

PROFESSIONAL CLIENT AGREEMENT

This client agreement, together with any Schedule(s), and accompanying documents (including the cover letter), as amended from time to time, (this "Agreement") sets out the terms of the contract between you and us. It is, therefore, very much in your interests to read it carefully. Please let us know as soon as possible if there is anything which you do not understand.

MODULE A - INTRODUCTION

1 GENERAL INFORMATION

- 1.1 **Information about us:** We, Schneider Trading Associates Limited, are authorised and regulated by the Financial Services Authority ("FSA"). Our registered office is 4th Floor 25 Cophall Avenue, London EC2R 7BP. The FSA's registered office is 25 The North Colonnade, London, E14 5HS.
- 1.2 **Communication with us:** You may communicate with us in writing (including fax), by email or other electronic means, or orally (including by telephone). The language of communication shall be English, and you will receive documents and other information from us in English. Our website at www.schneidertrading.com contains further details about us and our services, and other information relevant to this Agreement. In the event of any conflict between the terms of this Agreement and our website this Agreement will prevail.
- 1.3 **Capacity:** We act as principal and not as agent on your behalf. We shall treat you as a professional client for the purposes of the FSA Rules. You have the right to request a different client categorisation. If you request categorisation as an eligible counterparty and we agree to such categorisation, we would no longer be required by regulatory rules to provide certain protections granted to professional clients. If you request to be categorised as a retail client thereby requiring a higher level of regulatory protection we will not be able to provide our services to you as we are not authorised to do so. You agree and acknowledge that you are responsible for keeping us informed about any change that could affect your categorisation as a professional client. You act as principal and not as agent (or trustee) on behalf of someone else.
- 1.4 **Commencement:** This Agreement supersedes any previous agreement between you and us on the same subject matter. This Agreement shall apply to all Transactions contemplated under this Agreement.
- 1.5 **Subject to Applicable Regulations:** This Agreement and all Transactions are subject to Applicable Regulations so that: (i) if there is any conflict between this Agreement and any Applicable Regulations, the latter will prevail; (ii) nothing in this Agreement shall exclude or restrict any obligation which we have to you under Applicable Regulations; (iii) we may take or omit to take any action we consider necessary to ensure compliance with any Applicable Regulations; (iv) all Applicable Regulations and whatever we do or fail to do in order to comply with them will be binding on you; and (v) such actions that we take or fail to take for the purpose of compliance with any Applicable Regulations shall not render us or any of our directors, officers, employees or agents liable.
- 1.6 **Market action:** If a Market (or intermediate broker or agent, acting at the direction of, or as a result of action taken by, a Market) or regulatory body takes any action which affects a Transaction, then we may take any action which we, in our reasonable discretion, consider desirable to correspond with such action or to mitigate any loss incurred as a result of such action. Any such action shall be binding on you. If a Market or regulatory body makes an enquiry in respect of any of your Transactions, you agree to co-operate with us and to promptly supply information requested in connection with the enquiry.
- 1.7 **Scope of this Agreement:** This Agreement sets out the basis on which we will provide services to you. This Agreement governs each Transaction entered into or outstanding between us on or after the execution of this Agreement. Subject to Applicable Regulations and this Agreement there shall be no restrictions on the Transactions in respect of which we may advise you or deal with you.
- 1.8 **Charges:** You shall pay our fees and charges as specified in our Schedule of Fees and Charges published on our website at www.schneidertrading.com from time to time or as agreed with you from time to time, any taxes imposed by any competent authority on any account opened or Transaction effected by or cleared for you; any fees or other charges imposed by a Market or any clearing organisation; interest on any amount due to us at the rates then charged by us (and which are available on request); and any other value added or other applicable taxes of any of the foregoing, including any withholding tax.
- 1.9 **Additional costs:** You should be aware of the possibility that other taxes or costs may exist that are not paid through or imposed by us.
- 1.10 **Payments:** All payments to us under this Agreement shall be made in same day funds in such currency as we may from time to time specify to the bank account designated by us for such purposes. All such payments and any Transfers under this Agreement shall be made by you without any deduction or withholding unless required by law. In such case, you will pay or Transfer such additional amounts as will result in our receipt of an amount which we would of received had not such deduction or withholding been made.
- 1.11 **Remuneration and sharing of charges:** We may receive remuneration from, or share charges with, an Associate or other third party in connection with Transactions carried out on your behalf.
- 1.12 **Description of service:** A description of the main characteristics of the service we will provide is available on our website at www.schneidertrading.com.
- 1.13 **Language:** This Agreement is supplied to you in English and we will continue to communicate with you in English for the duration of this Agreement.

2 RIGHT TO CANCEL

- 2.1 **Right to cancel:** You should note that you are not entitled to cancel this Agreement (but you can terminate it as set out in the Termination clause).

MODULE B - ADVICE

3 NO ADVICE

- 3.1 **Execution only:** We deal on an execution-only basis and do not advise on the merits of particular Transactions, or their taxation consequences.
- 3.2 **Own judgement and suitability:** In asking us to enter into any Transaction, you represent that you have been solely responsible for making your own independent appraisal and investigations into the risks of the Transaction. You represent that you have sufficient knowledge, market sophistication, professional advice and experience to make your own evaluation of the merits and risks of any Transaction. We give you no warranty as to the suitability of the products traded under this Agreement and assume no fiduciary duty in our relations with you.
- 3.3 **Incidental information and investment research:** Where we do provide trading recommendations, market commentary or other information:
- (a) this is incidental to your dealing relationship with us. It is provided solely to enable you to make your own investment decisions and does not amount to advice;
 - (b) if the document contains a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, you agree that you will not pass it on to any such person or category of persons;
 - (c) we give no representation, warranty or guarantee as to the accuracy or completeness of such information or as to the tax consequences of any Transaction;
 - (d) where information is in the form of a document containing a restriction on the person or category of persons for whom that document is intended or to whom it is distributed, you agree that you will not pass it on contrary to that restriction;
 - (e) you accept that prior to despatch, we may have acted upon it ourselves or made use of the information on which it is based. We do not make representations as to the time of receipt by you and cannot guarantee that you will receive such information at the same time as other clients. Any published research reports or recommendations may appear in one or more screen information service.

Please refer to our Conflicts of Interest Policy for further information on how we manage conflicts which would affect the impartiality of investment research we provide to you.

MODULE C - OUR RELATIONSHIP WITH YOU

4 YOUR INFORMATION

- 4.1 **Confidentiality:** We will treat all information we hold about you or your account or Transactions as confidential, even when you are no longer a client. You agree, however, that we may disclose this information to other companies in our group and that we and they may disclose it to those who provide services to us or act as our agents; to anyone to whom we transfer or propose to transfer any of our rights or duties under this Agreement; to credit reference agencies or other organisations that help us and others make credit decisions and reduce the incidence of fraud or in the course of carrying out identity, fraud prevention or credit control checks; to regulators and governmental agencies, in any jurisdiction, where we are required to do so by Applicable Regulations, there is a public duty to disclose or our interests require disclosure; to a Team Member; at your request; or with your consent. In the case of a joint account, we may also disclose to any of you information obtained by us from any of you in relation to the account or your Transactions.
- 4.2 **Data protection:** Before providing us with any information relating to identifiable living individuals in connection with this Agreement you should ensure that those individuals are aware of: our identity; that we may use their information to administer and operate your account; that this may involve disclosure of their information as discussed in clause 4.1 above and transfer of their information to any country, including countries outside the European Economic Area which may not have strong data protection laws; and that they have rights of access to, and correction of, their information which they may exercise by contacting us by in writing.
- 4.3 **Your rights:** You may have rights of access to some or all of the information we hold about you, to have inaccurate information corrected and to tell us that you do not wish to receive marketing information, under data protection law. If you wish to exercise any of these rights, please contact us in writing.

MODULE D - ORDER PLACEMENT

5 INSTRUCTIONS AND BASIS OF DEALING

- 5.1 **Placing of instructions:** You may give us instructions in writing (including fax), by email or other electronic means or orally (including by telephone), unless we tell you that instructions can only be given in a particular way. If you give instructions by telephone, your conversation will be recorded. If any instructions are received by us by telephone, computer or other medium we may ask you to confirm such instructions in writing. We shall be authorised to follow instructions notwithstanding your failure to confirm them in writing. Instructions for the simultaneous sale and purchase of a financial instrument on behalf of the same beneficial owner may not be given under this Agreement. In this Agreement "instructions" and "orders" have the same meaning.
- 5.2 **Authority:** We shall be entitled to act for you upon instructions given or purporting to be given by you or any person authorised on your behalf without further enquiry as to the genuineness, authority or identity of the person giving or purporting to give such instructions.
- 5.3 **Cancellation/withdrawal of instructions:** We can only cancel your instructions if we have not acted upon those instructions. Instructions may only be withdrawn or amended by you with our consent.

- 5.4 **Right not to accept orders:** We may, but shall not be obliged to, accept instructions to enter into a Transaction. If we decline to enter into a proposed Transaction, we shall not be obliged to give a reason but we shall notify you of our decision within a reasonable time.
- 5.5 **Control of orders prior to execution:** We have the right (but no obligation) to set limits and/or parameters to control your ability to place orders at our absolute discretion. Such limits and/or parameters may be amended, increased, decreased, removed or added to by us at our absolute discretion and may include (without limitation): (i) controls over maximum order amounts and maximum order sizes; (ii) controls over our total exposure to you; (iii) controls over prices at which orders may be submitted (to include (without limitation) controls over orders which are at a price which differs greatly from the market price at the time the order is submitted to the order book); (iv) controls over the Electronic Services (to include (without limitation) any verification procedures to ensure that any particular order or orders has come from you); or (v) any other limits, parameters or controls which we may be required to implement in accordance with Applicable Regulations.
- 5.6 **Execution of orders:** We shall use our reasonable endeavours to execute any order promptly, but in accepting your orders we do not represent or warrant that it will be possible to execute such order or that execution will be possible according to your instructions. We shall carry out an order on your behalf only when the relevant Market is open for dealings, and we shall deal with any instructions received outside Market hours as soon as possible when that relevant Market is next open for business (in accordance with the rules of that Market). You agree that we may execute an order on your behalf outside a Market. When you give us a specific instruction, our order execution policy will not apply. You confirm that you have read and agree to our order execution policy. We will notify you of any material changes to our order execution policy, but it is your responsibility to check for any other changes to our order execution policy as published from time to time on our website at www.schneidertrading.com. We will consider the continued placement of orders by you to constitute your continued consent to our order execution policy as in effect from time to time.
- 5.7 **Crossing of orders:** We may arrange for a Transaction to be executed, either in whole or in part, by selling an investment to you from our proprietary book, another client, or a client of an Associate of ours, or vice-versa. We shall not give you prior notice if we arrange for a Transaction to be executed in this manner.
- 5.8 **Aggregation of orders:** We may combine your order with our own orders and orders of other clients. By combining your orders with those of other clients we must reasonably believe that this is in the overall best interests of our clients. However, aggregation may result in you obtaining a less favourable price in relation to a particular order. Please refer to our order allocation policy on our website at www.schneidertrading.com for more information.
- 5.9 **Statements:** We shall make available to you account statements at the end of the trading day recording any Transactions that we have executed on your behalf on that trading day via our website. It is your responsibility to inform us whether any Transaction details or other items recorded on a statement are incorrect. Statements shall, in the absence of manifest error, be conclusive and binding on you, unless we receive from you an objection in writing within one Business Day of making such statement available to you via our web site.
- 5.10 **Performance and settlement:** You will promptly deliver any instructions, money, documents or property deliverable by you under a Transaction in accordance with that Transaction as modified by any instructions given by us for the purpose of enabling us to perform our obligations under a relevant matching Transaction on a Market or with an intermediate broker.
- 5.11 **Intermediate brokers and other agents:** We may, at our entire discretion, arrange for any Transaction to be effected with or through the agency of an intermediate broker, who may be an Associate of ours, and may not be in the United Kingdom. Neither we nor our respective directors, officers, employees or agents will be liable to you for any act or omission of an intermediate broker or agent. No responsibility will be accepted for intermediate brokers or agents selected by you.
- 5.12 **Position limits:** We may require you to limit the number of open positions which you may have with us at any time and we may in our sole discretion close out any one or more Transactions in order to ensure that such position limits are maintained.
- 5.13 **Trade reporting:** Under Applicable Regulations, we may be obliged to make information about certain Transactions public. You agree and acknowledge that any and all proprietary rights in such Transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we reasonably disclose.

MODULE E - ELECTRONIC TRADING TERMS

- 6 **ELECTRONIC TRADING TERMS**
- 6.1 **Scope:** These clauses apply to your use of any Electronic Services.
- 6.2 **Access:** Once you have gone through the security procedures associated with an Electronic Service provided by us, you will get access to such service, unless agreed otherwise or stated on our website. Our Electronic Services will normally be available between 6.30 a.m. and 9.00 p.m. London time on Business Days or at such other times as we shall advise you from time to time. We may change our security procedures at any time and we will tell you of any new procedures that apply to you as soon as possible.
- 6.3 **Restrictions on services provided:** There may be restrictions on the number of Transactions that you can enter into on any one day and also in terms of the total value of those Transactions when using an Electronic Service. You acknowledge that some Markets place restrictions on the types of orders that can be directly transmitted to their electronic trading systems. These types of orders are sometimes described as synthetic orders. The transmission of synthetic orders to the Market is dependent upon the accurate and timely receipt of prices or quotes from the relevant Market or market data provider. You acknowledge that a Market may cancel a synthetic order when upgrading its systems, trading screens may drop the record of such an order, and you enter such orders at your own risk.
- 6.4 **Right Of access:** In respect of any Market to which we allow you to submit orders or receive information or data using the Electronic Services, we may at any time or times, on reasonable notice (which, in certain circumstances, may be immediate) enter (or to instruct our or the Market's subcontractors to enter) your premises and inspect your System to ensure that it complies with

the requirements notified by us to you from time to time and that you are using the Electronic Services in accordance with this Agreement and any requirements of any relevant Market or Applicable Regulations.

- 6.5 **Access requirements:** Unless we have separately agreed with you we will provide the System to enable you to use an Electronic Service. Provision of the System (together with any ancillary services and facilities) shall be subject to our standard terms and we shall be entitled to charge our standard fees as set out in our Schedule of Fees and Charges published on our website at www.schneidertrading.com from time to time or as may be agreed with you from time to time.
- 6.6 **Use of information, data and software:** In the event that you receive any data, information or software via an Electronic Service other than that which you are entitled to receive pursuant to this Agreement, you will immediately notify us and will not use, in any way whatsoever, such data, information or software.
- 6.7 **Maintaining standards:** When using an Electronic Service you must:
- (a) ensure that your System is maintained in good order and is suitable for use with such Electronic Service;
 - (b) run such tests and provide such information to us as we shall reasonably consider necessary to establish that your System satisfies the requirements notified by us to you from time to time;
 - (c) carry out virus checks on a regular basis;
 - (d) inform us immediately of any unauthorised access to such Electronic Service or any unauthorised Transaction or instruction which you know of or suspect and, if within your control, cause such unauthorised use to cease; and
 - (e) not at any time leave the terminal from which you have accessed such Electronic Service or let anyone else use the terminal until you have logged off such Electronic Service.
 - (f) **System defects:** In the event you become aware of a material defect, malfunction or virus in the System or in an Electronic Service, you will immediately notify us of such defect, malfunction or virus and cease all use of such Electronic Service until you have received permission from us to resume use.
- 6.8 **Intellectual property:** All rights in patents, copyrights, design rights, trade marks and any other intellectual property rights (whether registered or unregistered) relating to the Electronic Services remain vested in us or our licensors. You will not copy, interfere with, tamper with, alter, amend or modify the Electronic Services or any part or parts thereof unless expressly permitted by us in writing; reverse compile or disassemble the Electronic Services; nor purport to do any of the same or permit any of the same to be done, except in so far as such acts are expressly permitted by law. Any copies of the Electronic Services made in accordance with law are subject to the terms and conditions of this Agreement. You shall ensure that all the licensors' trademarks and copyright and restricted rights notices are reproduced on these copies. You shall maintain an up-to-date written record of the number of copies of the Electronic Services made by you. If we so request, you shall as soon as reasonably practical, provide to us a statement of the number and whereabouts of copies of the Electronic Services.
- 6.9 **Liability and indemnity:**
- Without prejudice to any other terms of this Agreement, relating to the limitation of liability and provision of indemnities, the following clauses shall apply to our Electronic Services.
- (a) **System errors:** We shall have no liability to you for damage which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers. You acknowledge that access to Electronic Services may be limited or unavailable due to such system errors, and that we reserve the right upon notice to suspend access to Electronic Services for this reason.
 - (b) **Delays:** Neither we nor any third party software provider accepts any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with an Electronic Service.
 - (c) **Viruses from an Electronic Service:** We shall have no liability to you (whether in contract or in tort, including negligence) in the event that any viruses, worms, software bombs or similar items are introduced into your System via an Electronic Service or any software provided by us to you in order to enable you to use such Electronic Service, provided that we have taken reasonable steps to prevent any such introduction.
 - (d) **Viruses from your System:** You will ensure that no computer viruses, worms, software bombs or similar items are introduced into our computer system or network and will indemnify us on demand for any loss that we suffer arising as a result of any such introduction.
 - (e) **Unauthorised use:** We shall not be liable for any loss, liability or cost whatsoever arising from any unauthorised use of the Electronic Service. You shall on demand indemnify, protect and hold us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and costs resulting from or arising out of any act or omission by any person using an Electronic Service by using your designated passwords, whether or not you authorised such use.
 - (f) **Markets:** We shall not be liable for any act taken by or on the instruction of a Market, clearing house or regulatory body.
- 6.10 **Suspension or permanent withdrawal with notice:** We may suspend or permanently withdraw an Electronic Service, by giving you 10 days' written notice.
- 6.11 **Immediate suspension or permanent withdrawal:** We have the right, unilaterally and with immediate effect, to suspend or withdraw permanently your ability to use any Electronic Service, or any part thereof, without notice, where we consider it necessary or advisable to do so, for example due to your non-compliance with the Applicable Regulations, breach of any provisions of this Agreement, on the occurrence of an Event of Default, network problems, failure of power supply, for

maintenance, or to protect you when there has been a breach of security. In addition, the use of an Electronic Service may be terminated automatically, upon the termination (for whatever reason) of (i) any licence granted to us which relates to the Electronic Service; or (ii) this Agreement. The use of an Electronic Service may be terminated immediately if an Electronic Service is withdrawn by any Market or we are required to withdraw the facility to comply with Applicable Regulations.

- 6.12 **Effects of termination:** In the event of a termination of the use of an Electronic Service for any reason, upon request by us, you shall, at our option, return to us or destroy all hardware, software and documentation we may have provided you in connection with such Electronic Service and any copies thereof.

MODULE F - CLIENT MONEY

7 TITLE TRANSFER OF CASH

- 7.1 **Client money:** When you transfer money to us, or money is paid to us on your behalf, you agree that the full ownership of the money is transferred to us for the purpose of covering your Obligations.

Money received by us from you or a third party in this way for your account will be owed by us to you, even where we are acting as your agent. Accordingly the Client Money Rules will not apply, and you will not have a proprietary claim over such money, and we can deal with it as our own. Money transferred to us will be recorded by us as a cash repayment obligation owed by us to you. If such money is Cash and we are treating it as Margin pursuant to clause 8 below, then it shall be deemed to constitute Transferred Margin.

MODULE G – TITLE TRANSFER

8 MARGINING ARRANGEMENTS

- 8.1 **Margin call:** You agree to Transfer to us on demand such amount and type of Margin as we may in our discretion reasonably require for the purpose of protecting ourselves against loss or risk of loss on present, future or contemplated Transactions under this Agreement. We will normally require you to provide Cash for this purpose.

- 8.2 **Excess Margin:** Periodically, we may determine that we hold Transferred Margin which is in excess of the requirements described in clause 8.1 (**Excess Margin**).

- 8.3 **Valuations:** All valuations under this Agreement shall be determined by us in our absolute discretion. Such valuations include without limitation the value of Transferred Margin, Equivalent Margin and Excess Margin, any haircut to be applied to Margin and any valuation made pursuant to clauses 8.4 and 8.9 below.

- 8.4 **Return:** We will not be obliged to Transfer to you any Transferred Margin. Within one Business Day of demand by you, we will (subject to clause 8.5) Transfer Equivalent Margin (of a type we determine in our discretion) to you with a value at the date of Transfer equal to any Excess Margin.

- 8.5 **Right of retention:** We will not be obliged to Transfer Margin or Equivalent Margin to you:

- (a) if you have a net exposure to us; or
- (b) if there is an Event of Default (including without limitation under clause 10.1(j)) or this Agreement terminates (in such case, for so long and to the extent that you have or may have Obligations to us); or
- (c) to the extent of the value of any Default Margin Amount or any Transferred Margin applied under clause 11.5(b).

In determining the amounts of Transferred Margin, Equivalent Margin, Excess Margin, your Obligations, and our obligations to you, we may apply such methodology (including judgements as to the future movement of markets and values) as we consider appropriate, consistent with Applicable Regulations.

- 8.6 **Dividends:** We will treat any cash, securities or other property of the same type, nominal value, description and amount as the relevant Dividends (less any deductions on account of any tax) (**Equivalent Dividends**) as an addition to the Transferred Margin.

- 8.7 **Interest:** We will also treat an amount equal to any interest payable on the principal amount of any Cash comprised in the Transferred Margin (**Interest**) as an addition to the Transferred Margin when it is credited to your account.

- 8.8 **Substitution:** You may, with our prior written consent, Transfer new Margin to us in substitution for Transferred Margin having the same nominal value and of the same amount, as determined by us, as such new Margin, whereupon we will Transfer to you Equivalent Margin in respect of the Transferred Margin being substituted.

- 8.9 **Default:** If a Liquidation Date is specified or deemed to occur as a result of an Event of Default, the Default Margin Amount as at that date will be deemed to be a gain by us for the purposes of calculating the Liquidation Amount. For this purpose, "**Default Margin Amount**" means the amount, calculated by us in our Base Currency of the aggregate value as at the relevant Liquidation Date (as determined by us) of:

- (a) except in the circumstances described in paragraphs 8.9(b) and (c), the Transferred Margin; or
- (b) if a Non-Team Default (and no other Event of Default) has occurred, zero; or
- (c) if we have selected Profit Sharing in the Individually Agreed Terms Schedule, zero.

- 8.10 **Clean title:** Each party agrees that all right, title and interest in and to any Margin, Transferred Margin, Equivalent Margin, Excess Margin, Equivalent Dividends or Interest which it Transfers to the other party shall vest in the recipient free and clear of any security interest, lien, claims, charges, encumbrance or other restriction. Notwithstanding the use of terms such as "**Margin**" which are used to reflect terminology used in the market for such transactions, nothing in these provisions is intended to create or does create in favour of either party a mortgage, charge, lien, pledge, encumbrance or other security interest in any Margin, Transferred Margin, Equivalent Margin, Excess Margin, Equivalent Dividends or Interest Transferred hereunder.

- 8.11 **Set-off on default:** If there is an Event of Default or this Agreement terminates, we may set off any portion of the Transferred Margin which is Cash against your Obligations (as reasonably valued by us) as they become due and payable to us.

- 8.12 **General lien:** In addition and without prejudice to any rights to which we may be entitled under this Agreement or any Applicable Regulations, we shall have a general lien on all property held by us or our Associates or our nominees on your behalf until the satisfaction of the Obligations.

MODULE H - REPRESENTATIONS AND UNDERTAKINGS

9 REPRESENTATIONS, WARRANTIES, COVENANTS AND CONDITIONS PRECEDENT

- 9.1 **Representations and warranties:** You represent and warrant to us on the date this Agreement comes into effect and as of the date of each Transaction that:

- (a) you have reached the age of 18 years or over and have full capacity to enter into this Agreement;
- (b) you have all necessary authority, powers, consents, licences and authorisations and have taken all necessary action to enable you lawfully to enter into and perform this Agreement and such Transaction and to grant the security interests and powers referred to in this Agreement;
- (c) the persons entering into this Agreement and each Transaction on your behalf have been duly authorised to do so;
- (d) this Agreement, each Transaction and the obligations created under them both are binding upon you and enforceable against you in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;
- (e) no Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination or any combination of the above) an Event of Default (a "**Potential Event of Default**") has occurred and is continuing with respect to you, any Credit Support Provider or any Team Member;
- (f) you act as principal and sole beneficial owner (but not as trustee) in entering into this Agreement and each Transaction;
- (g) any information which you provide or have provided to us in respect of your financial position, domicile or other matters is accurate and not misleading in any material respect;
- (h) you are willing and financially able to sustain a total loss of funds resulting from Transactions and the Joint Transactions (if any) and trading in such Transactions and Joint Transactions (if any) is a suitable investment vehicle for you;
- (i) except as otherwise agreed by us, you are the sole beneficial owner of (and have the right to Transfer) all Margin that you Transfer under this Agreement, free and clear of any security interest whatsoever other than a lien routinely imposed on all securities in a clearing system in which such securities may be held.

- 9.2 **Covenants:** You covenant to us that:

- (a) 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;
- (b) you will promptly notify us of the occurrence of any Event of Default or Potential Event of Default with respect to yourself, any Credit Support Provider or any Team Member;
- (c) you will use all reasonable steps to comply with all Applicable Regulations in relation to this Agreement and any Transaction, so far as they are applicable to you or us;
- (d) you will not send orders or otherwise take any action that could create a false impression of the demand or value for a financial instrument, or send orders which you have reason to believe are in breach of Applicable Regulations. You shall observe the standard of behaviour reasonably expected of persons in your position and not take any step which would cause us to fail to observe the standard of behaviour reasonably expected of persons in our position; and
- (e) upon demand, you will provide us with such information as we may reasonably require to evidence the matters referred to in this clause or to comply with any Applicable Regulations.

- 9.3 **Conditions Precedent:** On or prior to the date of this Agreement, you will duly execute and deliver to us a Margin Integration Deed or, if required by us, a Deed of Accession in each case in a form acceptable to us.

MODULE I - DEFAULT, NETTING AND TERMINATION

10 EVENTS OF DEFAULT

- 10.1 **Events of Default:** The following shall constitute Events of Default:

- (a) you fail to make any payment when due under this Agreement or to make or take delivery of any property when due under, or to observe or perform any other provision of this Agreement;
- (b) you commence a voluntary case or other procedure seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to you, if insolvent), or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian or other similar official (each a "**Custodian**") of you or any substantial part of your assets, or if you take any corporate action to authorise any of the foregoing, and in the case of a reorganisation, arrangement or composition, we do not consent to the proposals;
- (c) an involuntary case or other procedure is commenced against you seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to you or your debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any

corporate or other law with potential application to you, if insolvent) or seeking the appointment of a Custodian of you or any substantial part of your assets and such involuntary case or other procedure either (a) has not been dismissed within five days of its institution or presentation or (b) has been dismissed within such period but solely on the grounds of an insufficiency of assets to cover the costs of such case or other procedure;

- (d) you die, become of unsound mind, are unable to pay your debts as they fall due or are bankrupt or insolvent, as defined under any bankruptcy or insolvency law applicable to you; or any indebtedness of yours is not paid on the due date therefore, or becomes capable at any time of being declared, due and payable under agreements or instruments evidencing such indebtedness before it would otherwise have been due and payable, or any suit, action or other proceedings relating to this Agreement are commenced for any execution, any attachment or garnishment, or distress against, or an encumbrance takes possession of, the whole or any part of your property, undertaking or assets (tangible and intangible);
- (e) you, any Credit Support Provider or any Team Member (or any Custodian acting on behalf of either of you, a Credit Support Provider or a Team Member) disaffirms, disclaims or repudiates any obligation under this Agreement, a Margin Integration Deed or any guarantee, hypothecation agreement, margin or security agreement or document, or any other document containing an obligation of a third party, or of you, in favour of us supporting any of your obligations under this Agreement (each a "**Credit Support Document**");
- (f) any representation or warranty made or given or deemed made or given by you under this Agreement or any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given;
- (g) any Credit Support Provider or Team Member fails, or you yourself fail to comply with or perform any agreement or obligation to be complied with or performed by you or it in accordance with the applicable Credit Support Document or Margin Integration Deed; (ii) any Credit Support Document or Margin Integration Deed expires or ceases to be in full force and effect prior to the satisfaction of all your obligations under this Agreement, unless we have agreed in writing that this shall not be an Event of Default; (iii) any representation or warranty made or given or deemed made or given by any Credit Support Provider or Team Member pursuant to any Credit Support Document or Margin Integration Deed proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given; or (iv) any event referred to in paragraphs (b) to (d) or (h) of this sub-clause occurs in respect of any Credit Support Provider or Team Member;
- (h) you are dissolved, or, if your capacity or existence is dependent upon a record in a formal register, the registration is removed or ends, or any procedure is commenced seeking or proposing your dissolution, removal from such a register, or the ending of such a registration;
- (i) where you, your Credit Support Provider or Team Member is a partnership, any of the events referred to in paragraphs (b) to (d) or (h) of sub-clause 1 of this clause occurs in respect of one or more of your or its partners;
- (j) an event of default (however described) occurs under a Joint Professional Client Agreement;
- (k) we consider it necessary or desirable to prevent what we consider is or might be a violation of any Applicable Regulation or good standard of market practice;
- (l) we consider it necessary or desirable for our own protection or any action is taken or event occurs which we consider might have a material adverse effect upon your ability to perform any of your obligations under this Agreement;
- (m) any event of default (however described) occurs in relation to you under any other agreement between us.

11 NETTING

11.1 **Rights on Default:** On the occurrence of an Event of Default, we may exercise our rights under this clause, except that in the case of the occurrence of any Event of Default specified in paragraphs (b) or (c) of the definition of Events of Default or an event of default (however described) occurs under the corresponding provisions in any Joint Professional Client Agreement (each a "**Bankruptcy Default**"), the automatic termination provision of this clause shall apply.

11.2 **Liquidation Date:** Subject to the following sub-clause, at any time following the occurrence of an Event of Default, we may, by notice to you, specify a date (the "**Liquidation Date**") for the termination and liquidation in accordance with this clause of (as we determine) either:

- (a) all Transactions; and/or
- (b) all Joint Transactions of Team Members; and/or
- (c) all Joint Transactions; and/or
- (d) if the Event of Default occurs solely under clause 10.1(j), all Joint Transactions under the relevant Joint Professional Client Agreement.

11.3 **Automatic termination:** the date of the occurrence of any Bankruptcy Default shall automatically constitute a Liquidation Date in relation to:

- (a) if the Bankruptcy Default has occurred under this Agreement, all Transactions; and
- (b) if the Bankruptcy Default has occurred under a Joint Professional Client Agreement, all Joint Transactions under the relevant Joint Professional Client Agreement,

each in case without the need for any notice by us. The provisions of sub-clause 11.4 shall then apply automatically.

11.4 **Calculation of Liquidation Amount:** Upon the occurrence of a Liquidation Date:

- (a) neither of us shall be obliged to make any further payments or deliveries under any Relevant Transactions which would, but for this clause, have fallen due for performance on or after the Liquidation Date and such obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Liquidation Amount (subject to clause 11.5);
- (b) we shall (on, or as soon as reasonably practicable after, the Liquidation Date) determine (discounting if appropriate), in respect of each Relevant Transaction the total cost, loss or, as the case may be, gain, in each case expressed in the Base Currency specified by us as such in the Individually Agreed Terms Schedule or otherwise in writing or, failing any such specification, the lawful Currency of the United Kingdom (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, cost, loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position) as a result of the termination, pursuant to this Agreement and any relevant Joint Professional Client Agreement, of each payment or delivery which would otherwise have been required to be made under such Relevant Transaction (assuming satisfaction of each applicable condition precedent and having due regard, if appropriate, to such market quotations published on, or official settlement prices set by the relevant Market as may be available on, or immediately preceding, the date of calculation); and
- (c) we shall treat each cost or loss to us, determined as above, as a positive amount and each gain by us, so determined, as a negative amount and aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Base Currency (the "**Liquidation Amount**").

11.5 **Payer:** If the Liquidation Amount determined pursuant to this clause is a positive amount:

- (a) you shall (subject to the provisions of the Individually Agreed Terms Schedule) pay it to us; provided that
- (b) if a Non-Team Default (and no other Event of Default) has occurred or if we have selected Profit Sharing in the Individually Agreed Terms Schedule, the amount due under clause 11.5(a) will be reduced by the amount (calculated by us in our Base Currency) of the aggregate value at the Liquidation Date of all or such portion as we determine of the Transferred Margin. The amount determined under this clause 11.5(b) shall produce a single, net amount denominated in the Base Currency.

If the Liquidation Amount determined pursuant to this clause 11 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 such amount.

11.6 **Other transactions:** Where termination and liquidation occurs in accordance with this clause, we shall also be entitled, at our discretion, to terminate and liquidate, in accordance with the provisions of this clause, any other transactions entered into between us which are then outstanding.

11.7 **Payment:** 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 any Transaction or a Joint Transaction in each case, for as long as an Event of Default or any event which may become (with the passage of time, the giving of notice, the making of any determination hereunder, or any combination thereof) an Event of Default has occurred and is continuing.

11.8 **Base Currency:** For the purposes of any calculation hereunder, we may convert amounts denominated in any other currency into the Base Currency at such rate prevailing at the time of the calculation as we shall reasonably select.

11.9 **Additional rights:** Our rights under this clause shall be in addition to, and not in limitation or exclusion of, any other rights which we may have (whether by agreement, operation of law or otherwise).

11.10 **Application of netting to Transactions:** This clause applies to each Transaction and Joint Transaction entered into or outstanding between us on or after the date this Agreement takes effect.

11.11 **Single agreement:** This Agreement, any Joint Professional Client Agreement, the particular terms applicable to each Transaction and Joint Transaction, and all amendments to any of them shall together constitute a single agreement between us. We both acknowledge that all Transactions and Joint Transactions entered into on or after the date this Agreement takes effect are entered into in reliance upon the fact that the Agreement and all such terms constitute a single agreement between us.

11.12 **Other agreements:** The provisions of this clause shall not apply to any Transaction (other than a Joint 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.

12 RIGHTS ON DEFAULT

12.1 **Default:** On an Event of Default or at any time after we have determined, in our absolute discretion, that you have not performed (or we reasonably believe that you will not be able or willing in the future to perform) any of your obligations to us, in addition to any rights under the Netting Clause we shall be entitled without prior notice to you:

- (a) instead of returning to you investments equivalent to those credited to your account, to pay to you the fair market value of such investments at the time we exercise such right, and/or
- (b) to sell such of your investments as are in our possession or in the possession of any nominee or third party appointed under or pursuant to this Agreement, in each case as we may in our absolute discretion select or and upon such terms as we may in our absolute discretion think fit (without being responsible for any loss or diminution in price) in order to realise funds sufficient to cover any amount due by you hereunder, and/or
- (c) to close out, replace or reverse any Transaction, buy, sell, borrow or lend or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as, at our sole discretion, we

consider necessary or appropriate to cover, reduce or eliminate our loss or liability under or in respect of any of your contracts, positions or commitments.

13 TERMINATION WITHOUT DEFAULT

- 13.1 **Termination:** Unless required by Applicable Regulations, we may terminate this Agreement (and the relationship between us) by giving [one month's] written notice of termination to you and you may terminate this Agreement (and the relationship between us) by giving one month's written notice of termination to us. We may terminate this Agreement immediately if you fail to observe or perform any provision of this Agreement or in the event of your insolvency.
- 13.2 Upon serving notice of termination of this Agreement, all amounts payable by you to us will become immediately due and payable including (but without limitation):
- (a) all outstanding fees, charges and commissions; and
 - (b) any dealing expenses incurred by terminating this Agreement; and
 - (c) any losses and expenses realised in closing out any Transactions or settling or concluding outstanding Obligations incurred by us on your behalf.
- 13.3 You will remain liable for all Obligations, fees, expenses and losses (including without limitation those described in clause 13.2) that accrue from the date of service of notice under clause 13.2 to the expiry of the relevant notice period. All such amounts will become immediately due and payable on the last date of that notice period.
- 13.4 **Existing rights:** Termination shall not affect then outstanding rights and obligations (in particular relating to the Indemnities and Limitation of Liability Module and the Miscellaneous and Governing Law Module) and Transactions which shall continue to be governed by this Agreement and the particular clauses agreed between us in relation to such Transactions until all Obligations have been fully performed.
- 13.5 **Release from Margin Integration Deed:** When we are satisfied that your Obligations under and in connection with this Agreement have been discharged in full, we shall at your request and expense execute a Deed of Release. If any payment by you or any other person or any release given by us is avoided or reduced as a result of insolvency or any similar event:
- (a) your liability under the relevant Margin Integration Deed will continue as if the payment, release, avoidance or reduction had not occurred; and
 - (b) we will be entitled to recover the value or amount of that payment from you, as if the payment, release, avoidance or reduction had not occurred.

MODULE J - INDEMNITIES AND LIMITATION OF LIABILITY

14 EXCLUSIONS, LIMITATIONS AND INDEMNITY

- 14.1 **General Exclusion:** Neither we nor our directors, officers, employees, or agents shall be liable for any losses, damages, costs or expenses, whether arising out of negligence, breach of contract, misrepresentation or otherwise, incurred or suffered by you under this Agreement (including any Transaction or where we have declined to enter into a proposed Transaction) unless such loss is a reasonably foreseeable consequence or arises directly from our or their respective gross negligence, wilful default or fraud. In no circumstance, shall we have liability for losses suffered by you or any third party for any special or consequential damage, loss of profits, loss of goodwill or loss of business opportunity arising under or in connection with this Agreement, whether arising out of negligence, breach of contract, misrepresentation or otherwise. Nothing in this Agreement will limit our liability for death or personal injury resulting from our negligence.
- 14.2 **Tax implications:** Without limitation, we do not accept liability for any adverse tax implications of any Transaction whatsoever.
- 14.3 **Changes in the market:** Without limitation, we do not accept any liability by reason of any delay or change in market conditions before any particular Transaction is effected.
- 14.4 **Limitation of Liability:** We shall not be liable to you for any partial or non-performance of our obligations hereunder by reason of any cause beyond our reasonable control, including without limitation any breakdown, delay, malfunction or failure of transmission, communication or computer facilities, industrial action, act of terrorism, act of God, acts and regulations of any governmental or supra national bodies or authorities or the failure by the relevant intermediate broker or agent, agent or principal of our custodian, sub-custodian, dealer, Market, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations. Nothing in this Agreement will exclude or restrict any duty or liability we may have to you under the regulatory system (as defined in the FSA Rules), which may not be excluded or restricted thereunder.
- 14.5 **Responsibility for orders:** You will be responsible for all orders entered on your behalf via the Electronic Services and you will be fully liable to us for the settlement of any Transaction arising from it.
- 14.6 **Entire Agreement:** You acknowledge that you have not relied on or been induced to enter into this Agreement by a representation other than those expressly set out in this Agreement. We will not be liable to you (in equity, contract or tort under the Misrepresentation Act 1967) for a representation that is not set out in this Agreement and that is not fraudulent.
- 14.7 **Indemnity:** Subject to the provisions of the Individually Agreed Terms Schedule, you shall pay to us such sums as we may from time to time require in or towards satisfaction of any debit balance on any of your accounts with us and, on a full indemnity basis, any losses, liabilities, costs or expenses (including legal fees), taxes, imposts and levies which we may incur or be subjected to with respect to any of your accounts or any Transaction or any matching Transaction on a Market or any Joint Transaction or with an intermediate broker or as a result of any misrepresentation by you or any violation by you of your obligations under this Agreement (including any Transaction) or by the enforcement of our rights.

MODULE K - MISCELLANEOUS AND GOVERNING LAW

15 MISCELLANEOUS

- 15.1 **Amendments:** We have the right to amend the terms of this Agreement. If we make any material change to this Agreement, we will give at least ten business days written notice to you. Such amendment will become effective on the date specified in the notice. Any other amendment must be agreed in writing between us. Unless otherwise agreed, an amendment will not affect any outstanding order or Transaction or any legal rights or obligations which may already have arisen.
- 15.2 **Notices:** Unless otherwise agreed, all notices, instructions and other communications to be given by us under this Agreement shall be given to the address or email address provided by you to us. Likewise, all notices, instructions and other communications to be given by you under this Agreement shall be given to the address or email address (in the Individually Agreed Terms Schedule) and/or by notice in writing by either party. You will notify us of any change of your address in accordance with this clause.
- 15.3 **Electronic Communications:** Subject to Applicable Regulations, any communication between us using electronic signatures shall be binding as if it were in writing. Orders or instructions given by you via e-mail or other electronic means will constitute evidence of the orders or instructions given.
- 15.4 **Recording of calls:** We may record telephone conversations without use of a warning tone to ensure that the material terms of the Transaction, and any other material information relating to the Transaction is promptly and accurately recorded. Such records will be our sole property and accepted by you as evidence of the orders or instructions given.
- 15.5 **Our records:** Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with our services. You will not object to the admission of our records as evidence in any legal proceedings because such records are not originals, are not in writing or are documents produced by a computer. You will not rely on us to comply with your record keeping obligations, although records may be made available to you on request at our absolute discretion.
- 15.6 **Your records:** You agree to keep adequate records in accordance with Applicable Regulations to demonstrate the nature of orders submitted and the time at which such orders are submitted.
- 15.7 **Third Party Rights:** This Agreement shall be for the benefit of and binding upon us both and our respective successors and assigns. You shall not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer your rights or obligations under this Agreement or any interest in this Agreement, without our prior written consent, and any purported assignment, charge or transfer in violation of this clause shall be void. A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999.
- 15.8 **Time of essence:** Time shall be of the essence in respect of all obligations of yours under this Agreement (including any Transaction).
- 15.9 **Rights and remedies:** The rights and remedies provided under this Agreement are cumulative and not exclusive of those provided by law. We shall be under no obligation to exercise any right or remedy either at all or in a manner or at a time beneficial to you. No failure by us to exercise or delay by us in exercising any of our rights under this Agreement (including any Transaction) or otherwise shall operate as a waiver of those or any other rights or remedies. No single or partial exercise of a right or remedy shall prevent further exercise of that right or remedy or the exercise of another right or remedy.
- 15.10 **Set-off:** Without prejudice to any other rights to which we may be entitled, we may at any time and without notice to you set off any amount (whether actual or contingent, present or future) owed by you to us against any amount (whether actual or contingent, present or future) owed by us to you. For these purposes, we may ascribe a commercially reasonable value to any amount which is contingent or which for any other reason is unascertained.
- 15.11 **Partial invalidity:** If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired.

16 GOVERNING LAW AND JURISDICTION

- 16.1 **Governing law:** A Transaction which is subject to the Rules of a Market shall be governed by the law applicable to it under those Rules. Subject thereto, this Agreement shall be governed by and construed in accordance with English law.
- 16.2 **Law applicable to relationship prior to the conclusion of the Agreement:** The law applicable to the relationship between us prior to the conclusion of this Agreement is English law.
- 16.3 **Jurisdiction:** Each of the parties irrevocably:
- (a) agrees for our benefit that the courts of England shall have jurisdiction to settle any suit, action or other proceedings relating to this Agreement ("**Proceedings**") and irrevocably submits to the jurisdiction of such courts (provided that this shall not prevent us from bringing an action in the courts of any other jurisdiction); and
 - (b) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court and agrees not to claim that such Proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over it.
- 16.4 **Waiver of immunity and consent to enforcement:** You irrevocably waive to the fullest extent permitted by applicable law, with respect to yourself and your revenue and assets (irrespective of their use or intended use) all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any courts, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which you or your revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agree that you will not claim any immunity in any Proceedings. You consent generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which may be made or given in such Proceedings.

- 16.5 **Service of process:** If you are situated outside England and Wales, process by which any Proceedings in England are begun may be served on you by being delivered to the address in England or Wales nominated by you for this purpose in the Individually Agreed Terms Schedule. This does not affect our right to serve process in another manner permitted by law.

MODULE L - INTERPRETATION

17 INTERPRETATION

17.1 **Interpretation:** In this Agreement:

"Accession Deed" means an accession deed substantially in the form contained in a Margin Integration Deed pursuant to which you accede to a Margin Integration Deed;

"Applicable Regulations" means:

- (a) FSA Rules or any other rules of a relevant regulatory authority;
- (b) the Rules of the relevant Market; and
- (c) all other applicable laws, rules and regulations (including, but not limited to, sub-articles 6366 B) 2. b) vii) & 6366 B) 2. b) viii) of Rule Six of the Bourse) as in force from time to time;")

"Associate" means an undertaking in the same group as us, a representative whom we or an undertaking in the same group as us appoint, or any other person with whom we have a relationship that might reasonably be expected to give rise to a community of interest between us and them;

"Business Day" means a day which is not a Saturday or a Sunday and upon which banks are open for business in London [or Frankfurt];

"Cash" means (unless otherwise agreed by us) cash in the currency of the relevant underlying Transaction or Joint Transaction which is in freely available funds;

"Client Money Rules" means the provisions of the FSA's Client Assets Sourcebook relating to client money;

"Credit Support Provider" means any person who has entered into any guarantee, hypothecation, agreement, margin or security agreement or document, or any other document in our favour in respect of your obligations under this Agreement;

"Deed of Release" means a deed of release substantially in the form contained in a Margin Integration Deed pursuant to which you will be released from a Margin Integration Deed;

"Dividend" means all payments and distributions of cash or other property which a holder of securities of the same type, nominal value, description and amount as securities comprised in the Transferred Margin receives on any Business Day.

"Electronic Services" means a service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing or execution system.

"Equivalent Margin" means cash and/or securities of the same type, nominal value, currency and amount as Margin Transferred hereunder;

"Event of Default" means any of the events of default as listed in clauses 10.1(a) to (m);

"Excess Margin" has the meaning given to it in clause 8.2;

"Joint Obligor" means any party to a Margin Integration Deed that you have executed or acceded to apart from you, us and any Clients' Agent (as defined in the Margin Integration Deed);

"Joint Professional Client Agreement" means any professional client agreement made from time to time between us and a Joint Obligor which sets out the terms on which we provide services to that Joint Obligor;

"Joint Transaction" means a Transaction as defined in any Joint Professional Client Agreement;

"Margin" means Cash and any other asset which we periodically determine in our sole discretion to be acceptable as Margin under this Agreement;

"Margin Integration Deed" means any deed substantially in the form of the Margin Integration Deed Annex made between (amongst others), you, us and one or more Joint Obligors;

"Market" means any regulated market, or multilateral trading facility (as such terms are defined in the FSA Rules) or any additional market listed in the Individually Agreed Terms Schedule;

"Non-Team Default" means an Event of Default which occurs under clause 10.1(j) in respect of a Joint Obligor that is not your Team Member;

"Obligations" means all obligations or liabilities of any kind whether they are to pay money or to perform any other act, present or future, express or implied, actual or contingent or prospective, joint or several, incurred as principal or surety or in any other manner in each case under or in connection with this Agreement, any Transaction, any Joint Professional Client Agreement, any Joint Transaction, each Margin Integration Deed or designated by us for these purposes in writing (including in the Individually Agreed Terms Schedule);

"Profit Share" means, in relation to a Transfer, an amount equal to the value of the cash and/or assets Transferred multiplied by the profit share percentage specified in the Individually Agreed Terms Schedule;

"Relevant Transaction" means each relevant Transaction and Joint Transaction in respect of which notice has been given under clause 11.2 or in respect of which clause 11.3 applies;

"Rules" means articles, rules, regulations, procedures and customs, as in force from time to time;

"Share" means, in respect of a Liquidation Amount or other payment, an amount equal to:

- (a) the relevant Liquidation Amount or other payment; multiplied by
- (b) the Excess Margin; divided by
- (c) the Total Excess Margin;

"**System**" means all computer hardware and software, equipment, network facilities and other resources and facilities needed to enable you to use an Electronic Service;

"**Team Agent**" means, at a relevant time, the person identified as such (if any) in the then latest certificate substantially in the form set out in the Team Schedule that has been signed by you, us and each Team Member;

"**Team Member**" means, at a relevant time, you and each other Joint Obligor that is identified as your Team Member in the then latest certificate substantially in the form set out in the Team Schedule that has been signed by you, each Team Member and us or (if there is a Team Agent at such time) signed by us and the Team Agent;

"**Total Excess Margin**" means, at any time, the aggregate of the Excess Margin and an amount that we determine to be the excess margin (if any) under all Joint Professional Client Agreements;

"**Transaction**" means any transaction subject to this Agreement, and includes:

- (a) a contract made on a Market or pursuant to the Rules of a Market;
 - (b) a contract which is subject to the Rules of a Market;
 - (c) a contract which would (but for its term to maturity only) be a contract made on, or subject to the Rules of a Market and which, at the appropriate time, is to be submitted for clearing as a contract made on, or subject to the Rules of a Market;
 - (d) a contract made with us;
- in any of cases (a), (b), (c) and (d) being a future, option, contract for differences, spot or forward contract of any kind in relation to any commodity, metal, financial instrument (including any security), currency, interest rate, index or any combination thereof;
- (i) a transaction which is matched with any transaction within paragraph (a), (b) or (c) of this definition; or
 - (ii) any other transaction which we both agree, in any specific Module, the Individually Agreed Terms Schedule or otherwise, shall be a Transaction;

"**Transfer**" means, with respect to any asset including without limitation Margin, Equivalent Margin, Equivalent Dividends and Interest:

- (i) in the case of cash, payment into the recipient's bank account or to another account designated by the recipient;
- (ii) in the case of securities that can be delivered by book-entry, the giving of irrevocable transfer instructions to the relevant depository, clearing system or other institution responsible for the books, and/or compliance with any other procedures necessary to enable the recipient to obtain legal and beneficial ownership in the securities; and
- (iii) in the case of certificated securities that cannot be delivered by book-entry, delivery in suitable physical form to the recipient accompanied by all certificates and other documents of title, duly executed and stamped stock transfer forms and any other documents necessary to enable the recipient to obtain legal and beneficial ownership in the securities,

and "**Transferred**" shall be construed accordingly;

"**Transferred Margin**" means the aggregate of all Margin that has been Transferred to us hereunder (less any dealing and other costs associated with such Transfer), as reduced from time to time by:

- (i) any Transfer of Equivalent Margin to you under these terms;
- (ii) any Default Margin Amount; and
- (iii) any amount determined by us under clause 11.5(b).

17.2 **General interpretation:** A reference in this Agreement to a "clause" or "Schedule" shall be construed as a reference to, respectively, a clause or Schedule of this Agreement, unless the context requires otherwise. References in this Agreement to any statute or statutory instrument or Applicable Regulations include any modification, amendment, extension or re-enactment thereof. A reference in this Agreement to "document" shall be construed to include any electronic document. The masculine includes the feminine and the neuter and the singular includes the plural and vice versa as the context admits or requires. Words and phrases defined in the FSA's Rules have the same meaning in this Agreement unless expressly defined in this Agreement.

17.3 **Schedules:** The clauses contained in the Schedule(s) (as amended from time to time) shall apply. We may from time to time send to you further Schedules in respect of Markets or Transactions. In the event of any conflict between the clauses of any Schedule and this Agreement, the clauses of the Schedule shall prevail. The fact that a clause is specifically included in a Schedule in respect of one Market or Transaction shall not preclude a similar clause being expressed or implied in relation to any other Market or Transaction.

17.4 **Headings:** Headings are for ease of reference only and do not form part of this Agreement.

Schneider Trading Associates Limited

INDIVIDUALLY AGREED TERMS SCHEDULE

Base Currency	GBP
Capacity	You will only contract with us in a principal capacity and you will accordingly be liable and remain liable to us on, and beneficially entitled to, each Transaction entered under this Agreement.
Conditions of Payment	Our obligation to make payments on your behalf under this Agreement, whether acting as principal, agent or in any other capacity, is conditional upon receipt by us, on or before the due date (or reasonably satisfactory confirmation of such receipt by our settlement agents) of all necessary cleared funds, property and/or documents due to be paid or delivered by you in accordance with clause 1.8 of this Agreement.
Profit sharing	<p>There will be profit sharing under this Agreement.</p> <p>Profit Sharing: You will pay to us when we Transfer any cash or asset to you an amount that we calculate as being equal to our Profit Share in relation to such cash or asset. You hereby irrevocably authorise us at any time to debit from your account or to deduct from the cash or asset that we Transfer to you an amount equal to such Profit Share.</p> <p>Profit Share Percentage: the percentage for the calculation of Profit Share shall be as specified from time to time in our schedule of Fees and Charges published on our website at www.schneidertrading.com.</p>
Liability Cap	<p>1.1 The provisions of this paragraph apply if there is a Liquidation Amount which is positive and either:</p> <ul style="list-style-type: none">a) we have agreed to profit sharing in this Individually Agreed Terms Schedule; orb) the only Event of Default that has occurred is a Non-Team Default. <p>1.2 In the circumstances described in paragraph 1.1 of this Individually Agreed Terms Schedule, your Obligation to pay such Liquidation Amount, the amount of any payment under clause 14.7 (<i>Indemnity</i>) and your Obligations under any Margin Integration Deed shall be limited to an aggregate amount equal to the lower of:</p> <ul style="list-style-type: none">a) the Excess Margin; andb) your Share of the Liquidation Amount or such payment under clause 14.7, <p>in each case, as we calculate to apply on the Liquidation Date or other relevant date.</p> <p>1.3 The limitation of liability in paragraph 1.2 of this Individually Agreed Terms Schedule does not apply to:</p> <ul style="list-style-type: none">a) your other Obligations including without limitation your obligation to pay our fees, costs and expenses in connection with this Agreement;b) your Obligations in respect of any Transaction or Joint Transaction which has not been terminated; orc) any loss that arises (directly or indirectly) from your negligence, wilful default or fraud including (without limitation) arising from your failure to comply with any direction from us or your failure to comply with any trading, position or risk limit that we have imposed on you either generally or specifically.
Hold Back Account, Equity Account and Loan Account	In addition to any other account you may hold with us we may open an account in your name from time to time and designate it as either a Hold Back Account, an Equity Account or a Loan Account. The terms and operation of such account shall be as specified in our Schedule of Account Terms, published on our website at www.schneidertrading.com from time to time, or as separately agreed with you in writing.
Obligation to Maintain Confidentiality and Non-solicitation	<p>As a result of us providing you with facilities or services including but not limited to access to our trading floor and premises you may become aware of the identity of our other clients, employees, business associates, suppliers or investors. You may also gain access to or be provided with confidential information held by us or those other parties including but not limited to trade secrets, trading strategies, business know how or similar proprietary information. You agree that during and for a period of six months after the termination of this Agreement you shall not yourself or through or with any other party:</p> <ul style="list-style-type: none">(a) make use of or disclose any such information other than to the extent to which such disclosure or use is necessary in connection with the operation of this Agreement;(b) counsel, solicit or induce any of our Associates or employees to leave their employment;(c) counsel, solicit or induce any client to terminate their agreement with us;(d) counsel, solicit or induce any of our suppliers or investors to withdraw or amend their services or terms of supply or investment to or with us.

**Use of External Brokers
Prohibited**

Unless we have authorised you in writing and then subject to the specific terms of such authorisation you shall not use any broker or other party to enter in to or attempt to enter in to a Transaction either on your own or on any other persons behalf.

**Address for Notices and
Service of Process**

Our respective details for
notices are as follows:

Our Details

Name: Schneider Trading Associates Limited
Address: 4th Floor, 25 Copthall Avenue, London.
EC2R 7BP
Telephone No: 020 7664 4200
Fax No: 020 7664 4223

Your Details

Name: _____
Address: _____
Telephone No: _____
Email: _____

Schneider Trading Associates Limited

ACKNOWLEDGEMENT SCHEDULE

If there is anything you wish to query, please contact us as soon as possible.

You should complete this Schedule and read the Product Information Schedule. Please sign this Schedule and return one signed copy to us.

All joint account holders must sign. All trustees must sign. A company should arrange for this Agreement to be executed by the company by two directors or a director and the company secretary.

A. Agreement (all customers)

I/We have read, understood and agree to the clauses set out in this Agreement. Where I/we sign in a representative capacity, I/we confirm that I/we have full power and authority to enter into this Agreement

Executed by

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Print name

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Dated

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Schneider Trading Associates Limited

Addendum

Schneider Trading Associates Ltd Arcade clients

It is your responsibility to make yourself aware of the rules of the exchange(s) that you are to be trading on. Every exchange has an online section with a rule book, please ensure you have read and understand the relevant trading rules.

Prohibited Trades and Market Abuse

There are several types of trading activity, which are strictly prohibited under all exchange rules and are considered "improper" trades. Clients who enter into such trades may be subject to disciplinary action by the trading exchange and/or the firm/ Regulator. It is your duty and the Exchange's responsibility to maintain a proper market and therefore you must ensure that you do not participate in any transactions that could be considered to fall within the following:

Examples of improper trades are:

Prearranged trades i.e. trades agreed in advance between two or more parties which are not exposed to any relevant pricing mechanism established under the rules of the derivatives exchange.

Trades entered into under an agreement to indemnify losses.

Accommodation trades (usually non-competitive trades entered into with a view to assisting another party to conceal abuse).

Wash trades (whereby a false appearance of trading activity is deliberately created and/or causes a misleading trading price level).

Other than in the case of cross trades (see below), a proper trade must involve the participant entering into a long or short position (either for the firm's account or in the execution of an order) which generally either:

Has the effect of opening a new position and thereby creating an exposure to market risk, or

Has the effect of closing out a position and thereby removing (further) market risk.

Cross trades (transactions)

Deemed as:

a transaction by which a person matches, at the same price and on the same terms, the buy and sell orders of two or more persons for whom he is acting as agent;

a transaction to which only one person is a party, by which he purports to sell and buy from himself.

NOTE: Unless expressly permitted a transaction to which only one person is a party is not allowed. Any breach of this rule must be reported in accordance with the Company's written procedures. Trade support will immediately contact the relevant Exchange to mitigate the possible effects of an implied cross trade. Any trader who causes a notified cross trade to be executed can be fined up to £500. Any trader who causes a cross trade which is not notified to Trading Services can be fined up to £1000. Notwithstanding this the Exchange or Regulator may take additional measures.

It is expressly forbidden to enter an order or effect a transaction with the objective to influence market prices and create a false or misleading impression in the market. This is subject to internal sanction as well as possible sanctions by the relevant exchange and/or regulator.

Clients are prohibited from engaging in practices which may cause degradation of the Exchange services or give rise to a disorderly market. Included in this, is to submit unwarranted or excessive electronic messages or requests to a trading platform. This is generally known as Order Splitting.

The monitoring of any such activity by the firm is based purely on Exchange feedback. Compliance will be contacted by the relevant Exchange and informed of the Order Splitting offence. The standard Exchange request is generally to provide a written warning to the relevant client and/or to provide appropriate further detail of the incident to prevent a repeat occurrence. Compliance will undertake the Exchange request and provide feedback as appropriate. Clients who cause the firm to receive Exchange warnings for Order Splitting can be fined up to £500. Notwithstanding our own procedures the Exchange may take additional measures which include withdrawing access of Exchange products to the relevant individual.

Please refer to the following rule books for provisions relating to Misleading Acts or Deceptive Methods of Trading, specific to each of our member Exchanges.

Montreal Rule Book: http://reg.m-x.ca/en/regulation/rules_policies (section 6380 cross trades)

LSE Rule Book: <http://www.londonstockexchange.com/traders-and-brokers/rules-regulations/rules-lse-2010.pdf> (general conduct section 1400 onwards)

EUREX http://www.eurexchange.com/download/documents/regulations/trading_conditions/trading_conditions_en.pdf (crossing rules section 2.3)

EuronextLiffe Rule Book: <http://www.euronext.com/fic/000/059/181/591811.pdf> (Euronext crossing rules section 3.4) and <http://www.euronext.com/fic/000/051/477/514771.pdf> (LIFFE Wash trade rules section 4.3)

The ICE https://www.theice.com/publicdocs/rulebooks/futures_us/27_Electronic_Trading_Rules.pdf ICE cross rule section 27.21

CME covering CBOT and NYMEX <http://www.cmegroup.com/rulebook/CME/1/5/> CME wash trades rule 534

FSA's Code of Market Conduct for differing examples of market abuse.

<http://fsahandbook.info/FSA/html/handbook/MAR/1>

If you are in any doubt or you have any questions please contact compliance; compliance@schneidertrading.com