we can demonstrate that at the time of execution of the trade there were errors in prices, commissions, or in the Trading Platform, and provided we can reasonably demonstrate that you, based on your trading strategy or other behaviour, deliberately and/or systematically exploited or attempted to exploit such an error, we are entitled to take one or more of the following counter measures:
- i adjust the price spreads available to you;
  - ii restrict your access to streaming, instantly tradable quotes, including by providing manual quotations only;
  - iii reclaimed from your account any historic trading profits that we can demonstrate have been gained through such abuse at any time; and/or
  - iv terminate the account facility immediately by giving written notice.
- 7.14 We may also take any of the counter measures detailed in Clause 7.13 if we can reasonably demonstrate that you have entered into a trading strategy on the Trading Platform aimed at delaying or preventing any other person's access to a Transaction on the Trading Platform.
- 7.15 You agree and acknowledge that we may record all telephone (landline and mobile) conversations, electronic communications, and meetings between you and us. Such recordings shall be and remains our sole property and will be accepted by you as conclusive evidence of the orders, instructions or conversations so recorded. You agree that we may deliver such recordings or copies of transcripts of such recordings to any court, regulatory or government authority.
- 7.16 SCML shall not provide, by telephone, investment services and activities to Clients who have not been notified in advance about the recording of their

telephone communications or conversations, where such investment services and activities relate to the reception, transmission and execution of client orders.

7.17 If we are instructed to enter into a position opposite to one or more of your open positions, we will close out the opposite position in accordance with FIFO principles unless the position has related orders or as otherwise agreed.

7.18 You acknowledge that we may, in our absolute discretion, 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 or sub-accounts.

7.19 If you operate several Accounts (or sub-accounts) and opposite positions are opened on different Accounts (or sub-accounts), if we do not take steps to close directly opposite positions, you acknowledge that all such positions may be rolled over on a continuous basis and thereby consequently incur a cost for such roll-over. Such cost will be calculated in accordance with the Commissions, Charges and Margin Schedule and will be notified to you in writing in advance.

## **8. CLIENTS USING JOINT ACCOUNTS**

8.1 If you are a Joint Account holder:

- i the liabilities of the Joint Accountholder shall be against each Joint Accountholder as an individual and by all Joint Accountholders together;

- ii we will treat the Joint Account holders as having ownership jointly to the instruments kept in the joint account and will thus not segregate the assets on the account among the Joint Account holders;
- iii we may act upon instructions received from any Joint Accountholder, or any person who appears to us to be such a Joint Accountholder;
- iv any notice or other communication provided by us to any Joint Accountholder shall be deemed to have been provided to all Joint Accountholders;
- v you accept that we are allowed to reveal all information about the joint account(s) to any Joint Account Holder; and
- vi our rights under Clause 24 shall apply if an event described in Clause 24 shall be deemed to have occurred in respect of any Joint Accountholder.

## **9. SPECIAL NOTE ON THE USE OF THE TRADING PLATFORM**

9.1 The technical requirements to which the Client's IT equipment, operating system, Internet connection etc. shall conform are described on our Website.

9.2 You must enter your user ID and password when logging on to the Trading Platform. Entering an incorrect password five times in a row will automatically terminate the connection and block the user ID. We will notify you in writing of any termination/blocking and the reasons for it, where possible, before such termination/blocking occurs and if this is not possible, immediately thereafter,

unless giving such information would be unlawful.

- 9.3 The right to use the Trading Platform is restricted to your own use only, and you should not allow any other persons to use your user ID and/or password. If you wish to allow a third party to operate the Account on your behalf excluding employees who are Authorised Persons, if you are a legal entity, you must provide us with the prescribed Power of Attorney to authorise the relevant third party.
- 9.4 Following our approval of a third party pursuant to Clause 9.3 above or where, if you are a legal entity, you have registered employees as your Authorised Persons, we shall issue a personal user ID and password to each such Authorised Person.
- 9.5 You shall notify us by telephone on +44 (0) 207 151 2041 without undue delay on becoming aware of unauthorised access to your account and the use of the Trading Platform, or if you suspect that your password security has been compromised.
- 9.6 You may block access to your Trading Platform at any time by contacting us by telephone on +44 (0) 207 151 2041. Open orders and positions placed on the Trading Platform before blocking will not be affected by the blocking unless you specifically request so.
- 9.7 Where you have placed an order on the Trading Platform in error, you may request that the order be cancelled up until the time of execution. You acknowledge that we are under no

obligation to cancel the order. A request for cancellation or an order can be made via the Trading Platform or by calling +44 (0) 207 151 2041. An order shall not be considered to be cancelled until you have received written confirmation from us.

- 9.8 You acknowledge that all proprietary rights in the Trading Platform are owned by us or by any applicable third party service providers selected by us and are protected under copyright, trademark and other intellectual property laws and other applicable law.
- 9.9 SCML shall not be responsible for losses resulting from the Client's installation and use of the computer programs used on the Trading Platform.
- 9.10 You undertake to use any market data or other information that we, any Exchange or any third party service provider provide to you in connection with your use of the Trading Platform solely for the purposes set out in these Business Terms. You agree not to provide access, redistribute or display the market data to any third party without our prior written consent.

## **10. TRANSFER OF FUNDS TO AND FROM THE CLIENT'S ACCOUNT AT SAXO**

- 10.1 You acknowledge and accept that in order to secure the identity of the sender we will only allow transfers to your Account from your own accounts in other banks. In order to accept such transfers we must receive sufficient information about the transfer, which must include reference to your account from the remitting bank to identify you as the ultimate payer of the transaction and the account holder of the

funds remitted. Furthermore, you accept that if we are in doubt or unable to determine to our satisfaction that the remittance is from your account at another bank, we may refuse to accept the remittance or return the funds to the bank at our discretion. You acknowledge and accept that we may be unable to comply with the time limits in Clause 10.2 and 10.3 if we are unable to identify you as the remitter and/or which Account the funds should be allocated.

- 10.2 For incoming transfers of currency of an EU or EEA country from an account in a bank within the EU or EEA, the funds will be booked on your Account and available at your disposal on the same day we have received the funds, provided such funds are received before 1 p.m. London time on a Business Day. If the funds are received between 1 p.m. London time on a Business Day and 7 a.m. London time on the following Business Day, the funds will only be available in your account after 9 a.m. London time on that day.
- 10.3 For transfers of funds in another currency or from an account in a bank outside the EU or EEA, the funds will be booked on your Account and available at your disposal no later than two Business Days after the funds are received by us provided such funds are received before 1 p.m. London time on a Business Day. If we receive the funds after 1 p.m. London time on a Business Day, the funds will be deemed to be received by us on the following Business Day and will only be available at your disposal after 9 a.m. London time on the third Business Day thereafter.

- 10.4 Electronic outgoing transfer requests received via the trading platform not later than 1 p.m. London time on a Business Day, will be executed the same day. If the electronic transfer request form is received between 1 p.m. London time on a Business Day and 7 a.m. London time on the following banking day, you may expect the transfer request to be executed on the next Business Day after 9 a.m. London time.
- 10.5 You understand and accept with consideration to outgoing transfer costs, that if the aggregated funds held in your Account(s) amount to less than GBP 100, we will transfer the aggregated funds.
- 10.6 If outgoing transfer requests are received in any other format than those described in Clause 10.4, the transfer will be executed within 2 (two) Business Days.
- 10.7 You understand and accept that we execute all outgoing transfer payments as SHA payments which means that you must carry your own costs in relation to the payment.
- 10.8 For standard outgoing transfers the cash is available to our correspondent bank within 1 (one) Business Day of us executing the transfer.
- 10.9 You understand and accept that we execute outgoing payments as SEPA payments if the following criteria are met:
- i. The receiving bank must be a financial institution located within the EU or the EEA.
  - ii. The recipient's account number must be indicated in the form of an IBAN

- number/must include an IBAN.
- iii. The receiving bank must be indicated in the form of a BIC code.
  - iv. The receiving bank must have adopted the "SEPA Credit Transfer Scheme".
- 10.10 When you transfer funds between two accounts held with us, the funds are available on the receiving account on the day of the transfer.
- 10.11 You understand and accept that you must always inform us of the IBAN number and the BIC code of the receiving account when providing payment instructions. In the absence of the said information, we cannot be held liable for the completion of the transfer, nor for any delays or extra costs arising from the absence of the IBAN number and BIC code.
- 10.12 You acknowledge and accept that we shall not be responsible for any delays that occurred before the funds reach us from the remitting bank.
- 10.13 You acknowledge and accept that we shall not be responsible for any delays that occurred between the transfer of funds from us until the funds are booked on the account with the receiving bank.
- 10.14 You understand and accept that you are liable for any foreign costs arising from, any delays caused by and any errors made by the receiving financial institution or its intermediate financial institutions.
- 10.15 You acknowledge that Abnormal Trading Conditions may cause a delay in the booking of funds of up to 3 (three) Business Days from receipt of the funds.
- 10.16 You understand and accept that we must communicate information on the sender's name and account number to the financial institutions involved.
- 10.17 We, our correspondent banks and other banks forming the chain of payment must monitor the cash flow in correlation with terror lists, including the database to the European Union. Such monitoring may cause registration of payments to be delayed, stopped or frozen. We cannot be held liable for any losses arising from the obligation to monitor the cash flow.
- 11. MARGINS, SECURITY, PAYMENTS AND DELIVERY**
- 11.1 We will require you to provide and maintain an amount of Margin in your Account that we consider appropriate. You should note that, depending on the nature of the Transaction, you may have to make additional payments if the Transaction fails to be completed or if the settlement or closing out of your position takes place early. You may be required to make further Margin payments against the purchase price of the investment, instead of paying (or receiving) the whole purchase (or sale) price immediately. The movement in the market price of your investment will affect the amount of Margin payment you will be required to make.
- 11.2 You agree to provide us with payments of Margin that we reasonably require to protect ourselves against loss or risk of loss on present, future or contemplated Transactions under these Terms. Different Margin requirements may apply to different accounts and/or investments

traded. You may be required to add to this Margin at any time when your Account shows a debit balance or an increase in your Margin requirement.

11.3 Margin in relation to a particular type of Transaction will be provided in cash. We may in our discretion allow you to provide Margin in the form of Securities that we agree from time to time.

11.4 Our Margin requirement shall apply throughout the term of the Margin Trade. It is your responsibility to ensure that sufficient Margin is available on your Account at any time. If, at any time during the term of a Margin Trade, the Margin available on the Account is not sufficient to cover our Margin requirement, you are obliged to reduce the amount of open Margin Trades or transfer adequate funds to us. Even if you take steps to reduce the size of open Margin Trades or to transfer sufficient funds to us, we reserve the right to close one, several or all of your Margin Trades or part of a Margin Trade and/or liquidate or sell Securities or other property at your Account at our reasonable discretion without assuming any responsibility towards you for such action, if we reasonably consider that you may not be able to meet your obligations to us under these Terms.

11.5 If you have opened more than one Account, you will not be able to hold Margin in one Account in order to satisfy your Margin requirement in another Account. However, you are entitled to hold Margin in one sub-Account in order to satisfy your Margin requirement in another sub-Account. You agree that we

are 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.

11.6 You acknowledge that the details of the Margin Utilisation level on your Account are available in real-time by logging on to the Trading Platform. You agree that it is your responsibility to be aware of the Margin required at all times for all Transactions that you open with us and that you shall pay such Margin.

11.7 You agree that your obligation to pay Margin will exist whether or not we contact you regarding your Margin obligation. Although we may contact you to inform you that the Margin Utilisation level on your Account is close to the maximum Margin Utilisation amount permitted on the Account, we are not under any obligation to keep you informed of your account balance and Margin required. It is your responsibility to monitor your Account and maintain adequate level of value of acceptable collateral and/or funds if you wish to avoid compulsory close-out if the market moves against your open positions.

11.8 Unless otherwise agreed in writing, you acknowledge that your failure to pay any Margin required in relation to your Transactions will be regarded as an Event of Default and that we may initiate, on your behalf, compulsory close-out of any and all open Margined positions when the level of Margin Utilisation for the Account reaches or breaches the maximum level provided in the Commissions, Charges and Margin



Schedule at any time whatsoever. However, we are under no obligation to close out or liquidate any Transactions or take any other action in respect of positions opened or acquired on your instruction if you fail to pay Margin when required. You agree that any foreseeable losses resulting from the compulsory close-out of open Margined positions will be borne by you.

11.9 Our general Margin requirements for different types of Margin Trades are displayed on our Website. However, we reserve the right to determine specific Margin requirements for individual Margin Trades and will notify you of any such specific Margin trades in advance.

11.10 We will be entitled, at any time and where we reasonably consider it necessary, to increase the Margin on open Margin Trades if we consider that the risk has increased and shall notify you of such change by any means permitted in these Terms.

11.11 All cash Margin and other payments due from you under these Terms shall be made in freely transferable funds in the currency and to the bank account(s) that we may from time to time specify. If you make a payment subject to withholding or deduction you shall pay such additional amounts to ensure that the amounts received by us will equal the full amount we would have received had no withholding or deductions been made.

11.12 You acknowledge and accept that we have the right, in addition to any other rights we have under these Terms, or under Market Rules, to limit the size of

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

- i We reasonably believe that you may be in possession of Inside Information;
- ii We reasonably believe that there are Abnormal Trading Conditions;
- iii the value of your Security falls below the minimum Margin requirement as specified by us; or
- iv you have a negative cash-balance on any Account.

## **12. PRICE ERRORS AND CHANGES IN CONDITIONS**

12.1 If the Client makes any payment which is subject to any currency fluctuations, withholding or deduction, the Client shall pay to SCML an additional amount to ensure that the total amount actually received by SCML is equal to the full amount SCML would have received had no currency fluctuations, withholding or deduction been made.

12.2 SCML may offer real-time tradable prices to the Client. Due to delayed transmission, the price offered by SCML may have changed before an order or instruction from the Client is received by SCML. SCML shall be entitled to change the price on which the Client's order or instruction is executed to the market value at the time at which the order from the Client is received or executed.

- 12.3 Prices offered by SCML regarding the sale, purchase or exercise of Listed Derivatives reflect the price of the relevant Reference Derivative. Due to the period from the Client's acceptance or instruction regarding a Listed Derivative until the execution of the relevant Reference Derivative on the Regulated Market by the Listed Derivative Counterparty, another third party or SCML (as the case may be), the price as listed on the Trading Platform is subject to change, in order for the Listed Derivative to reflect the price of the relevant Reference Derivative at the time of its execution or exercise (as applicable).
- 12.4 (i) In the event that a price quoted by SCML or at which any Contract or other transaction is entered into (including where confirmed in a Settlement/Trade Confirmation) does not reflect the market price (e.g. due to market liquidity, announcements affecting the market, misfeeds from providers of prices, quotes from Liquidity Providers, or suspension of trading) (a "Misquoted Price") or (ii) if an Exceptional Market Condition occurs or is likely to occur, SCML may in its sole discretion either (a) refrain from executing, or cancel, any Contract or any purchase or sale of any Instrument which is, or purports to have been, entered into at the Misquoted Price, (b) execute the Contract or the sale or purchase of any Instrument at the Misquoted Price or the price which in SCML's reasonable opinion reflects the market price, or (c) change any Contract or purchase or sale of any Instrument already executed to the price which in SCML's reasonable opinion reflects the market price.
- 12.5 If SCML can (i) document the existence of errors in prices, Commissions and Charges, other commissions and/or in the Trading Platform at the time of the conclusion of the Contract or order and (ii) render probable that, based on the Client's trading strategy or other behaviour, the Client deliberately and/or systematically has exploited or attempted to exploit such errors, SCML is entitled to take one or more of the following countermeasures:
- i. Adjust the price spreads and/or liquidity available to the Client;
  - ii. Restrict the Client's access to streaming, instantly tradable quotes, including providing manual quotation only;
  - iii. Retrieve from the Client's Account any historic trading profits that have been gained through such behaviour at any time during the relationship between the Client and SCML; and/or
  - iv. Terminate the relationship between the Client and SCML immediately by giving written notice.
- 12.6 If (i) the Regulated Market, on which a Reference Derivative is traded, and/or (ii) the Listed Derivative Counterparty takes any action which affects the Reference Derivative or the contract SCML has entered into with the Listed Derivative Counterparty, then SCML may take any action with regard to the relevant Listed Derivative which SCML in its sole discretion considers desirable or appropriate to (a) match the action taken by the Regulated Market and/or Listed Derivative Counterparty or (b) mitigate any loss which is or may be incurred by it as a result of such action
- 12.7 The Client acknowledges, recognizes and

understands that:

- i. The execution of all transactions in Instruments which are traded on Regulated Markets, and many Contracts, will be effected subject to, and in accordance with, Market Rules;
- ii. Market Rules usually contain far-reaching powers for authorities and market places in an emergency or otherwise undesirable situation;
- iii. If any Regulated Market or clearing house takes any action which affects a transaction in Instruments or a Contract, directly or indirectly, including any Listed Derivative, then SCML is entitled to take any action which SCML in its sole discretion considers desirable or appropriate in relation to any Contract or transaction with any Client;
- iv. Where any transaction is effected by SCML 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; and
- v. SCML's obligation to deliver Instruments to the Client or to account to the Client or any other person on the Client's behalf for the proceeds from a sale of Instruments, shall be conditional upon receipt by SCML of deliverable documents or sale proceeds (as appropriate) from the other party or parties to the transaction.

### **13. AGGREGATION AND SPLIT**

- 13.1. We may, in accordance with the Order Execution Policy, aggregate your orders with our own orders, orders of any of our associates and/or persons connected with us including employees and other clients and execute it as a single order.
- 13.2. We may split your orders when executing them. Orders will only be aggregated or split if we reasonably believe it is in your best interests. You accept that aggregation and split of your order may

work to your disadvantage in relation to a particular order and result in you obtaining a less favourable price than if your orders had been executed separately.

### **14. CLIENT MONEY**

- 14.1 As a Retail Client, any money held by us on your behalf will be treated as client money within the meaning of the Client Money Rules. We will, on receiving client money, promptly place this money into a segregated client account held at our custodian bank, and in any event no later than close of next business on the day on which we receive it.
- 14.2 We may pass money received from you to a third party (e.g. a market, intermediate broker, OTC counterparty or clearing house) to hold or control in order to make a Transaction through or with that person or to satisfy your obligation to provide a deposit (such as an initial requirement that you provide Margin) in respect of a Transaction. Although we will remain responsible for money received from you even if we pass it to a third party, you may be exposed to the additional risk that, in the event of an insolvency or similar in relation to that third party, the amount of money received by us from the third party may not be sufficient to satisfy your claims. However, you may still be able to claim against us for any outstanding amounts.
- 14.3 We may hold client money on your behalf outside the EEA. The legal and regulatory regime applying to any bank or person that holds your money outside the EEA will be different from that of the United Kingdom. As a result, should that bank or

person go into insolvency or similar proceedings, your money may be treated differently than it would have been if the money was held with a bank in the United Kingdom. We will not be liable for the insolvency, acts or omissions of any third party referred to in this sub-clause.

14.4 Under the FCA Rules, we may hold client money in a Qualifying Money Market Fund (QMMF). Such money will not be held as client money in accordance with the Client Money Rules. The units or shares in any QMMF will be held as safe custody assets in accordance with the provisions of the FCA Rules that relate to the holding of assets in custody by investment firms like ourselves on behalf of clients. In order to hold any client money in a QMMF, we are obliged to gain your express consent.

14.5 All other client money can be placed on accounts with notice periods of, or on deposit for fixed terms of, up to 90 days. By SCML placing your money in notice or term deposit accounts does not directly affect your ability to withdraw or deal with funds on your account. However, this money may not be immediately available to you in the 'Event of Default' of SCML or any nominee or sub-custodian.

14.6 To avoid doubt, you accept that you will not be entitled to any interest received in the segregated client account held at our custodian bank and that we shall retain all such interest.

14.7 We will pay interest to your Account based on the interest calculation and rates as specified to you on our Website

unless we have agreed otherwise in writing.

14.8 If you are categorised as a Professional Client or an Eligible Counterparty, we may treat any money held by us on your behalf as a transfer of full title or full ownership of such money by you to us for the purpose of securing or otherwise covering your present or future, actual, contingent or prospective obligations unless we agreed with you otherwise in writing. Accordingly, such money will not be regarded by us as client money.

14.9 You agree that, in the event that there has been no movement on your account balance for a period of at least six years (notwithstanding any payments or receipts of charges or similar items) and we are unable to trace you and return your account balance to you, despite having taken all sufficient steps to do so, we may cease to treat your money as client money and accordingly release any client money balances from the segregated account. You agree that we may cease to treat your money as client money and pay away the money to a registered charity. In such circumstances, we (or an Associated Company of ours) will unconditionally undertake to pay you a sum equal to the relevant client money balance paid away in the event that you seek to claim the client money balance in the future;

14.10 In the event that there has been no movement on your account balance for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and we are unable to trace you despite having taken reasonable steps to do so. When the

account is closed by either party, SCML will take all sufficient steps to pay out any residual balances over the amount of £5 which accrue after account closure. Any accrued amounts below £5 may be donated to a charity of SCML's choice;

14.11 Any money to be returned, however SCML received it, will be returned to the source it originated subject to the normal banking clearing times.

14.12 If the funds are received via debit card, we do not accept any liability for delays or errors in processing the transaction when it is out of our control.

## 15. CUSTODY ASSETS

15.1 Where we hold your Securities as custodian in accordance with the FCA Rules in respect of client assets we may employ third parties to act as a sub-custodian or an agent in respect of your Securities. We may open accounts with and deposit Securities with the sub-custodian. Where we appoint a sub-custodian we will use reasonable skill and care in selecting, using and monitoring them but we will not be liable for their acts or omissions, insolvency or dissolution other than as a result of our negligence, wilful default or fraud.

15.2 Securities will be held by, and registered in the name of you, or a nominee controlled by us or a sub-custodian. Detailed records will be held of any of your funds a sub-custodian holds for your benefit and stating that they do not belong to SCML or any sub-custodian. Registration in the name of a nominee, custodian or sub-custodian may mean

you lose incentives and shareholder benefits attaching to Securities.

15.3 You authorise us to arrange for some of your Securities to be held outside of the UK. Where this is the case Securities will be held by, and registered in the name of a third party or in our name where they will be subject to the settlement, legal and regulatory systems that apply in such jurisdictions. Practices for the identification of Securities may also differ depending in which jurisdiction they are held.

15.4 Your Securities may be held in 'pooled accounts' with securities of other clients of SCML in one account, like with like. A number of different institutions may be used to spread the risk of default. SCML will maintain records of your interests in the Securities which have been pooled. Your right to specific Securities may not be identifiable. Where there is a default by us or our sub-custodian resulting in a shortfall, you may be required to share in that shortfall in proportion to the value of the Securities which SCML or our sub-custodian hold for you with other clients. This does not limit your rights against us or our sub-custodian in any way.

15.5 Where your Securities are held by a nominee or sub-custodian, independent to us, we cannot guarantee or accept any liability, that you would not lose your Securities if the nominee or sub-custodian fails. In order to show that the Securities are not available to the creditors of that nominee or sub-custodian we will take sufficient steps to ensure that their records show that the Securities are yours and that they do not belong to us, the

nominee or sub-custodian.

- 15.6 You acknowledge, accept and expressly consent that SCML are entitled to:
- i pass on Security received from you in order to satisfy our obligations to any third party;
  - ii charge, pledge or grant any security arrangement over Security in order to satisfy our obligations to any third party in which case the Security may or may not be registered in your name;
  - iii lend Security to any third party in which case the Security may or may not be registered in your name;
  - iv return to you equivalent Security in place of the original Security deposited by you.
- 15.7 We shall not be obliged to account to you for any income received by us as a result of carrying out any of the activities described in Clause 15.44
- 15.8 Securities held or deposited with us cannot be put up as Security, in whole or in part for any of your obligations towards another third party without the written consent from us; such consent shall not to be unreasonably withheld.
- 15.9 Unless the terms applying to a particular type of Transaction specify otherwise, the collateral value of the Security that you provide will be valued by us on the basis that we reasonably determine to be appropriate. This valuation may reflect, amongst other things, our view as to the level of availability of the assets provided as Margin or the discount to the current market value of the Margin that we

consider reflects its market risk.

- 15.10 We or the sub-custodian appointed shall be responsible for claiming and receiving all interest payments, income and other unless otherwise agreed, any dividends paid on Securities held on custody by us will be paid to you less any applicable default withholding tax and will be credited to your Account.
- 15.11 You authorise us and our sub-custodian to hold or transfer Securities to securities depositaries, clearing or settlement systems, account controllers or other relevant systems.
- 15.12 If there are unclaimed safe custody assets that have been left in your account for at least 12 years, and within the 12 years no instructions have been received from you with SCML taking all sufficient steps to contact you, the assets may be paid to a registered charity of SCML's choice.
- 15.13 In order to ensure protection of your Custody Securities, SCML exercises due skill, care and diligence in its selection, appointment and periodic review of External Custody Providers and its arrangements with External Custody Providers. SCML uses well reputed External Custody Providers with particular expertise in provision of custody services and takes into account relevant UK legislation on safekeeping of financial instruments. SCML's arrangements with External Custody Providers include covenants ensuring segregation and identification of Custody Securities. In addition, SCML is member of the Financial Services Compensation Scheme as described in Clause 30.

## 16. Corporate Actions

- 16.1 A rights issue is when an existing stockholder is offered a number of new shares proportional to their holding at a specified price for subscription by a specified date. These new shares may be renounceable (tradable) or non-renounceable.
- 16.2 If the Client is holding a stock for which there is a right issue the Client will receive the rights and have the opportunity to subscribe for new stocks, ignore the rights or sell the rights, if possible.
- 16.3 In order to prevent renounceable rights from becoming worthless when they expire, if the Client by the Instruction Deadline has not instructed SCML, SCML may, but is not required to, sell the rights (if possible) on behalf of the Client before the expiry of the rights. The proceeds from a sale of rights will be deducted the standard commission of the Account.
- 16.4. If the rights are non-renounceable, they will, if not exercised, be worthless at expiry.
- 16.5 SCML will notify the Client about conversions of convertible bonds held in custody with SCML, provided that SCML has been made aware of such conversions and can notify the Client within the stipulated deadlines. Such notification will be for information only and will not be a recommendation. Within the deadline set by SCML, the Client must inform SCML whether the Client wants to (i) convert the bonds into shares or (ii) collect the proceeds from the bonds at maturity. If SCML does not receive instructions from the Client within the deadline set by SCML, the convertible bonds will be allowed either to mature or to wait for a subsequent offer or conversion.
- 16.6 In case of other Corporate Actions, SCML will, to the extent required, seek to obtain instructions from the Client and will otherwise seek to handle such Corporate Actions in the best interest of the Client to the extent that time and operational procedures will allow. SCML will have no liability for anything done or not done in the discretion of SCML acting in good faith. Special local rules may apply to certain Corporate Actions.
- 16.7 The Client is made aware and acknowledges that in voluntary Corporate Action where the alternative to a cash settlement is the settlement in a security that is not supported by SCML, the Client will not have the option to choose, but will be given the cash settlement.
- 16.8 It is standard practice for depositary receipts to charge an annual administration fee per share depending on the issuing depositary bank. The intent of the fee is to cover costs for the banks that take on the operational processes necessary to issue and trade the depositary receipt line. Typically, the fee is deducted when dividend payments are made, however, in case the depositary receipts do not pay a dividend or did not include the custodial fee in their dividend events, the fee will be administered through fee-only events.
- The dividend fee is stipulated in the deposit agreement between the depositary bank and the company based upon industry standards.
- The fee per depositary receipt is not dependent on the total amount of dividend being paid, but the amount of securities held.
- 16.9 SCML may charge commission and fees related to Corporate Actions. The prevailing trading costs are set out in the Commissions, Charges & Margin Schedule.

16.10 Taxes and fees may also occur on Corporate Actions such as fee on a stock dividend or tax on a merger. When such taxes and fees occur SCML may debit the Client's Account accordingly.

## 17. ACCOUNTS

- 17.1 To the extent required under FCA Rules, we will make daily Settlement/Trade Confirmations in respect of any Transaction or Contract entered into by us with you or on your behalf and in respect of any open position closed by us for you available to you on the Trading Platform. Notwithstanding the above, Settlement/Trade Confirmations will normally be available instantly following the execution of the Transaction or Contract. We will not provide you with written Settlement/Trade Confirmations unless you request this in writing.
- 17.2 Both an Account Summary and Account Statement are made available to you through the Trading Platform. The Account Summary will normally be updated periodically during SCML's opening hours. Such reports will take into account the type and the complexity of the financial instruments involved and the nature of the service provided you. The Account Statement will normally be updated every Business Day with information for the previous Business Day. We will not provide written Account Statements or Account Summaries to you unless you request either such document from us in writing.
- 17.3 You may request such a statement at any time on the understanding that we may levy an administration charge to cover any costs of printing and posting

such statement. You are obliged to verify the contents of daily Settlement/Trade Confirmations, the Account Statement and Account Summary, including when these documents are sent to you in electronic form from us. Such documents shall, in the absence of a Manifest Error, be deemed conclusive unless you notify us in writing to the contrary within 4 weeks after having received such documents.

## 18. COMMISSIONS, CHARGES, AND OTHER COSTS

- 18.1 You shall be obliged to pay to SCML the Commissions and Charges set out in the Commissions, Charges & Margin Schedule. The Commissions, Charges & Margin Schedule is available on SCML's website, [www.home.saxo/en-gb](http://www.home.saxo/en-gb) and may be supplied to you on demand.
- 18.2 SCML will, when relevant and/or at least once a year, provide you with information about Commissions and Charges incurred by you, including information on the exact amounts on any commissions, charges and remuneration received or paid by SCML pursuant to Clause 17.1.
- 18.3 We may vary such commissions and charges without notice when the change is to your advantage, or the grounds for changes are due to external circumstances beyond our control. Such circumstances are:
- i Changes in the relationship with our counterparties, which affect our cost structures; and/or
  - ii Changes in commissions and charges from exchanges, clearing houses,



information providers or other third party providers that are passed on to you by us.

- iii If SCML cannot determine the exact amounts in advance precise and understandable information of the method that has been applied to the calculation of expected amounts of any commissions, charges, and remunerations that will be received or paid by SCML pursuant to Clause 18.2 in connection with the service.

- 18.4 We may vary such commissions and charges from time to time, by providing you with at least 10 Business Days' written notice of such variation and, where we deem it appropriate, the reasons for such variation.
- 18.5 In addition to such commissions and charges, you must also pay all applicable VAT, stamp duty, stamp duty reserve tax and any other taxes, levies or Transaction Costs.
- 18.6 Please note that there is the possibility that other taxes or costs may exist that are not paid through us or imposed by us. You will at all times be fully responsible for payment of all other taxes due, for making all claims, for filing any tax returns and for providing any relevant tax authorities with information in relation to the services we carry out for you or your money and investments.
- 18.7 We may share charges with our associates and other third parties or receive and retain payment from them in respect of Transactions carried out on your behalf. Details of any such payments or sharing arrangements will

be made available to you before any such payments or sharing arrangements are made.

- 18.8 If you are required by law to deduct or withhold any sum for tax or other reasons, the amount owed to us will be increased, so that after you make such a tax deduction or withholding, we receive the same amount as if no such deduction or withholding had been made.
- 18.9 We may impose certain reasonable additional charges as set out from time to time in writing to you, which you shall have to pay in the event that you do not comply with your obligations under these Terms. These additional charges may include, without limitation, any reasonable legal costs we may incur as a result of your failure to comply with these Terms. There are no additional charges payable by you by virtue of the fact that these Terms are entered into via email, telephone or fax or other distance means.
- 18.10 We may pass onto you certain third party charges incurred by us, for example, credit card fees. The charges are set out in the Commissions, Charges and Margin Schedule. If you have any questions about these charges, please refer to the following [www.home.saxo/en-gb](http://www.home.saxo/en-gb) or please contact us at **UKSupport@saxomarkets.com**.
- 18.11 The fees will be charged either as a fixed amount corresponding to payments effected, or as a percentage corresponding to the service performed. The methods of calculation can be combined. We reserve the right to introduce new fees, but we will notify you in good time before these

are payable in accordance with Clause 28.

18.12 Unless specified otherwise in these Terms, all amounts due to us (or Agents used by us under these Terms) shall, at our discretion:

- i be deducted from any funds held by us for you; or
- ii be paid by you in accordance with the provisions of the relevant difference account, Settlement/Trade Confirmation or other advice.

## 19. INTEREST AND CURRENCY CONVERSIONS

19.1 Subject to Clause 19.2 below and save as otherwise agreed in writing, we shall not be liable to:

- i pay interest to you on any credit balance in any Account or on any other sum held by us; or
- ii account to you for any interest received by us on such sums or in connection with any Contract.

19.2 You are entitled to interest on the basis of your positive Net Free Equity in accordance with the terms in the Commissions, Charges & Margin Schedule.

19.3 You are obliged to pay interest on the basis of your negative Net Free Equity in accordance with the terms in the Commissions, Charges & Margin Schedule.

19.4 We may vary such interest rates and/or thresholds for interest calculation without

notice when changes are to your advantage, or the grounds for changes are due to external circumstances beyond our control. Such circumstances could include:

- i Changes in monetary or credit policies domestic or abroad that affect the general interest level in a way that is of importance to us;
- ii Other changes in the general interest level, including in the money and bond markets, that is of importance to us;
- iii Changes in the relationship with our Counterparties, which affect our cost structures.

19.5 Where the change may not be to your advantage, we will provide you with at least 10 Business Days' notice if;

- i market conditions, including competitive behaviour, call for a change to SCML conditions;
- ii SCML wishes to change its general commission, fee and pricing structure for commercial reasons; and/or
- iii changes to significant particulars of the Client, based on which individual conditions were provided, occurs.

If we wish to vary interest rates for any of the reasons listed above, if you do not agree with the variation, you are free to terminate your relationship with us before the variation becomes effective.

19.6 We may convert:

- i any realised gains, losses, option premiums, commissions, interest charges and brokerage fees which arise in a currency other than your

base currency (i.e. the currency in which your Account is denominated) to your base currency;

- ii any cash currency deposit to another cash currency deposit for the purpose of purchasing an asset denominated in a currency other than your base currency;
- iii any monies held by us for you into such other currency as we consider necessary or desirable to cover your obligations and liabilities in that currency.

19.7 Whenever we conduct currency conversions, we will do so in the manner and at the rates we deem appropriate. We shall be entitled to add a mark-up to the exchange rates. The current mark-up rate is contained in the Commissions, Charges & Margin Schedule.

## 20. SET-OFF

20.1 If on any date the same amounts are payable under these 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 set-off. If the amounts are not in the same currency, the amounts will be converted by us in accordance with the provisions in Clause 19.

20.2 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.

20.3 If you, at any time during the existence of these Terms, have a negative cash-balance in any Account, we are entitled but not obligated to set-off between your Accounts. You shall bear all the charges and any other costs associated with such set-off in accordance with the Commissions, Charges & Margin Schedule.

## 21. NETTING

21.1 If an Event of Default occurs under Clause 24, then we may exercise our rights under sub-clause 21.4. If a Bankruptcy Default occurs at any time, the provisions of Clause 20.3 shall apply.

21.2 Subject to Clause 24, at any time after an Event of Default occurs, we may provide you with notice of a day (the Liquidation Date) for the termination and liquidation of Transactions in accordance with the provisions of this clause.

21.3 Unless we tell you otherwise, the date on which any Bankruptcy Default occurs shall automatically be the Liquidation Date, without the need for us to provide you with any notice and the provisions of Clause 21.4 shall apply.

21.4 On the occurrence of a Liquidation Date:

- i neither you nor us shall be obliged to make any further payments or deliveries under any Transaction which would, if not for this clause, have become due for performance on or after the Liquidation Date and these obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Liquidation

- Amount (as defined below in sub-clause iii);
- ii we shall (on, or soon as reasonably practicable after, the Liquidation Date) determine for each Transaction referred to in sub-clause 21.4 i above, the total cost, loss or gain as a result of the termination under these Terms of each payment or delivery that would otherwise have been required to be made under each Transaction. Sums determined under this sub-clause will be expressed in the currency that we specify in writing to you or, if we do not specify a currency, the Base Currency applicable to your account; and
  - iii we shall treat each cost or loss to us as a positive amount and each gain by us as a negative amount and combine all of these amounts to produce a single, net positive or negative amount, expressed in the Base Currency applicable to your account (Liquidation Amount).
- 21.5 If the Liquidation Amount is a positive amount, you shall pay it to us and if it is a negative amount, we shall pay it to you. We shall notify you of the Liquidation Amount, and by whom it is payable, immediately after the calculation of this amount.
- 21.6 On the Liquidation Date, we shall also be entitled, at our reasonable discretion, to terminate and liquidate any other Transactions entered into between us that remain unsettled, in accordance with Clause 21.4.
- 21.7 The Liquidation Amount shall be paid in the Base Currency applicable to your account by the close of business on the Business Day following the notification of the Liquidation Amount (converted as required by applicable law into any other currency, any costs of such conversion to be borne by you, and (if applicable) deducted from any payment to you). Any Liquidation Amount not paid on the due date shall be treated as an unpaid amount and bear interest at the rate reasonably determined by us to be the cost of funding that unpaid amount. Interest will accrue on a daily basis and will be due and payable by you as a separate debt.
- 21.8 For the purposes of any calculation under this clause, we may convert amounts denominated in any other currency into the Base Currency applicable to your Account at the current rate at the time of the calculation that we reasonably select.
- 21.9 Unless a Liquidation Date has occurred or has been effectively set, we shall not be obliged to make any payment or delivery scheduled to be made by us under a Transaction for as long as an Event of Default or a Potential Event of Default with respect to you has occurred and is continuing.
- 21.10 Our rights under this clause shall be in addition to, and will not act to limit or exclude, any other rights which we may have (whether by agreement, operation of law or otherwise).
- 21.11 This clause applies to each Transaction entered into or remaining unsettled between us on or after the date these Terms takes effect.
- 21.12 Subject to Clause 21.6, the provisions of

this clause shall not apply to any Transaction which is subject to liquidation and termination under another agreement. However, any sum resulting from a liquidation and termination under another agreement may be set off against the Liquidation Amount.

21.13 Unless otherwise agreed in writing between us, or the rules of any relevant exchange provide otherwise, if we enter into any Transaction with you in order to close out any existing Transaction between us then our respective obligations under both such Transactions shall automatically and immediately be terminated upon entering into the second Transaction, except for any settlement payment due from one of us to the other in respect of such close-out.

## 22. CONFLICTS OF INTEREST

22.1 Please refer to our Conflicts of Interest Policy, available on our Website or in hard copy on request, for further information on how we take appropriate steps to identify and manage conflicts, which would affect the impartiality of the services we provide to you. If you have any questions on our conflicts of interest policy, please call **+44 (0) 207 151 2222** or email us at **uksupport@saxomarkets.com** before agreeing to these Terms. You may request from SCML further details of SCML's Conflict of Interest Policy.

22.2 By accepting these Terms the Client agrees that SCML may transact such business as described in Clause 26 and the Conflict of Interest Policy without SCML having to inform you hereof and

without you being able to make claim against SCML in respect thereof.

## 23. INTRODUCING BROKERS

23.1 You may have been referred to us by an Introducing Broker. If so, we shall not be responsible for any agreement made between you and the Introducing Broker. You acknowledge that any such Introducing Broker will either be acting as an independent intermediary or an Agent for you and that no Introducing Broker shall be authorised to make any representations concerning us or our Services.

23.2 You acknowledge and accept that your agreement with an Introducing Broker may result in additional costs to you.

23.3 We shall have no responsibility or liability whatsoever to you for instructions given by an Introducing Broker, except where any losses are caused by our fraud, gross negligence or wilful default. We are under no obligation to supervise or otherwise verify or review the payment instructions or any other acts, including but not limited to the trading, of the Introducing Broker.

23.4 You acknowledge and accept that frequent Transactions may result in substantial commissions, fees, prices or interest/financing rate adjustments for trades conducted. The responsibility for correctly assessing total commissions, fees, price or interest/financing rate adjustments for trades conducted and paid from your Account is the responsibility of you and the Introducing Broker.

## 24. DEFAULT AND DEFAULT REMEDIES

24.1 The provisions contained in this Clause 24 supplement any other rights that we have under these Terms.

24.2 We may, at any time and without notice to you, sell, apply, set-off and/or charge in any manner any or all of your Security and/or the proceeds of any of the same of which we have custody or control, in order to discharge any or all of your obligations to us.

24.3 Each and any of the following events shall constitute an 'Event of Default':

- i. Your failure to make any payment (including any payment of Margin) to us in accordance with Clause 1 of these Terms;
- ii. your continued failure to perform any obligation to us one Business Day after we have given you notice of non-performance;
- iii. the initiation by a third party of proceedings for your bankruptcy (if you are an individual) or for your winding-up or for the appointment of an administrator or receiver in respect of you or any of your assets (if you are a company) or (in both cases) if you make an arrangement or composition with your creditors or any other similar or analogous procedure is commenced in respect of you (a **Bankruptcy Default**);
- iv. you or if you are a Company, any of your subsidiaries are or become unable to pay your/their debts as and when they fall due; or
- v. if any of the representations or warranties given by you or any

Authorised Person are, or become, untrue;

- vi. if we or you are requested to close a Contract (or any part of a Contract) by any regulatory agency or authority;
- vii. if you are an individual, your death or your incapacity; or
- viii. any other circumstance where we reasonably believe that it is necessary or desirable to declare an Event of Default to protect ourselves or all or any of our other clients.

24.4 Upon a continuing Event of Default, we shall be entitled to:

- i. sell or charge in any way any or all of your Security, assets and property which may from time to time be in the possession or control of us or any of our associates or agents without notice or court order. Sale of Security, assets and property shall take place by means that SCML in its reasonable discretion determines to be best obtainable;
- ii. to buy any Security, investment or other property where this is, or we reasonably believe it likely to be, necessary in order for us to fulfil our obligations under any Contract and you shall reimburse us in full for the full amount of the purchase price plus any associated costs and expenses;
- iii. to deliver any Security, investment or property to any third party, or otherwise take any action we consider to be necessary or desirable in order to close any Contract;
- iv. to require you to immediately close and settle a Contract in such manner as we may reasonably request;

- v to enter into any foreign exchange transaction, at such market rates and at such times as we may determine, in order to meet obligations incurred under a Contract; and
- vi to charge your Account with the amount corresponding to all or part of any assets standing to the debit or credit of any Account (including converting our or your obligation to deliver an asset into an obligation to pay an amount equal to the market value of the asset (such market value to be determined by us at our reasonable discretion) on the date such a charge takes place).

24.5 We may take any or all of the steps described in Clause 28 without notice to you and we shall not be responsible for any consequences of taking any such steps, except in the case of our fraud, gross negligence or wilful default.

24.6 If we exercise our rights to sell any Security or property under this Clause, we will affect such sale, without notice or liability to you, on your behalf and apply the proceeds of the sale in or towards discharge of any of your obligations to us or our associates.

24.7 You shall promptly execute all such documents and take all such action as we may request in order to protect our rights under these Terms or under any agreement you may have entered into with us.

## **25. CLIENT WARRANTIES & REPRESENTATIONS**

25.1 Representations and warranties are personal statements, assurances or undertakings given by you to us on which we rely when we deal with you. You make the following representations and warranties at the time you enter into these Terms, at the date of every Transaction or any time you give us any other instruction:

- i if you are an individual, you are over 18 years old and you have full capacity to enter into these Terms;
- ii you have all necessary authority, powers, consents, licences and authorisations and have taken all necessary action to enable you to lawfully enter into and perform your obligations under these Terms and such Transactions and to grant the security interests and powers referred to in these Terms;
- iii the persons entering into these Terms and each Transaction made on your behalf have been duly authorised to do so;
- iv these Terms, each Transaction and the obligations created under them both are binding upon you and enforceable against you in accordance with their terms (subject to applicable principles of law) and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;
- v no Event of Default or any event which may become an Event of Default has occurred and is continuing with respect to you or any Authorised Person;

- vi any information you provide or have provided to us in respect of your financial position, domicile or other matters is complete, accurate and not misleading in any material respect;
- vii you are willing and financially able to sustain a total loss of funds resulting from a Transaction; and
- viii. except as otherwise agreed by us, you are the sole beneficial owner of all Margin you transfer under these Terms, free and clear of any security interest whatsoever other than a right to withhold or dispose of assets routinely imposed on all securities in a clearing system in which such securities may be held.

25.2 You undertake that:

- i. you will at all times obtain and comply, and do all that is necessary to maintain in full force and effect, all authority, powers, consents, licences and authorisations referred to in this clause;
- ii. you will promptly notify us of the occurrence of any Event of Default or Potential Event of Default with respect to you or any Authorised Person;
- iii. you will take all sufficient steps to comply with all Market Rules in relation to these Terms and any Transaction, so far as they are applicable;
- iv. you will not send orders or take any action that could create a false impression of the demand for or value of a financial instrument, or send orders which you have reason

to believe are in breach of Market Rules. You shall observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position; and

- v upon demand, you will provide us with any information that we may reasonably require as evidence of your compliance with the matters referred to in this clause or any Market Rules.

## **26. INDEMNITY AND LIMITATIONS OF LIABILITY**

26.1 You shall compensate us for all foreseeable losses, taxes, expenses, costs and liabilities whatsoever (present, future, contingent or otherwise and including reasonable legal fees) which may be suffered or incurred by us as a result of or in connection with:

- i your breach of these Terms;
- ii our entering into any Transaction or Contract; or
- iii our taking any of the steps which we are entitled to take in an Event of Default, unless and to the extent that such losses, taxes, expenses, costs and liabilities are suffered or incurred as a result of our fraud, gross negligence or wilful default.

26.2 To the extent permitted by law, you will indemnify, protect and hold us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and/or costs resulting



from or arising out of any act or omission by any person obtaining access to your account by using your designated user ID and/or password, whether or not you authorised such access.

- 26.3 You shall not be liable for unauthorised use of the Trading Platform occurring after you have informed us.
- 26.4 This right to compensation shall survive any termination of this Agreement.
- 26.5 Unless we are prohibited from excluding such liability by law (for example, for losses relating to death or personal injury or caused by our fraud), we shall not be liable for any loss (including consequential and other indirect losses), expense, cost or liability (together referred to as "Loss") you sustain in connection with, or directly or indirectly arising from:
- i. the provision of the Services unless and to the extent that such Loss is suffered or incurred as a result of SCML's gross negligence or wilful default;
  - ii. any Loss due to actions taken by SCML according to its rights under the Terms;
  - iii. any error or failure in the operation of the Trading Platform or any delay caused by the Trading Platform;
  - iv. Transactions made via the Trading Platform;
  - v. any failure by us to perform any of our obligations under these Terms as a result of a cause beyond our control or any Force Majeure event; or
  - vi. the acts, omissions or negligence of

any nominee, sub-custodian, intermediate broker, settlement agent, third party service provider or trade repository except to the extent caused by our negligence, fraud or wilful default.

- 26.6 Subject to Clause 26.5, we are responsible for losses you suffer as a result of us breaking these Terms if the losses are a foreseeable consequence of us breaking these Terms. Losses are foreseeable where they could be contemplated by you and us at the time these Terms were entered into. We are not responsible for indirect losses which happen as a side effect of the main loss or damage and which are not foreseeable by you and us (such as loss of profits or loss of opportunity).
- 26.7 You will pay us for any losses we may incur if you fail to perform any of your obligations under these Terms or a Transaction, or from your use of the Trading Platform.
- 26.8 You acknowledge, recognize and accept that any market recommendation and any information communicated by SCML does not constitute an offer to buy or sell or the solicitation of an offer to buy or sell a Contract and that such recommendation and information, although based upon information from sources believed by SCML to be reliable, may be based solely on a broker's opinion and that such information may be incomplete and may be unverified and unverifiable. SCML makes no representation, warranty or guarantee as to, and shall not be responsible for, the accuracy or completeness of any information or

trading recommendation provided to you.

26.9 For the purposes of Annex 2, you accept that we will perform the obligations owed to you in accordance with our reasonable interpretation of EMIR. We shall not be liable for any losses, liabilities, damages, claims, costs or expenses resulting from the fact that such interpretation is incorrect.

26.10 In the event that a situation arises that is not covered under these Terms, we will resolve the matter on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice and/or taking into account the treatment we may receive from a Counterparty or any relevant third party.

## **27. CONFIDENTIALITY AND SAXO'S DISCLOSURE OF INFORMATION**

27.1 Neither party shall disclose any information relating to the business, investments, finances or other matters of a confidential nature of the other party (the Confidential Information) of which it may in the course of its duties obtain possession of, and each party shall use all reasonable endeavours to prevent any such disclosure, except in circumstances as set out in this Clause 27.

27.2 The provisions of Clause 27.1 shall not apply to the following circumstances:

- i. where disclosure of confidential information is required by law or if requested by any regulatory authority or exchange having control or jurisdiction over us;

- ii. to investigate or prevent fraud or other illegal activity;
- iii. to any third party in connection with the provision of Services to you by us;
- iv. to any nominee, sub-custodian or intermediate brokers or settlement agents;
- v. for purposes ancillary to the provision of the Services or the administration of your Account, including, without limitation, for the purposes of credit or identification enquiries or assessments;
- vi. if it is in the public interest to disclose such information; or
- vii. at your request or with your consent.

27.3 We or any entity of the SCML group may use, store or otherwise process personal information provided by you in connection with the provision of the Services.

27.4 We are registered as a data controller in the United Kingdom under the Data Protection Act 1998.

27.5 If you are an individual, we are obliged to supply to you, on request, a copy of the personal data which we hold about you (if any), provided that you pay a small fee.

27.6 You acknowledge and accept that by signing these Terms, you will be consenting to the transmittal of your personal data (and/or have obtained consent from individuals working on your behalf) outside the EEA.

27.7 You agree that we may pass information about you which you have provided to us to any entity of the SCML group and to external companies to help us to process

and/or analyse this information as part of the provision of Services to you.

27.8 With your permission, personal data may also be used for marketing purposes or to conduct market research for us, which we may use to bring to your attention products and services that may be of interest to you, and also to assist in the efficient provision of the Services. You should advise us in writing should you not wish your personal data to be used for such purposes.

27.9 SCML and the Saxo Bank Group or other persons or companies connected with SCML may have an interest, relationship or arrangement that is material in relation to any order, Contract or transaction effected under these Terms. This is described in SCML's Conflict of Interest Policy which is available on our website [www.home.saxo/en-gb](http://www.home.saxo/en-gb). You may request from SCML further details of SCML's Conflict of Interest Policy.

27.10 You agree and acknowledge that copies of recordings as referred to in Clause 7.15 will be available on request for a period of five years and, where requested by a competent authority, for a period of up to seven years.

## **28. AMENDMENTS**

28.1 We may vary these Terms at any time by giving you notification (by way of a Durable Medium) of the changes. We will only make changes where necessary, including but not limited to the following reasons:

- i to make the terms clearer or more

favourable to you;

- ii reflecting legitimate changes in the cost of providing Services to you;
- iii reflecting a change in the Market Rules or any other applicable law, regulation or codes of practice or decisions by a court, ombudsman, regulator or similar body;
- iv reflecting changes in market conditions;
- v reflecting changes in the way we do business or providing new services or products to you.

28.2 Any amendment to these Terms will come into effect on the date specified by us which will, in most cases, be at least 10 Business Days after you are deemed to have received notice of the amendment in accordance with Clause 34 (unless it is impractical in the circumstances to give 10 Business Days' notice). Any amended Terms will supersede any previous Terms between you and us.

28.3 If you object to any change you must tell us within 10 Business Days of the date the notice is deemed to have been received by you. If you do not do so, you will be deemed to have accepted the change(s). If you give us notice that you object, then the changes will not be binding on you, but we may close your Account as soon as reasonably practicable and/or restrict your activity to Transactions which will close out your open positions.

## **29. TERMINATION**

29.1 These Terms shall remain in full force and effect until terminated in accordance with this clause.

- 29.2 These Terms may be terminated by either party upon giving the other party written notice of termination, which will take effect immediately, unless otherwise specified in the notice. If we terminate these Terms we will give you at least 10 Business Days' notice of the termination. If we have serious grounds or valid reasons for doing so, we may however terminate the Terms with less than 10 Business Days' notice, including immediately.
- 29.3 On termination, the parties undertake to complete all Contracts that are already entered into or under execution as soon as possible. Termination will be without prejudice to the completion of Transactions already initiated. All Transactions in progress will be executed in accordance with your instructions and these Terms shall continue to bind parties in relation to such Transactions.
- 29.4 On the termination of this Agreement, all amounts payable by the Client to SCML will become immediately due and payable, including (but without limitation) all outstanding fees, charges and commissions, any dealing expenses incurred by terminating these Terms, and any losses and expenses resulting from the closing out of any Transactions or settling or concluding outstanding obligations incurred by us on your behalf.
- 29.5 Upon termination of these Terms we will be entitled, without first giving notice, to stop providing you with access to the Trading Platform.
- 29.6 The termination of these Terms will not affect any rights which may already have

risen or obligation which may already have been incurred by either party under these Terms.

### **30. FINANCIAL SERVICES COMPENSATION SCHEME**

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

### **31. COMPLAINTS AND DISPUTES**

- 31.1 If you have a reason to make a complaint please write in the first instance to:

Compliance Officer  
Saxo Capital Markets UK Limited  
26<sup>th</sup> Floor  
40 Bank Street  
Canary Wharf  
London  
E14 5DA

Or email:

***UKCompliance@saxomarkets.com***

Any complaint will be fully investigated and a full resolution sought. SCML's complaints procedure is available upon request, but will automatically be provided to you if a complaint is received.

- 31.2 If you are unhappy or dissatisfied with our handling or findings in relation to a dispute or complaint you may refer the matter to the Financial Ombudsman Service for further investigation at Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR.
- 31.3 Without prejudice to any of our other rights under these Terms, in case of a dispute between you and us over a Margin Trade or alleged Margin Trade or any instruction relating to a Margin Trade, we are entitled, without notice, to close any such Margin Trade or alleged Margin Trade if we reasonably believe such action to be desirable for the purpose of limiting the maximum amount involved in the dispute. We shall not be responsible to you in connection with any subsequent changes in the level of the relevant Margin Trade. If we close a Margin Trade under this Clause such action shall be without prejudice to our right to contend that such Margin Trade had already been closed by us or was never opened by you. We shall take sufficient steps to inform you that we have taken such action as soon as practicable after doing so. Where we close a Margin Trade or alleged Margin Trade in accordance with this Clause, the

closing shall be without prejudice to your rights to open a new Margin Trade, provided that such Margin Trade is opened in accordance with these Terms. When calculating Margin or other funds required for such Margin Trade, we are entitled to do so on the basis that our view of the disputed events or instructions is correct.

- 31.4 Without prejudice to clause 5.20, to the extent that the transactions between us are subject to EMIR the dispute resolution provision set out in Annex 1 will apply to any dispute in respect of an OTC Contract.

## **32. GOVERNING LAW AND CHOICE OF JURISDICTION**

- 32.1 This Agreement and any non-contractual obligations connected with it is governed by with English law and be subject to the non-exclusive jurisdiction of the English courts.

## **33. MISCELLANEOUS**

- 33.1 If at any time any provision of these 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 these 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.
- 33.2 You may not assign your rights or delegate any of your obligations under these Terms or according to any Contract to others whereas we may assign our rights or delegate our obligations to any regulated financial institution without your

consent.

33.3 For various investments, instruments and groups of Clients, we may provide additional business terms. You acknowledge, and accept that:

- i such business terms made available to you shall constitute an addition to these Terms; and
- ii you should not undertake any Transaction unless you have carefully read the business terms applicable for such investment or instrument. If you do not understand any of the additional terms please call us on **+44 (0) 207 151 2222** or email us at [uksupport@saxomarkets.com](mailto:uksupport@saxomarkets.com)

33.4 The rights and remedies contained in these Terms are cumulative and not exclusive of any rights or remedies provided by law.

33.5 No delay or omission on our part in exercising any right, power or remedy provided by law or under the Terms, or partial or defective exercise thereof, shall:

- i impair or prevent any further or other exercise of such right, power or remedy; or
- ii operate as a waiver of such right, power or remedy.

33.6 No waiver of a default in these 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.

33.7 You hereby ratify all Transactions effected prior to your acceptance of these Terms and agree that your rights and obligations in respect thereto shall be governed by these Terms.

#### **34. Notices**

34.1 Any notice or other communication given under these Terms including Account Statements and Account Summaries must be in writing and in English and may be:

- i. made by electronic means, including email or if sent by us to the you by display on the Trading Platform;
- ii. delivered personally;
- iii. sent by prepaid recorded delivery or registered post, or registered airmail in the case of an address for service outside the United Kingdom; or
- iv. by fax with a confirmatory copy sent by post (as above), to the Client's or SCMLs address as specified in this Agreement or to such other address, the email address or fax number as either the Client or SCML may have last notified to the other, as applicable.

34.2 Any such notice will be considered to have been served:

- i. if delivered by hand, at the time of delivery;
- ii. if sent by prepaid recorded delivery or registered post, two clear Business Days after the date of posting (i.e. not including the day of posting itself); and
- iii. if sent by registered airmail, five clear Business Days from the date of posting (i.e. not including the day of

- posting itself);
- iv. if sent by fax, at the completion of transmission during business hours at its destination or, if not within business hours, at the opening of the next period of business hours, but subject to:
    - a. proof by the sender that it holds a printed transmission report confirming despatch of the transmitted notice;
    - b. the sender not receiving any telephone calls from the recipient, to be confirmed in writing, that the fax has not been received in a legible form; and
    - c. despatch of the notice by post in accordance with Clause 34.1 (iii) on the same day as its transmission.
  - v. if sent by email, one hour after sending during business hours at its destination or, if not within business hours, at the opening of the next

period of business hours, but subject to no "not sent" or "not received" message being received from the relevant email providers; and

- vi. if posted on the Trading Platform when the message is placed on the Trading Platform.

34.3 For the purpose of this Clause 34, business hours means between 9.00 a.m. and 5.30 p.m. on a Business Day.

34.4 In respect of email, we are not responsible for any delay, alteration, re-direction or any other modification the email may undergo after transmission from us. Similarly, in respect of messages on your account on the Trading Platform, it is your responsibility to ensure that your software and hardware setup does not prevent you receiving emails or accessing the Trading Platform.

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

## Schedule 1

### Information Notice

This Notice is provided by Saxo Capital Markets UK Ltd (registered in England with number 7413871) whose registered office is at 40 Bank Street, Canary Wharf, London E14 5DA (**we**) to **you** in compliance with the **FCA Rules**.

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

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

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

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



## 1 SECURITISED DERIVATIVES

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

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

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

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

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

## 2 FUTURES

Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The gearing or leverage often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small movement can lead to a proportionately much larger movement in the value of **your** investment, and this can work against **you** as well as for **you**. Futures transactions have a contingent liability, and **you** should be aware of the implications of this, in particular the Margining requirements, which are set out in paragraph 8 below.

## 3 OPTIONS

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

*Buying options:*

Buying options involves less risk than selling options because, if the price of the underlying asset moves against **you**, **you** can simply allow the option to lapse. The maximum loss is limited to the premium, plus any commission or other transaction charges. However, if **you** buy a call option on a futures contract and **you** later exercise the option, **you** will acquire the future. This will expose **you** to the risks described under “futures” and “contingent liability investment transactions”.

*Writing options:*

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

*Traditional options:*

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

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

#### **4 CONTRACTS FOR DIFFERENCE**

Futures and options contracts can also be referred to as contracts for difference. These can be options and futures on the FTSE 100 index or any other index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or an option and **you** should be aware of these as set out in paragraphs 5 and 6 respectively. Transactions in contracts for differences may also have a contingent liability and **you** should be aware of the implications of this as set out in paragraph 8 below.

## 5 OFF-EXCHANGE TRANSACTIONS IN CONTRACTS FOR DIFFERENCE

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

## 6 OFF-EXCHANGE TRANSACTIONS IN DERIVATIVES

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

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

## 7 FOREIGN MARKETS

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

## 8 CONTINGENT LIABILITY INVESTMENT TRANSACTIONS

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

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

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

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

## **9 LIMITED LIABILITY TRANSACTIONS**

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

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

## **10 COLLATERAL**

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

## **11 COMMISSIONS**

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

## 12 SUSPENSIONS OF TRADING

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

## 13 CLEARING HOUSE PROTECTIONS

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

## 14 INSOLVENCY

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

## 15 PAST PERFORMANCE

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

## 16 NON-READILY REALISABLE INVESTMENTS

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

## 17 DEALING IN SECURITIES WHICH MAY BE SUBJECT TO STABILISATION

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

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

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

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

or

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

### **What is Stabilisation?**

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

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

The Stabilisation rules:

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

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

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

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

## **18 LISTED SECURITIES WHERE GEARING IS INVOLVED**

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

## **19 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: you should ask the firm with which you deal for details in this respect.

## **20 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 hardware 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.

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

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

## **ANNEX 1**

### **EMIR Risk Mitigation**

#### **1 DEFINITIONS**

In this section, capitalised terms shall have the following meanings:

**Data Delivery Date** means the Business Day immediately prior to the PR Due Date;

**Data Reconciliation** means a comparison of the Portfolio Data provided by us against the equivalent information maintained by you in respect of the same transactions in order to identify promptly any misunderstandings between us in respect of the Portfolio Data;

**Portfolio Data** means, with respect to each transaction between us which is within scope of the EMIR portfolio reconciliation obligation, the valuation, the effective date, the scheduled maturity date, any payment or settlement dates, the notional value of the contract and the currency of each contract, the underlying instrument, the position of the counterparties, the Business Day convention and any relevant fixed or floating rates for each contract; and

**PR Due Date means**

- i. where there are more than 100 OTC Contracts outstanding between us the last Business Day in the calendar quarter; or
- ii. where there are 100 or less OTC Contracts outstanding between us the last Business Day in the calendar year; or
- iii. where EMIR requires the portfolio reconciliation between us to be carried out in a more frequent basis than that set out in (i), the last Business Day within the period required by EMIR , in each case taking the start date of the calendar period as 15 March 2013.

#### **2 PORTFOLIO RECONCILIATION**

We shall send to you Portfolio Data on each Data Delivery Date and you shall perform Data Reconciliation on each PR Due Date.

If, in performing the Data Reconciliation, you identify any discrepancies, you will notify us in writing as soon as reasonably practicable. Following the receipt of such notification by us, we will liaise with you in an attempt to resolve the identified discrepancies in a timely fashion for so long as such discrepancies remain outstanding.

If you do not notify us of any discrepancies by 4pm on the fifth Business Day following the PR Due Date, you will be deemed to have affirmed the Portfolio Data.



### 3 DISPUTE RESOLUTION

The following procedures shall be used to identify and resolve any disputes which arise between us in relation to the recognition or valuation of any OTC Contracts and, where relevant, the exchange of collateral between us in respect of such contracts:

- i. where either party identifies a dispute that party will notify the other party by sending a written notice in accordance with clause 34 of these Terms;
- ii. following receipt of the dispute notification we will act in good faith with you to resolve the dispute in a timely manner;
- iii. with respect to any dispute that is not resolved within five Business Days of the receipt of the written notice referred to in (a) above, both of us will escalate any unresolved issues to appropriately senior members of staff; and
- iv. where a resolution cannot be reached between us the parties may have recourse to any other dispute resolution process we have already in these Terms.

### 4 TIMELY CONFIRMATIONS

Upon entering into any new OTC Contracts with you that are within scope of EMIR, we will confirm the details of that contract to you in writing. You are deemed to agree with those details unless you notify us otherwise by either (i) the end of the second Business Day following execution of the contract or (ii) if you have notified us that you are a Non-Financial Counterparty, which exceeds the clearing thresholds, or a Financial Counterparty (as defined in EMIR), the end of the Business Day following the execution of the OTC Contract.

### 5 CONFIDENTIALITY WAIVER

In order to meet our obligations under EMIR we may need to disclose certain confidential information relating to you and your transactions with us to certain third parties for the purposes of meeting our obligations under EMIR. You acknowledge and agree that, in order to comply with our obligations under EMIR:

- i. we may disclose any information about you or any Transaction as required by EMIR in relation to the reporting of Transactions to (i) a third party service provider or any of our affiliates for the purposes of meeting our EMIR obligations, or (ii) any trade repository registered in accordance with Article 55 of EMIR or recognised in accordance with Article 77 of EMIR (a **Trade Repository**). Such disclosure may be made directly to such a Trade Repository or we may use an agent or third party service provider for the purposes of complying with our reporting obligations under EMIR.
- ii. Trade Repository may engage the services of a global trade repository regulated by one or more governmental regulators. third parties, such as trade repositories and third party service providers;
- iii. we may disclose information including your name, address, legal entity identifier (or other

similar entity identifier) and, where necessary, personal data relating to your representatives;

- iv. disclosures made by us may be made to recipients in any jurisdiction and such jurisdictions may not necessarily provide an equivalent or adequate level of protection for personal data as your home jurisdiction; and
- v. disclosures made by us could also result in certain anonymous transaction and pricing data becoming available to the public.

## **6 CONTACT DETAILS AND NOTICES**

Any Portfolio Data or notices under the provisions of this Annex will be sent in accordance with clause 34 Notices set out in these Terms.

## ANNEX 2

### EMIR Delegated Reporting

#### 1 DEFINITIONS

In this section, capitalised terms shall have the following meanings:

**Common Data** means, with respect to a Relevant Transaction, the information required to complete the fields set out in Table 2 (*Common Data*) of the Reporting Annexes;

**Counterparty Data** means, with respect to a Relevant Transaction and a party, the information required to complete the fields set out in Table 1 (*Counterparty Data*) of the Reporting Annexes;

**Relevant Data** means the Common Data and the Counterparty Data;

**Relevant Transaction** means each transaction (i) between you and us that is subject to the Reporting Obligation as determined by us in our absolute discretion;

**Reporting Annexes** means (i) the Annex to the Commission Delegated Regulation (EU) No 148/2013 of 19 December 2012 and published 23 February 2013 in the Official Journal of the European Union; and (ii) the Annex to the Commission Implementing Regulation (EU) No 1247/2012 of 19 December 2012 and published 21 December 2012 in the Official Journal of the European Union;

**Reporting Deadline** means the deadline for reporting the Relevant Transaction as specified in Article 9 of EMIR and as determined by us in our sole and absolute discretion;

**Reporting Delegate** means Saxo Bank A/S;

**Reporting Obligation** means the obligation to report details of derivative contracts that are concluded, modified or terminated to a trade repository or ESMA in accordance with Article 9 of EMIR; and

**Trade Repository** means any trade repository registered in accordance with Article 55 of EMIR or recognised in accordance with Article 77 of EMIR.

In this Annex only, any reference to "us", "we" or "our" shall mean Saxo Capital Markets UK Ltd. and/or the Reporting Delegate;

Capitalised terms not defined in this Section 1 shall have the meaning given to them elsewhere in these General Business Terms.

#### 2 DELEGATION OF REPORTING

2.1 In respect of each Relevant Transaction:

- i. you request, appoint and authorise that we submit; and

- ii. subject to the other provisions of this Annex, we agree to submit,

the Relevant Data to a Trade Repository by the Reporting Deadline.

**2.2** In respect of the Relevant Data:

- i. we shall use reasonable endeavours to ensure that it is accurate and complete, however, we may request information from you from time to time in order to meet the Reporting Obligation;
- ii. you agree to promptly provide us with information requested pursuant to Section 2.2(a) above; and
- iii. you agree and acknowledge that if you fail to comply with a request pursuant to Section 2.2(a), we will be under no obligation to submit the Relevant Data to a Trade Repository by the Reporting Deadline.

**2.3** In respect of each Relevant Transaction, we will determine in our sole and absolute discretion whether the Reporting Obligation has arisen and the characterisation of the Relevant Transaction. If unique reference(s) need to be generated for inclusion in the Relevant Data, you agree that we will generate such unique reference(s).

**2.4** You will not report or arrange the reporting of the Relevant Data to a Trade Repository other than in accordance with this Annex or otherwise agreed between you and us in writing, provided however that if we do not report the Relevant Data by the Reporting Deadline in accordance with Section 2.1, then you are entitled to report such Relevant Data to a Trade Repository or to appoint a third party to make such report on your behalf. You will immediately notify us if you have reported or arranged the reporting of the Relevant Data to a Trade Repository other than in accordance with this provision.

**3** **CORRECTION OF ERRORS**

**3.1** Notwithstanding Section 3.2 immediately below, you acknowledge and agree that we are not obliged to discover errors in or check the accuracy, authenticity or completeness, of any Relevant Data, whether that information derives from us, an Affiliate, you or any other person (including without limitation any trading venue, central counterparty or similar financial market infrastructure).

**3.2** If the you become aware of a material error in any Relevant Data reported to a Trade Repository in accordance with this Annex, you will notify us as soon as reasonably practicable and both parties will use reasonable efforts acting in good faith and a commercially reasonable manner to resolve such error.

**4** **TRADE REPOSITORY**

**4.1** In respect of a Relevant Transaction, we agree to submit the Relevant Data by the Reporting Deadline to:

- i. a Trade Repository selected by us in our sole and absolute discretion; or

- ii. if, in accordance with Article 9(3) of EMIR, no Trade Repository is available to record the Relevant Data, ESMA.

4.2 If we, having used reasonable efforts, are not able to submit the Relevant Data to a Relevant Trade Repository, we will notify you and you will be entitled to report such Relevant Data to a Trade Repository or to appoint a third party to make such report on your behalf.

## **5 THIRD PARTY SERVICE PROVIDER**

You agree that we may use an agent or third party service provider to facilitate the submission of Relevant Data for the purposes of complying with the Reporting Obligation.

## **6 CLIENT ACKNOWLEDGEMENT**

You acknowledge and agree that:

- i. you remain solely responsible and liable for (i) submission of all data subject to the Reporting Obligation which is not included in the Relevant Data; and (ii) compliance with the Reporting Obligation generally;
- ii. any submission by us of Relevant Data is made with a view to facilitating the reporting of data pursuant to the Reporting Obligation and is independent of any obligation that we may or may not have to report data pursuant to the Reporting Obligation;
- iii. we will not be required to provide any services or otherwise perform under this Annex to the extent any failure by us to provide services or otherwise perform is due to a breach of this Annex by, or other act or omission of, you, any third party service provider or any Trade Repository;
- iv. you will not have recourse against any Trade Repository or any third party service provider in respect of any Relevant Data submitted under this Annex or any other activities contemplated by this Annex; and
- v. the Reporting Obligation and, accordingly, the service we provide under this Annex, remain at all times subject to change as a result of further regulatory developments and guidance.

## **ANNEX 3**

### **TradingFloor.com**

Please read the following these terms of use carefully before using TradingFloor.com for Social Trading (as defined below).

#### **1. ACCESS TO TRADINGFLOOR.COM**

These terms of use govern your use of and access to TradingFloor.com when you connect your Account with TradingFloor.com. TradingFloor.com is a voluntary facility which allows you to access trading commentary, news and analysis on foreign exchange, macro, equities and commodities which has been provided by entities within the Saxo group, clients of the Saxo group and other third parties. This is referred to as "social trading", including sharing trading information and results and having the ability to trade according to other traders' trading strategies and performances by "Copy Trading" (explained in further detail below).

#### **2. TRADING ON TRADINGFLOOR.COM**

TradingFloor.com is provided by Saxo Bank A/S (the "Provider"), which is authorised and regulated by the Danish Financial Supervisory Authority as an investment bank. SCML has entered into an agreement with the Provider which allows you to access information on TradingFloor.com and use your Account to enter into trades through TradingFloor.com. SCML makes TradingFloor.com available to you under the Terms.

While any trades will be governed by the Terms, SCML does not take any responsibility for the content of TradingFloor.com which is provided by the Provider. The terms of use of TradingFloor.com, which can be found on TradingFloor.com and are incorporated into this Agreement when you register your Account with TradingFloor.com.

#### **3. RISKS ASSOCIATED WITH TRADINGFLOOR.COM**

You should be aware that use of TradingFloor.com is subject to various risks and you are urged to carefully read and consider the terms of use of TradingFloor.com, including the risks related to social trading, prior to accessing information on TradingFloor.com and using your Account to enter into trades through TradingFloor.com. For your information, we have outlined some of the characteristics and risks of social trading and the use of TradingFloor.com in this Annex.

You acknowledge that as part of social trading on TradingFloor.com, you have the option of generating a publicly available trading profile for you, based on information you specifically provide (your "Profile"). If you decide to create a Profile on TradingFloor.com it will include your past and current trading activities (such as opening and closing of trades and performance) and will be publicly available to other traders on TradingFloor.com who will have the opportunity to learn about your strategies and copy your trades. This is referred to as becoming a "Trade Leader".

TradingFloor.com is provided solely for informational purposes. Neither the Provider nor or any of its affiliates and their employees and agents are investment or financial advisers. If you make investment decisions in reliance on information which is available as part of TradingFloor.com or as a result of the use of TradingFloor.com (including any copy trading), you do so at your own risk and neither the Provider, SCML or their employees and agents will be liable for any losses that you may sustain. You should not make any investment decision, including entering into any copy trading activity, without first conducting your own research. You are solely and exclusively responsible for determining whether any investment, or strategy, or any other product or service is appropriate or suitable for you based on your investment objectives and personal and financial situation and should not consider the trades undertaken by any other trader on TradingFloor.com as any form of recommendation or investment advice.

SCML and the Provider cannot guarantee that trades based on another traders trading activity will be able to be executed, due to limitations relating to your Account or the market generally. It is further clarified that execution of trades based on another trader's trading activity is likely to take into account any changes in market conditions (such as any change in price) since the other trader entered into the relevant trade. You should be able and prepared to bear the loss of the entire amount of any trade which is made based on copying another trader and are fully responsible for any losses you may sustain on your Account as a result of utilising social trading on TradingFloor.com.

Past performance of another trader indicated as part of TradingFloor.com is not indicative of future results. When reviewing the portfolio or financial performance information, opinions or advice of another trader on TradingFloor.com, you should not assume that such trader is unbiased, independent or qualified to provide financial information or advice.

No representation or guarantee is being made that any Account will or is likely to achieve profits or losses similar to those of a Trade Leader and may not take into account fees, spreads and/or trading commissions that were charged to another trader or may be charged to you. The actual gains or losses experienced by traders will vary depending on many factors, including but not limited to: starting account balances (deposits and withdrawals), market behaviour, the trader's account settings and the performance of the copied trader. Therefore, gains and losses experienced by traders may be materially different from the gains and losses of a Trade Leader. Often there are significant differences between performance results anticipated based on previous trading and the actual results subsequently achieved by any particular trading program. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of assumed performance results and all of which can adversely affect actual trading results.

No aspect of TradingFloor.com hereunder or any material made available on it is intended to be or should be construed as, advice from the Provider on investments, tax or other related matters of any kind. You should not consider any content and/or feature of the social trading service to be a substitute for professional investment or financial advice. If you choose to engage in transactions based on the content on TradingFloor.com and/or elect to copy specific traders and/or trades, then such decision and transactions and any consequences flowing therefrom are your sole responsibility.

While an individual participant may effect a transaction which may be subsequently copied by other traders, such trades amount to nothing more than exchanges between persons who may be anonymous or unidentifiable or may simply reflect the execution of a trade by such traders. The Provider does not provide investment advice directly, indirectly, implicitly, or in any manner whatsoever by making such information and/or features available to you.