

ShortsandLongs.com

→ Customer Agreement

S&L

Customer Agreement Policy

Please read this Agreement carefully as it will govern your relationship with shortsandlongs.com, which is a trading name of Spreadex Limited.

Please note: This Agreement governs all existing and new transactions entered into after 1st June 2009.

→ 1. Introduction

(1) [Shortsandlongs.com](https://shortsandlongs.com) ("we", "us", "our", "ours" and "ourselves" as appropriate), is a trading name of Spreadex Limited, a spread-betting bookmaker authorised, regulated and registered by the Financial Services Authority (hereafter known as the FSA), registration number 190941. The Financial Services Authority is based at 25 The North Colonnade, Canary Wharf, London E14 5HS and www.fsa.gov.uk.

Our registered address is The Ziggurat, Grosvenor Road, St Albans, Hertfordshire, AL1 3AW, and we are registered in England and Wales, Company number 03720378.

(2) This Agreement will govern all bets between us and the customer ("you", "yours" and "yourself" as appropriate). You should read this Agreement carefully together with the contents of the [Shortsandlongs.com](https://shortsandlongs.com) website, Risk Warning Notice and any other documents that we have supplied or in the future do supply to you whether in durable medium or via the website. Your attention is drawn, in particular, to those Rules which are highlighted in **bold**.

(3) Nothing in this Agreement will exclude or restrict any duty or liability owed by us to you under the Financial Services and Markets Act 2000 (the "Act") or the FSA Rules and if there is any conflict between this Agreement and the FSA Rules, the FSA Rules will prevail.

(4) It is important to note that, in placing a bet with us, you are entering into a contract which is legally enforceable by virtue of section 412 (or any other superseding section) of the Act.

(5) In this Agreement certain words and expressions have the meanings set out in the Glossary of Terms at the end of this document.

(6) The subheadings contained in this Agreement are purely to assist with reference and shall have no bearing on the construction of the relevant Rule or Rules. While some passages have been highlighted in bold type, this is not to suggest that those that are not highlighted can be ignored or are any less important than those in bold. No person other than a Director of Spreadex Limited is authorised by us to make any representation on our behalf as to the meaning or effect of this Agreement.

→ 2. Choice of Law and Jurisdiction

(1) This Agreement and each bet entered into between us and you are in all respects governed by English law and the courts of England and Wales will have non-exclusive jurisdiction to settle any disputes that may arise in relation thereto. Nothing in this Rule 2 will prevent us from bringing proceedings against you in any other jurisdiction.

(2) If you are situated outside England and Wales, process by which proceedings in England are begun may be served

on you by being delivered to either the postal or email address provided by you when you opened your account or to any new such address subsequently notified to us. Nothing in this Rule affects our right to serve process in another manner permitted by law.

→ 3. The services we will provide

This Agreement will come into effect on the date we open your account or, if you already have an account with us, on the date we notify you. This Agreement sets out the basis on which we will enter into bets with you and governs the operation of your account and each bet entered into or outstanding between you and us on or after this Agreement comes into effect. Any new edition of this Agreement will come into effect on the date we notify you and any such new edition will supersede any previous agreement between us on the same subject matter and govern any bet entered into or outstanding at the date the new edition comes into effect. Unless we otherwise agree, you will need to enter into a further agreement with us in respect of any other services which we agree to provide to you.

→ 4. Dealings between You and Us

(1) We will act as principal (and bookmaker) and not as agent on your behalf. You will open each bet with us as principal and not as agent for any undisclosed person. This means that unless we have otherwise agreed in writing, we will treat you as our client for all purposes and you will be directly and personally responsible for performing your obligations under each bet opened by you, whether you are dealing with us directly or through an agent. If you act in connection with or on behalf of someone else, whether or not you identify that person to us, we will not accept that person as an indirect customer of ours and we will accept no obligation to them unless otherwise specifically agreed in writing.

(2) Dealings with you will be carried out by us on an execution-only basis. You agree that, unless otherwise provided in this Agreement, we are under no obligation:

- (a) To satisfy ourselves as to the suitability of any bet for you;
- (b) To monitor or advise you on the status of any bet;

(3) You will not be entitled to ask us to provide you with advice relating to a bet or make any statement of opinion to encourage you to enter into a particular bet. We may, at our absolute discretion, provide information:

(a) In relation to any bet about which you have enquired, particularly regarding procedures and risks attaching to that bet and ways of minimising risk; and

(b) By way of factual market information, however, we will be under no obligation to disclose such information to you and in the event of us supplying such information; it will not constitute advice or a personal recommendation to you. If, notwithstanding the fact that dealings between you and us are on an execution-only basis, a person employed by us nevertheless makes a statement of opinion (whether in response to your request or otherwise) regarding any bet, you agree that it will not be reasonable for you to rely on such statement and that it will not constitute advice or recommendation.

(4) You acknowledge that information given to you may result in gains or losses and agree that, in the absence of our fraud, wilful default or negligence, we will not be liable to you in any way for any loss that you may incur as a consequence of our having given or not given any information to you. You acknowledge and agree that if, in any given circumstance, we do not positively offer any information in relation to any bet that does not imply that we are advising you to take or not to take action in relation to that bet.

(5) You acknowledge that where we give you information in relation to a bet we or some other person connected with us may have an exposure to, or interest, relationship or arrangement in, or that is material to, the bet concerned. When we give you information about a bet we could have matching or opposite bets or other similar interests on behalf of another client, or ourselves.

(6) Notwithstanding Rules 4(3) to 4(5), you agree that you rely on your own judgement in opening, closing, or refraining from opening or closing a bet with us and that we will not, in the absence of fraud, wilful default or negligence, be liable for any losses (including, without limitation, indirect or consequential losses, or loss of opportunity or profits arising from any failure by you to make any anticipated profits), costs, expenses or damages suffered by you arising from any inaccuracy or mistake in any information, or unsuitability of any information, given to you including, without limitation, information relating to any of your bets with us. You acknowledge and agree that if, in any given circumstance, we do not positively offer any advice or recommend that you take any action in relation to any bet, that does not imply that we are advising you not to take such action (or any action at all) in relation to that bet. Subject to our right to void or close any bet in the specific circumstances set out in this Agreement, any bet opened by you following such inaccuracy or mistake will nonetheless remain valid and binding in all respects on both you and us.

(7) Without detracting from any other limitation of our liability contained elsewhere in this Agreement, the maximum amount of our liability in respect of any losses that you may suffer in connection with any information given by us regarding a bet will be limited to four times the amount of spread payable in respect of that bet.

(8) We will take all reasonable steps to provide you with best execution in accordance with the FSA rules and our 'Order Execution Policy' when we execute bets on your behalf. The arrangements we put in place to give you best execution are detailed in our 'Order Execution Policy', which has been added to this Agreement and follows towards the end of this document. Unless you notify us to the contrary, you will be deemed to consent to our 'Order Execution Policy' when this Agreement comes into effect. If you do not consent, we may be unable to provide our services to you.

(9) All transactions between us will be governed by (i) the Application Form, (ii) the Risk Warning Notice, (iii) this Agreement, (iv) the Act, (v) the FSA Rules, (vi) the spreads that we set from time to time and (vii) any further or separate arrangement that may be entered into between us. In the event of any conflict between this Agreement and any separate arrangement entered into between us, the separate arrangement shall prevail. It is your responsibility to ensure that you are aware of all the rules governing a particular bet before you open it. If you are unsure about any aspect of the rules or the spread relevant to a bet that you are proposing to open you should seek clarification with us before you open the bet.

(10) It is your responsibility to know that you are trading in the futures markets, and financial spread bets are always calculated from the underlying cash price. It is your responsibility to understand the difference between the cash and futures prices, and that any mention of cash prices is for reference purposes only. Please ask our financial traders if you are not sure.

→ 5. Commission and Tax

(1) We will not charge you commission or any fee for our trading services. We will instead seek to make our profit on our spread, which applies when you open and, in most cases, when you close a bet.

(2) We understand that UK tax law currently exempts UK residents from paying Capital Gains Tax on winnings from betting. Spread betting is not currently subject to Capital Gains tax or UK stamp duty. However, tax laws may well change in the future. We cannot advise you on tax and, if in any doubt, you should seek your own independent advice. You are responsible for paying all tax that may be payable in respect of your spread bets, other than betting duty, and for providing any relevant tax authority with any information relating to your dealings with us. The tax treatment of bets may differ according to your personal circumstances and, further, tax legislation and the interpretation thereof can change. Tax treatment depends upon your individual circumstances and the tax jurisdiction that applies to you. Tax treatment in jurisdictions other than the UK may be different and we recommend you seek your own independent advice from a person authorised to give such advice in your jurisdiction. You agree that if we provide you with any information or express any opinion in relation to the tax treatment of your dealings with us it will not be reasonable for you to rely upon any such statement and it will not constitute tax advice.

→ 6. Providing a Quote

(1) Upon your request and in accordance with Rules 6(2) and 6(3), we will quote a higher and lower figure for each Index, the difference between the two figures being our "spread". An indication of the spread between the higher and the lower figures is shown on the website. You acknowledge that when you close a bet the spread may be larger or smaller than the spread quoted when the bet was opened. The figures we quote will be in respect of the level of our Index and not the level of an underlying market, and you acknowledge that the level of our Index may be different from the level of an underlying market. Where there is an underlying market and bets are opened at any time when the underlying market is closed, you acknowledge that the spread may be larger than for bets opened or closed when that market is open.

(2) Subject to Rule 13, you may request a quote to open a bet or to close all or any part of a bet at any time during our normal hours of trading for the Index in respect of which you wish to open or close the bet. We will be under no obligation to but may, at our absolute discretion, provide a quote and accept and act on your offer to open or close a bet outside our normal hours of trading for the Index to which the bet relates. We may notify you of certain Indices in respect of which we will not quote, restrictions on the amount for which we will quote, or other conditions that may apply to our quote, but any such notification will not be binding on us.

(3) If we choose to provide a quote, as set out in Rule 6(2), we will provide such quote electronically via our website or by such other means as we may from time to time notify to you. Our quoting of a higher and lower figure for each Index (whether by internet or otherwise) does not constitute an offer by us to open or close a bet at those levels. A bet will be initiated by you offering to open or close a bet with us on an Index at the level quoted by us. We may, acting reasonably, accept or reject your offer at any time until the bet has been executed or we have acknowledged that your offer has been withdrawn. A bet will be deemed to have been opened or closed only when your offer has been received and accepted by us. Our acceptance of an offer to open or close a bet, and thus the execution of the bet, will be evidenced by our confirmation of its rules to you. Quotes displayed by us on any television or text service or via public pages of our betting website are for demonstration purposes only.

(4) If, before your offer to open or close a bet is accepted, we become aware that one of the factors set out at Rule 6(5) has not been satisfied at the time you offer to open or close a bet, we reserve the right to reject your offer at the level quoted. If we have, nevertheless, already opened or closed a bet prior to becoming aware that a factor set out in Rule 6(5) has not been met we may, at our absolute discretion, either treat such a bet as void from the outset or close it at our then prevailing price. However, we may, at our absolute discretion, allow you to open or, as the case may be, close the bet in which case you will be bound by the opening or closure of such bet, notwithstanding that a factor in Rule 6(5) was not satisfied.

(5) The factors referred to in Rule 6(4) include the following:

- (a) The quote must be obtained from us via our website, or by such other means as we may from time to time notify to you;
- (b) The quote must not be expressed as being given on an "indicative only" or similar basis;
- (c) if you obtain the quote electronically via our website or by such other means as we may from time to time notify to you, your offer to open or close the bet must be given while the quote is still valid;
- (d) The quote must not be manifestly erroneous;
- (e) A Force Majeure Event must not have occurred;
- (f) When you offer to open a bet, an Event of Default (See Rule 16) must not have occurred in respect of you;
- (g) The internet or other electronic conversation during which you offer to open or close the bet must not be terminated before we have received and accepted your offer;
- (h) Subject to Rule 6(2), your offer must be given to us during our normal trading hours for the Index in respect of which you offer to open or close the bet.

(6) Quotes will be given subject to: - maximum stake size, maximum overall size of position held and maximum

overall client exposure or risk. When the size of any one of these three factors exceeds the maximum level stated on our website, although further quotes will be given, only resultant offers to place a bet which constitutes the closure of an existing bet will be accepted. All other resultant offers to place a bet will be declined.

(7) Quotes will be given on the basis that we have sufficient information and access to live trading prices. We reserve the right to suspend trading on any financial market if such information is suspended or not available for any reason.

→ 7. Opening a Bet

(1) You will open a bet by "buying" (wagering that a specified Index will go up within a specified period) or "selling" (wagering that a specified Index will go down within a specified period). In this Agreement, a bet that is opened by "buying" is referred to as an "up bet" and a bet which is opened by "selling" is referred to as a "down bet". We may also, in our dealings with you, refer to (a) up bets as "longs", "long positions", "buys" and "highs"; and (b) down bets as "shorts", "short positions", "sells" and "lows".

(2) When you open an up bet, the opening level will be the higher figure quoted by us for the Index in respect of which the bet is made and when you open a down bet, the opening level will be the lower figure quoted by us for the Index in respect of which the bet is made.

(3) A bet must always be made for a specified number of pounds (£) per point of movement in an Index (the "stake"), irrespective of the way in which the Index in question is quoted in any relevant underlying market. Upon accepting an offer to open a bet, we will allocate it with a Bet Reference Number/ Trade id, which will be notified to you upon our confirming the bet under Rule 12(8). Please also see Rule 10 for the confirmation process for bets placed on the online system.

(4) When you open a bet you assume liability for all adverse movements in the relevant price or Index, limited only by the stop level (see Rule 10 (1b) below).

→ 8. Closing a Bet

(1) Subject to this Agreement and any requirement we may specify in relation to linked bets, you may close an open bet or any part of such open bet at any time prior to the Expiry Date for the Index in respect of which the bet is made by entering into a further bet in respect of the same Index and Expiry Date, but in the opposite direction. For the purposes of this Agreement references to closing a bet may be taken as meaning the crystallisation of winnings or losses in the manner set out in Rule 8.

(2) Details of the Expiry Date for Indices will normally be available on our website and may be obtained from our traders on request. It is your responsibility to make yourself aware of the Expiry Date for a particular Index before placing a bet.

(3) You acknowledge and agree that, when you close or partially close a bet at any time prior to the Expiry Date by placing an opposite bet in the manner contemplated in Rule 7 we and you will each treat our respective liabilities in relation to the two concurrent bets as having been simultaneously discharged to the extent that the opening level of the second bet will be deemed to be the closing level of the first bet, notwithstanding that the result of each bet on the Expiry Date is then unknown, and the first bet will then be treated by you and by us as being payable in accordance with Rule 8(6).

(4) If your bet has not already been closed by the Expiry Date for the Index in respect of which the bet is made, we will close your bet as soon as we have ascertained the closing level of the bet. No attempt will be made to contact you prior to expiry of your bet. The closing level of the bet will (subject to the value of any automatic stop figure) be:

The applicable official quotation or value in the relevant underlying market (as indicated in the Information Tables on the website) plus or, as the case may be, minus any spread which we apply when such a bet is closed. Details of the spread we apply when a particular bet is closed are available on request and you acknowledge that it is your responsibility to make yourself aware of any spread that we apply when you close a bet. The spread quoted will reflect prevailing market conditions.

(5) Our additional rights to void and/or close one or more of your bets in specific circumstances are set out in Rules 6(4), 9(1), 9(2), 16, 20(3), 21, 22, 23(7) and 30.

(6) Upon closing a bet:

(a) You will pay us the difference between the opening level of the bet and the closing level of the bet multiplied by the stake if the bet is:

(i) A down bet and the closing level of the bet is higher than the opening level of the bet; or

(ii) An up bet and the closing level of the bet is lower than the opening level of the bet; and

(b) We will pay you the difference between the opening level of the bet and the closing level of the bet multiplied by the stake if the bet is:

(i) A down bet and the closing level of the bet is lower than the opening level of the bet; or

(ii) An up bet and the closing level of the bet is higher than the opening level of the bet.

Unless we agree otherwise, all sums payable by you pursuant to Rule 8(6)(a) are due and payable upon the closing level of your bet being terminated by us and will be paid via transactions through your trading ledger. Sums payable by us pursuant to Rule 8(6) (b) will be settled in accordance with Rule 14 via your trading ledger.

→ 9. Betting Procedures – General

(1) Without prejudice to our right to rely and act on communications from your agent under Rule 12(4), we will not be under any duty to open or close any bet or accept and act in accordance with any instruction if we reasonably believe that such agent may be acting in excess of its authority. In the event that we have opened a bet before coming to such a belief we may, at our absolute discretion, either close such a bet at our then prevailing price or treat the bet as having been void from the outset. Nothing in this Rule 9(1) will be construed as placing us under a duty to enquire about the authority of an agent who purports to represent you.

(2) We will not be under any duty to open or close any bet if we reasonably believe that to do so may not be practicable or would infringe any law, rule or regulation. In the event that we have opened a bet before coming to such a belief we may, at our absolute discretion, either close such a bet at our then prevailing price or treat the bet as having been void from the outset.

(3) Additional betting procedures are set out on the website and in any other documents provided by us to you from time to time. Together, these sources constitute our rules of business. In the event of a conflict, we will specify which prevails.

(4) In the event that a situation arises that is not covered under these Rules or on the website, 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.

(5) No person under the age of 18 is allowed to bet with us.

→ 10. Trading Instructions

(1) There are three different types of trading instructions that you may attach to each bet, one is the roll status, another is mandatory for all bets in order to set the level of risk associated to each bet and the other is optional and

facilitates the taking of profits at a certain level.

(a) i) We may accept instructions from you to **automatically roll over daily bets** to the close of the relevant market the following trading day, so that your bet does not automatically expire. These 'rolling status' instructions may be edited online up until 10 minutes prior to market expiry.

ii) A bet will only be rolled into the following contract period, should there be sufficient funds available on your account at the end of the trading day.

iii) All bets on daily markets which are rolled-over to the following trading day are subject to a daily rolling fee adjustment. The adjustment will vary depending on the market instrument of each trade and will be a fixed proportion of either your stake or the total value of your bet (stake multiplied by market price). Full details of all roll charge calculations can be seen in the Market Information Sheet on our website. This sum is debited from your account at the close of each trading day, and notified to you by way of an email.

iv) All bets are processed on a 'first in first out' basis (ie: date order), irrespective of whether a buy or sell bet, and as soon as there are insufficient funds available on your account to cover a fee adjustment no further daily rolling bets will be rolled, instead all remaining bets with 'rollings status' will expire as at the end of the trading day.

v) The ability to request an automatic roll over on daily bets is restricted to certain daily markets, such as: those stocks trading in the FTSE 350 and the major indices.

vi) There is no ability to request an automatic roll over on any futures markets, these contracts will run to expiry (unless closed earlier by the client or by the price moving through either the stop level or profit level) and then simply close, there will be no contact just prior to expiry and it is your responsibility to open any replacement bet for expiry in the next contract period.

(b) All opening bets have to have a level set at which they will be closed, should the markets move against you, this level is based on our price and not the underlying market price. You must have sufficient funds available on your account to cover the losses that would occur should the market move against you, and your bet be closed at your pre-set level. This level may only be moved or amended, should there be sufficient funds available on your account to cover the losses that would occur should the market move against you to the new amended level. **This set level is guaranteed** and not subject to 'gapping through', the meaning of which is set out in the Glossary of Terms at the end of this Agreement. In this Agreement we refer to this process as placing a 'stop', and may also, in our dealings with you, refer to this as: - guaranteed stop loss, stop loss, setting risk, risk level and risk cover. There is no additional charge for this service. This stop level may be set in terms of either a specific price level or a specific amount (£) which may be lost. There are minimum 'stop distances' as explained under rule 10 (3) below. With regards to specific amounts (£) to be risked, these may only be set at amounts which would result in an exact mathematical match between a tradable price and the stake, and consequently may need rounding down to the closest match, in this instance the nearest match figure will be automatically calculated by the system based on the amount you have signified. This rounded down figure will be displayed for you to accept or amend, as you wish, however, it is mandatory for an acceptable stop level to be input in order that a bet may be struck.

(c) In order to facilitate the taking of profits at a certain level you may choose a level at which you wish your trade to be closed, in the event that the markets move in the desired direction, this level is based on our price and not the underlying market price. In this Agreement we refer to this process as placing a 'profit level', and may also, in our dealings with you, refer to this as:- limit order, stop win, profit stop level, profit limit and set profit. There is no additional charge for this service. This profit level may be set in terms of either a specific price level or a specific amount (£) to be won. With regards to specific amounts (£) to be gained, these may only be set at amounts which would result in an exact mathematical match between a tradable price and the stake, and consequently may need rounding up to the closest match, in this instance the nearest match figure will be automatically calculated by the

system based on the amount you have signified. This rounded up figure will be displayed for you to accept or amend or decline, as you wish.

(2) Triggers – both types of trading instructions described under (b) and (c) above will be activated according to our bid price (if the trade is a sell) or our offer price (if the trade is a buy).

(3) Minimum Distances – ‘stops’ may only be placed outside a minimum distance from the quote given at the time the instruction is placed. Multipliers will be applied to the minimum stop distance in certain situations, such as:- during periods of low liquidity in the underlying market, out of normal trading hours for the underlying market, during periods of unusual market behaviour.

(4) Market Hours – all three types of trading instructions described above may only be amended, edited, added or activated within our trading hours for the underlying market.

→ 11. Online Trading Platform

(1) All bets will be placed via our online trading platform at www.shortsandlongs.com.

(2) It will be necessary for you to create your own online specific password and ‘preset security question and answer’ in order to activate your account for the purposes of online trading. In order to create your password and ‘preset security question and answer’ you should go to www.shortsandlongs.com and register for online access. You will be asked to input your name; date of birth; and your account number. You will then be asked to choose a password (in the format specified) and to provide us with a security question and answer. You are strongly recommended to use a security question that is unique to you and is not common knowledge amongst your friends and family. We reserve the right to refuse to accept a password and/ or security question and answer as we see fit.

(3) Your password must be declared, together with your account number, when you wish to access your account. You will be deemed to have authorised all trading under your account number. You must apply to change your password immediately you have reason to believe that anyone may be able to use your account without your authority or should you have mislaid a written copy of your password. We urge and recommend that clients do not maintain a written copy of their password.

(4) Bets may only be opened and closed and trading instructions placed or amended during our online trading hours. Our online trading hours vary according to the market being traded and are subject to change at short notice.

(5) You may not be able to open and close bets and/ or place or amend trading instructions during our online trading hours if we suspend trading in all or any one of our markets in the circumstances provided for under Rule 22 below (Force Majeure).

(6) When you access your account online, you will be able (from the ‘Trading Floor’ menu), to gain access to a variety of markets, against each of those will be a button marked ‘BUY’ or ‘SELL’. Clicking on this button will produce a request ‘ticket’, containing a constantly updating ‘buy’ and ‘sell’ price for that market. Having supplied all of the appropriate details (stake, stop level, signified whether a rolling bet and profit level where appropriate), to place a bet you click the button marked ‘BUY NOW’ or ‘SELL NOW’.

This instruction will in law constitute an offer by you to buy or sell at the price quoted (at the time ‘BUY NOW’ or ‘SELL NOW’ was clicked) and for the stake and other details input. You will then be asked to wait for confirmation. This is while we process your offer. If we accept your trade request we will send you a message that confirms your bet and provides a trade id. Until you receive confirmation that the bet has been accepted, the bet has not been placed. You must wait for this message to appear after placing a bet and should you not receive this within one minute you must notify us immediately (by email to info@shortsandlongs.com). If you do not receive our confirmation and you do not

notify us as required, you will be deemed to have agreed the transactions recorded by us. Similarly, if you dispute the contents of any confirmation sent by us to you, you must notify us immediately upon receipt by email; if you do not, the transactions recorded by us will be deemed to be agreed by you.

Placing/ editing trading instructions - When you access your account online, you will be able to, (from the 'Trading Floor' menu), edit a roll status, edit a stop or place/ edit/ remove a profit level, (from the 'My Positions' page). Against each bet will be an 'edit trade details' button. Clicking on this button will produce a request 'ticket'. Having supplied all of the appropriate details to edit a roll status, edit a stop or place/ edit/ remove the profit level, click on the 'EDIT NOW' button. This will constitute an instruction to us to perform the specified action. You will then be asked to wait for confirmation. This is while we process your request. If we accept your request we will send you a message that confirms the amendment together with a trade id. Until you receive confirmation that the request has been accepted the trading instruction (ie: roll status, stop or profit level) amendment has not been placed. You must wait for this message to appear after placing the trading instruction amendment and should you not receive this within one minute you must notify us immediately. If you do not receive our confirmation and you do not notify us as required, you will be deemed to have agreed only to the bets recorded by us. Similarly, if you dispute the contents of any confirmation sent by us to you, you must notify us immediately upon receipt by email; if you do not, the bets recorded by us will be deemed to be agreed by you.

(7) We strongly recommend that you keep your own records of your online trading and trading instructions (ie: rolling status, stops and profit levels), including details of the times, dates and nature of your instructions, as these may be important in the event of a dispute. Consequently, you acknowledge and agree that you will print off, or otherwise note, every trade or rolling status/ stop/ profit level confirmation you receive. This is proof of the bets opened and closed on your account (and other trading instructions given) and will be important if there is a dispute. We shall not be obliged to entertain any query or complaint unless you are able to produce the relevant 'confirmations'. Confirmations will appear both on screen and be sent by email for all bets, and trading instructions, ie: rolling status, stops and profit levels.

(8) Online trading instructions must be given by you between the time when a bet request is activated and the time when it expires. We shall have no liability to you if the online connection is lost with the result that you are unable to open or close a bet and/ or amend a stop or place/ amend/ remove a profit level at any given price.

(9) We take reasonable precautions to ensure that data generated by us has been swept for viruses, but it is your responsibility to ensure that the onward transmission, opening or use of such data will not adversely affect your systems or data. Please ensure that your computer has up to date virus detection software and please carry out such virus and other checks as you consider appropriate. No responsibility is accepted by us for losses that you may suffer as a result of the onward transmission of viruses from us to you.

(10) We shall not be liable to you for any direct or indirect costs, claims, losses, damage, liabilities or expenses you may suffer or incur as a result of errors or failures of our website and/ or online trading platform which may include, but are not limited to:-

(a) Unauthorised access to our online trading platform by a third party unless this has arisen by reason of our negligence.

(b) You having difficulty or being unable to communicate with us through our online trading platform. This may result in you being unable to open or close bets and/ or amend a stop or place/ amend/ remove a profit level at a time when you wanted to do so and may also mean that you will not receive messages that we have sent to you.

(c) You receiving misleading or inaccurate information from our website and / or online trading platform.

(d) You receiving incorrect prices (See Rule 30) from our website and / or online trading platform.

(11) We reserve the right to reduce or remove altogether our online service at any given time.

→ 12. Communications

(1) You acknowledge and agree that:

(a) When completing the Online Account Application Form you must provide contact details, including a telephone number and email address at which you can be easily contacted at various times of the day and days of the week. Any email address, telephone number etc. contained in the contact details given by you may be regarded by us as the email address, telephone number etc. at which you may be contacted.

(b) It is your responsibility to notify us by email of any time that may be spent away from the normal contact point, whether overseas or elsewhere in this country, and to provide alternative contact details.

(2) An offer to open or close a bet (and placing of trading instructions) must be made by you, or on your behalf: via the client pages on our website; or in such other manner as we may specify from time to time. Written offers to open or close a bet, including offers sent by fax or email or text message, will not be accepted. Any communication that is not an offer to open or close a bet must be made by you, or on your behalf: orally, by telephone or in person; in writing, by e-mail, post, and fax; or in such other manner as we may specify from time to time. If sent to us by post or by fax, a communication must be sent to our head office, and if sent by e-mail it must be sent to an email address currently designated by us for that particular purpose. Any such communication will only be deemed to have been received by us upon our actual receipt thereof. Our preferred method of communication is email.

(3) If we receive an offer to place or close a bet other than in accordance with Rule 12 (2), we may accept and act upon such offer at our absolute discretion and will not be responsible for any loss, damage or cost which you suffer or incur arising out of any error, delay or omission in acting upon such offer.

(4) If at any time you are unable, for whatever reason, to communicate with us or you do not receive any communication sent by us under this Agreement we will not:

(a) be responsible for any loss, damage or cost caused to you by any act, error, delay or omission resulting thereof from where such loss, damage or cost is a result of your inability to open a bet; and

(b) except where your inability to instruct us or communicate with us results from our fraud, wilful default or negligence, be responsible for any other loss, damage or cost incurred by or caused to you by any act, error omission or delay resulting thereof from including without limitation, where such loss, damage or cost is a result of your inability to close a bet.

(5) You acknowledge and agree that any communication transmitted by you or on your behalf is made at your risk and you authorise us to rely and act on, and treat as fully authorised and binding upon you, any communication (whether or not in writing) that we reasonably believe to have been made or transmitted by you or on your behalf by any agent or intermediary whom we reasonably believe to have been duly authorised by you. You acknowledge that we will rely on your account number and/or password and/ or security question and answer to identify you and agree that you will not disclose these details to any person who is not duly authorised by you. If you suspect that your account number and / or password and/ or security question and answer has been learnt or may be used by any other person then you must notify us immediately.

(6) You agree that we may record our telephone conversations with you. Such records will be our sole property and you accept that they will constitute evidence of the communications made.

(7) You agree that in the event of a dispute over any communication (including a dispute as to whether a bet was ever opened); we may close the actual or alleged bet in accordance with the contents of Rule 8.

(8) We will confirm each bet that we open for you.

(a) If you open or close a bet with us via the online trading platform we will confirm the bet on screen and by email. Confirmations will be emailed on or before the business day following the day upon which the bet is opened (or, as

the case may be, closed). Unless you indicate on your Online Account Application Form that you wish to receive confirmations in relation to bets that are closed on the same day as that on which they are opened, our Compliance Officer will retain these confirmations.

(b) You will, in the absence of manifest error, be bound by and deemed to have acknowledged the content of any confirmation unless you have notified us to the contrary by email: (i) within one hour of the bet or purported bet (in the case of on-screen confirmations) or (ii) within two business days of the day on which you are deemed to have received the confirmation in accordance with Rule 12(8a) above. In the event that you think that you have opened or closed a bet but we have not sent you a confirmation in respect of that bet, any query in relation to the purported bet will not be entertained unless:

(c) You inform us within two business days of the day on which you ought to have received a confirmation for the purported bet; and you can provide accurate details of the time and date of the purported bet. In the event of any inconsistency between an on-screen confirmation and a subsequent written confirmation of the same bet we will determine the position reasonably on the basis of the available evidence.

(d) We will provide you with a statement of your account on a regular basis.

(9) Although our preferred method of communication is via email, we may communicate with each other in writing (including fax), by email or by any other means of electronic communication or orally (including by telephone); and you consent to us telephoning you at any time whatsoever to discuss any aspect of our business. We may also communicate with you through our website. We will ensure that the method of sending emails and communicating via our website enables you to print the information and/ or store the information for future reference for a reasonable period of time. If you do not wish us to so contact you for any direct marketing activities, you must inform us by email. All communication and documentation between us, including the placing and receiving of trades, will be in English.

(10) You agree that we may send the following notices to you by email and/ or by posting them on the client pages of our website where they are accessible only to you:

- (a) All statements and formal confirmations;
- (b) Bet confirmations; and
- (c) Confirmation of a trading instruction, eg: roll status, stop and profit level.
- (d) All correspondence.

We will not send you a paper copy of a message sent to you by e-mail. Sending a message to you by email fully complies with all our obligations under the Agreement and the FSA Rules.

(11) Other than as set out at Rule 12(10) above, all correspondence, documents, written notices, confirmations and statements will be sent or transmitted to you at the email address specified on your online account opening form or to such other email address as you may subsequently notify to us. Any correspondence, document, written notice, confirmation or statement will be deemed to have been properly given one minute after we have transmitted it to the email address last notified by you to us.

(12) It is your responsibility to ensure that we have been notified of your current and correct email address and contact details. Any change to your email address or contact details must be notified to us immediately by email unless we agree to another form of communication.

(13) You acknowledge that there is an inherent risk that communications by electronic means may not reach their intended destination or may do so later than intended for reasons outside our control. You accept this risk and agree that a failure or delay by us to receive any offer or communication from you sent electronically, whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that offer or communication or any bet to which it relates.

→ 13. Account Summary Terms

The assortment of terms/ expressions used to describe the various constituents of the account summary are as follows:-

- (1) Cash Balance (CB) – Funds deposited plus realised trade profits or minus realised losses. There is a discretionary 'upper limit' on the level of funds deposited.
- (2) Guaranteed Profits (GP) - Sum of the open positions, marked to stop level where closing at the stop level will result in a profit on the trade.
- (3) Risk (R) – Sum of open positions, marked to stop level where closing at the stop level will result in a loss on the trade. Risk will always be ≤ 0 , ie: a negative number.
- (4) Unrealised Profit and Loss – Sum of valuation of all open positions on a bid/ offer basis.
- (5) Available for Trading (AT) - These are the monies which may be used to support trading. This represents the sum of cash balance (CB) and guaranteed profit (GP) and Risk (R), ie: $AT = CB + GP + R$
- (6) Available for Withdrawal (AW) – The sum of cash balance (CB) and Risk (R). Guaranteed profits (GP) may only be withdrawn after crystallisation, ie: closure of the trade and realisation of the profit, ie: $AW = CB + R$ and $GP = AT - AW$ and $AT = AW + GP$ and $AW = AT - GP$.

→ 14. Payments to/ from Accounts

- (1) All payments to accounts are made by either debit or credit card via the website. If a request for authorisation of a card payment is declined, it is your responsibility to investigate the reason for that decision to decline with your card issuers, as at no time will we be given any details of such reasons. You acknowledge and agree that we may debit from your account a reasonable charge for card transactions. Any such charges will be notified to you in your periodic statement of account.
- (2) All payments from accounts are made, via the website, back to either debit or credit cards, previously used to make a payment, however, due to regulations imposed by MasterCard, we are unable to process any payments to MasterCards.
- (3) We will provide you with a regular statement detailing the transactions covered in the statement period. You will be sent email notification (at the email address stated in your online account application form or subsequently advised), when your statement is ready to be viewed online in your secure area of the website. It is your responsibility to keep us advised of your up-to-date email address.

→ 15. Right of Set Off

- (1) We have a right of set off between accounts held in the same name at Spreadex Ltd and shortsandlongs.com, and will transfer funds between them at our absolute discretion.
- (2) We have a right of set off between the cash balance and unrealised losses on your account, and only the funds available for withdrawal on your account may be considered your asset or collateral.

→ 16. Events of Default

The following are events of default:-

- (1) You make any statement to us that is not true and accurate, or that is misleading in any significant way.
- (2) Any statement previously made by you becomes untrue or misleading, and you fail to inform us of the true position as quickly as you reasonably can.
- (3) You break any promise or undertaking to us to do or to refrain from doing anything at all. This applies whether the undertaking was formally or informally given, and whether or not it was enforceable as or under a contract, and includes a promise or undertaking to pay us money by any specific time.

- (4) You become unable to pay your debts as they fall due.
- (5) A statutory demand is served on you or bankruptcy petition is presented against you, or (if you are a company) a statutory demand is served on you, or a petition is presented or a resolution is passed for your winding up, or an administrator or receiver or administrative receiver is appointed in respect of you or any of your assets.
- (6) You are pursued for payment by any person who in our reasonably held view claims in good faith to be owed money by you.
- (7) We receive a certified copy of your death certificate.
- (8) You are treated by any medical practitioner for any mental illness, including depression.
- (9) Any card payment is recalled or charged back, or refused/ declined by any other method.
- (10) We have reasonable grounds to suspect you of Market Abuse.
- (11) You are rude to our staff.
- (12) Any event occurs that is described anywhere in this Agreement as an event of default.
- (13) You breach any rule of this Agreement.
- (14) You become aware that there are grounds for believing that an event of default will occur before the expiry date of any open bet on your account.
- (15) An event of default has occurred and you do not draw it to our attention.
- (16) Any event analogous to any event of default described above occurs in any jurisdiction outside England and Wales.
- (17) If an event of default occurs we will be immediately entitled, but not obliged, to close at our absolute discretion all of your open bets (whether they are winning or losing) without notice to you at our then prevailing price, or if there is none then at a price which is fair and reasonable. If you have more than one account this will apply to all of your accounts whatever their state and we will be able to set off any positive balance on one account against any negative balance on any other. You acknowledge and agree that:-
- (18) We will not be under any obligation to give you any opportunity to remedy an event of default before we close your bets.
- (19) If an event of default has occurred we will be entitled to close your bets whether or not we know about the event of default at the time when we close the bets.
- (20) An event of default will only entitle us to close your open bets if (a) the event of default occurred after the bets in question were opened, or (b) the event of default occurred before the bets were opened but we did not actually know about the event of default at the time when the bets were opened. For the purposes of this Rule, actual knowledge means that the facts are recorded on our computer systems and / or that actual knowledge of them is held by us, and does not include mere knowledge of facts from which the event of default could be inferred or anything else short of actual knowledge of the event of default. You agree and acknowledge that where a bet or bets of yours have been closed after an event of default of type (b) above has occurred it will be presumed unless you prove to the contrary that we did not actually know about the event of default at the time when the bets were

opened. Please note, however, that regardless of the state of our knowledge failure by you to pay any money due to us by the time when it is due will be treated as a continuing act of default entitling us to close any or all of your bets at our discretion at any time before the money is paid or we agree a later time for payment.

(21) If an event of default has not occurred but we reasonably believe that (i) an event of default is likely to occur and (ii) that it is desirable to protect our position by closing your bets, then we will be entitled to close all of your bets.

(22) Where any bets are closed by us after an event of default entitling us to close them has occurred, any profits or losses crystallising on such closure will be binding as though the bets had been closed on your express instructions.

→ 17. Client Money

(1) Unless otherwise agreed in writing, we will hold your money as trustee in a segregated margined account at an approved bank or banks chosen by us in accordance with the FSA Client Money Rules and subject to and in accordance with this Agreement.

(2) You agree and acknowledge that we may hold client money on your behalf with an approved bank in a client bank account located outside the United Kingdom or pass money held on your behalf to an intermediate broker, settlement agent or OTC counterparty located outside the United Kingdom. The legal and regulatory regime applying to any such approved bank or person will be different from that of the United Kingdom and in the event of the insolvency or any other equivalent failure of that approved bank or person, your money may be treated differently from the treatment which would apply if the money was held with an approved bank in an account in the United Kingdom. We will not be liable for the solvency, acts or omissions of any third party referred to in this sub-clause.

(3) It is not our policy to pay interest to you on any of your money that we hold and by entering into this Agreement you acknowledge that you are waiving any entitlement to interest on such money under the FSA Client Money Rules or otherwise.

(4) You agree that, in the event that there has been no movement on your account balance for a period of at least four years (notwithstanding any payments or receipt of charges, interest or similar items) and we are unable to trace you despite having taken reasonable steps to do so, we may release any client money balances from the segregated account and will no longer hold it as trustee on your behalf.

→ 18. Transfer of Full Ownership of Money

(1) This clause only applies to you if you have signed an election statement pursuant to which you agree that it shall have effect.

(2) Funds which you pay into your account are held by us to cover your current and future open spread-betting positions. When you pay funds into your account you will therefore be treated as transferring full ownership of money to us for the purpose of securing or otherwise covering present, future, actual, contingent or prospective obligations which you might owe to us, and as such we will not be required to hold those funds pursuant to the Financial Service Authority's Client Money Rules (set out in the Client Asset Sourcebook of the FSA's Handbook of Rules and Guidance, which you can access at <http://www.fsa.gov.uk>).

(3) As a result, you will cease to have a proprietary claim over any funds which you have paid into your account and we shall be permitted by the Financial Service Authority's Client Money Rules to hold and deal with those funds in such manner as we may determine in our discretion. You will be entitled to ask us to return to you all or any part of the credit balance of your account from time to time but we shall only be required to do so to the extent that such amounts are not securing or otherwise covering current open positions.

(4) If we close all of your accounts so that there are no open positions, we will pay to you the net credit balance of your account after deducting all outstanding amounts which you owe to us.

→ 19. Indemnity and Liability

(1) Subject always to Rule 1(3), you will indemnify us, and keep us indemnified on demand in respect of all liabilities, losses or costs of any kind or nature whatsoever that may be incurred by us as a direct or indirect result of any failure by you to perform any of your obligations under this Agreement or in relation to any bet or in relation to any false information or declaration made either to us or to any third party.

(2) You will take all reasonable steps to ensure that no computer viruses, worms, software bombs or similar items are introduced into the computer hardware or software you use to access our website.

(3) 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 account number, user name and / or password and/ or security question and answer, whether or not you authorised such access.

(4) Without prejudice to any other Rules of this Agreement, we will have no liability to you in relation to any loss that you suffer as a result of any delay or defect in or failure of the whole or any part of our website or any systems or network links or any other means of communication. We will have no liability to you, whether in contract or in tort (including negligence) in the event that any computer viruses, worms, software bombs or similar items are introduced into your computer hardware or software via our internet website, provided that we have taken reasonable steps to prevent any such introduction.

(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 will not be liable for any direct, indirect, incidental, special, punitive or consequential damages (including, without limitation, loss of business, loss of profits, failure to avoid a loss, loss of data, loss or corruption of data, loss of goodwill or reputation) caused by any act or omission of ours under this Agreement.

(6) If and to the extent that we are found liable for any losses or damages in relation to a bet then, unless we are prohibited from limiting such liability by law, the maximum amount of our liability will be limited to four times the amount of spread paid or payable by you in respect of that bet.

→ 20. Representations and Warranties

(1) You represent and warrant to us, and agree that each such representation and warranty is deemed repeated each time you open or close a bet by reference to the circumstances prevailing at such time, that:

(a) The information provided to us in your Online Account Application Form and at any time thereafter is true and accurate in all respects;

(b) You are duly authorised to execute and deliver this Agreement, to enter into each bet and to perform your obligations hereunder and there under and have taken all necessary action to authorise such execution, delivery and performance;

(c) You will enter into this Agreement and each bet as principal;

(d) Any person representing you in opening or closing a bet will have been, and (if you are a company) the person signing this Agreement on your behalf is, duly authorised to do so on your behalf;

(e) to the extent that any governmental or other authorisations and consents are required by you in connection with this Agreement and in connection with opening or closing bets, you have obtained such authorisations, they are in full force and effect and all of their conditions have been and will be complied with;

(f) execution, delivery and performance of this Agreement and each bet will not violate any law, ordinance, charter, by-law or rule applicable to you or to the jurisdiction in which you are resident, or any agreement by which you are bound or by which any of your assets are affected; and

(2) In the absence of fraud, wilful default or negligence, we give no warranty regarding the performance of our website, internet dealing or other software or their suitability for any equipment used by you for any particular purpose.

(3) Any breach by you of the warranties in Rule 20 above renders any bet voidable or capable of being closed by us at our then prevailing prices, at our absolute discretion.

→ 21. Insider Dealing / Market Abuse

(1) We frequently hedge our liability to clients by opening analogous positions with other institutions. The result of our doing this is that when a client bets on shares with us their bets can through our hedging exert a distorting influence on the underlying market for that share, in addition to the impact that it might have on our own prices. This could amount to Market Abuse. You therefore represent and warrant to us and agree that each such representation and warranty is deemed repeated each time you open or close a bet, that: -

(2) We may accept trades that are declarable.

(3) You will not place and have not placed a bet with us in connection with:

(a) A placing, issue, distribution or other analogous event; or

(b) An offer, take-over, merger or other analogous event in which you or an associate of yours is involved or otherwise interested.

(4) You will not place and have not placed a bet that contravenes any primary or secondary legislation or other law against insider dealing. For the purposes of this clause you agree that we may proceed on the basis that when you open or close a bet with us on a share price you may be treated as dealing in securities within the meaning of Part V of the Criminal Justice Act 1993 and the Financial Services and Markets Act 2000.

(5) In accordance with The Takeover Panel guidelines you have to report declarable interests during a bid period. Please contact the Takeover Panel if unsure of your responsibilities.

(6) In the event that you place any bet in breach of the representations and warranties given above, or we have grounds for suspecting that you have done so, we may at our absolute discretion and without being under any obligation to do so or to inform you of our reason for doing so, close that bet and any other bets that you may have open at the time and also at our absolute discretion we may:-

(a) Enforce the bet or bets against you if it is a bet or bets under which you have lost money to us; or

(b) Treat all your bets closed under this clause as void if they are bets under which you have won money from us, unless and until you produce conclusive evidence that you have in fact not committed the breach of warranty and / or misrepresentation the suspicion of which was the ground for closing your bet(s). For the avoidance of doubt if you do not produce such evidence within the period of six months all such bets will be finally null and void as between us.

(7) You acknowledge and agree that we will not transfer voting rights relating to an underlying share to you or otherwise allow you to influence the exercise of voting rights held by us or on our behalf.

→ 22. Force Majeure Events

(1) We may, in our reasonable opinion, determine that an emergency or an exceptional market condition exists (a

“Force Majeure Event”), in which case we will, in due course, inform the FSA and take reasonable steps to inform you. A Force Majeure Event will include, but is not limited to, the following:

- (a) Any act, event or occurrence (including, without limitation, any strike, riot or civil commotion, industrial action, acts and regulations of any governmental or supra national bodies or authorities) that, in our opinion, prevents us from maintaining an orderly market in one or more of the Indices in respect of which we ordinarily accept bets;
- (b) The suspension or closure of any market or the abandonment or failure of any event upon which we base, or to which we in any way relate, our quote, or the imposition of limits or special or unusual rules on the trading in any such market or on any such event; or
- (c) The occurrence of an excessive movement in the level of any of our Indices and / or any corresponding market or our anticipation (acting reasonably) of the occurrence of such a movement;
- (d) Any breakdown or failure of transmission, communication or computer facilities, interruption of power supply, or electronic or communications equipment failure; or
- (e) The failure of any relevant supplier, broker, agent or principal of ours, exchange, clearing house or regulatory or self-regulatory organisation, for any reason to perform its obligations.

(2) If we determine that a Force Majeure Event exists we may at our absolute discretion without notice and at any time take one or more of the following steps:

- (a) Close any or all of your open bets, at such closing level as we reasonably believe to be appropriate (where there is no quotation available, we may close any such bet at the time when we reasonably believe that, but for the existence of the Force Majeure Event, the level set by you for closing the bet would have been reached);
- (b) Suspend or modify the application of any or all of the Rules of this Agreement to the extent that the Force Majeure Event makes it impossible or impractical for us to comply with the Rule or Rules in question; or
- (c) Alter the Expiry Date for a particular Index.

→ 23. Queries, Complaints and Disputes

(1) If you have a query or complaint regarding a statement or confirmation or any bet, you should contact the financial trading room by email, and all other queries/ complaints should be directed to the Customer Service Department by email (info@shortsandlongs.com).

(2) We will not be obliged to entertain queries or complaints unless you can offer accurate details on them. For example, we will need to know the time (to within a 1 hour range) and the date of any relevant bet. Where the query or complaint relates to your online trading we reserve the right to refuse to correspond with you in relation to your query or dispute unless you can produce the confirmation email.

(3) We have an Internal Complaint Handling Procedure, a copy of which will be made available to you on request. Once the Internal Complaint Handling Procedure has been exhausted, should you remain dissatisfied and you are a Retail Client, you then have the right to refer the matter if you so wish to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR and we shall be bound by their ruling. Any client, who was not a Retail Client at the relevant time, does not have the right to refer complaints to the Financial Ombudsman Service.

(4) In relation to any complaint you may have, you acknowledge and agree that you will be under a general responsibility to mitigate your losses.

(5) In the event that we believe that our complaints procedures are being abused by multiple vexatious claims, we reserve the right to charge a £500 fee to the client if the complaint is proved to be unfounded. You acknowledge and agree that this charge is not a penalty but will reflect the cost actually incurred by us in relation to the Ombudsman’s investigation of your complaint. We will promptly take any remedial action deemed appropriate in relation to a complaint.

(6) We are covered by the Financial Services Compensation Scheme. If you are an eligible claimant under the rules

of the Financial Services Authority, your account is protected by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000, so £48,000 is the maximum compensation from this scheme. Further information about compensation arrangements is available from the Financial Services Compensation Scheme.

(7) Without prejudice to any of our other rights to close a bet under this Agreement, in any case where we are in dispute with you over a bet or alleged bet or any communication relating to a bet, we may, at our absolute discretion and without notice, close any such bet or alleged bet, where we reasonably believe such action to be desirable for the purpose of limiting the maximum amount involved in the dispute and we will not be under any obligation to you in connection with any subsequent movement.

(8) We reserve the right to full recompense of all our costs, both in terms of professional fees and management time at the rate of £100 per hour (full details of such time spent will be available for inspection), when defending either a claim or a counter claim against us; prior to, during and post court action.

→ 24. Miscellaneous

(1) We reserve the right to close or suspend your account at any time.

(2) This Agreement will, unless the context otherwise requires, also apply to any "bets" within the meaning of the Betting, Gaming and Lotteries Act 1963 (or any superseding Act) which are accepted by us and which are not regulated under the Act.

(3) Our rights and remedies under this Agreement are cumulative, and our exercise or waiver of any right or remedy will not preclude or inhibit the exercise of any additional right or remedy. Our failure to enforce or exercise any right under this Agreement will not amount to a waiver or bar to enforcement of that right.

(4) We may assign the benefit and burden of this Agreement to a third party, in whole or in part, provided that any assignee agrees to abide by the Rules of this Agreement and subject to the approval of the FSA. Such assignment will come into effect 10 business days following the day you are deemed to have received notice of the assignment in accordance with Rule 12(11). You agree that you will not assign the benefit and burden of this Agreement, whether in whole or in part, to any third party without our prior written consent.

(5) You acknowledge and agree that the copyrights, trade marks, database and other property or rights in any information distributed to or received by you from us (including, but not limited to, our prices), together with the contents of our websites, brochures and other material connected with our spread betting service and in any database that contains or constitutes such information, will remain our sole and exclusive property or any third party identified as being the owner of such rights.

(6) You agree that you will not permit or facilitate, and will take steps to prevent, any sale, dissemination, re-distribution or re-publication of the information referred to in Rule 24(5) to any third party.

(7) If any Rule of this Agreement (or any part of any Rule) is held by a court of competent jurisdiction to be unenforceable for any reason then such Rule will, to that extent, be deemed severable and not form part of this Agreement, but the enforceability of the remainder of this Agreement will not be affected.

(8) Although email, the internet and other forms of electronic communication are often a reliable way to communicate, no electronic system is entirely reliable or always available. You acknowledge and accept that a failure or delay by you to:

(a) Make an offer to open a bet; and / or

(b) Receive any communication from us sent by email, text message or otherwise whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice any bet or any communication to which the bet relates. We will not be liable to you for any loss or damage, howsoever caused, arising directly or indirectly out of a failure or delay by you or us to receive an email or make or receive any other electronic communication. Further, you understand and accept that emails, text messages and other electronic communications we send to you may not be encrypted and therefore may not be secure.

→ 25. Account Information

We shall endeavour to keep any information relating to you and your account confidential unless we are advised by our legal advisers that it is properly disclosable by law or to any regulator of our business - in which case we reserve the right to disclose such details as may be relevant to such third parties as we may be advised. We shall not be liable for any direct or indirect losses caused by your account information getting into the public domain.

→ 26. Factual Information

You acknowledge and agree that we may send you factual information regarding prices and that it is not deemed "promotional material", and therefore everyone may be sent such information irrespective of whether they have chosen to receive it. We will endeavour, but do not guarantee, to comply with any requests not to receive such factual information.

→ 27. Incorrect Prices

(1) We reserve the right, exercisable at our discretion, to void any bet placed via our internet trading platform involving or deriving from an error. If we quote an incorrect price to you and you open a bet on the basis of that quote the following provisions will apply:

(2) A price quoted by us to you will be incorrect if it is different from the price that we would normally have quoted to you at the time when you request it, having regard to (i) the nature and size of the bet; (ii) our pricing policy in operation at the time; (iii) the state of any underlying market and (iv) frequency with which bets are placed.

(3) If at the time that you place your bet with us on the basis of the incorrect price you know or suspect that the price is incorrect, we will be entitled to declare void any bet based on the incorrect price. For these purposes you will be deemed to have known, at the time when you entered into the bet that we are seeking to void, (i) the true price in the underlying market relevant to the bet and (ii) any other information relevant to the price that was in the public domain at the time when you opened the bet, including all the details relevant to the calculation of our spread on the basis of the underlying market. In determining your state of knowledge we may also have regard to the number and frequency of the bets you have placed at the incorrect price.

→ 28. Death of Client

On receipt of a certified copy of a death certificate, a deceased client's account will be closed with a cheque being issued for any credit balance (payable to the deceased estate's executors). All open positions will be closed at our prevailing price at the time of receipt of a certified copy of the death certificate.

→ 29. Amendment and Termination

(1) The version of this Agreement posted on our website is the version in force at any given time. Before you place a bet with us you should familiarise yourself with the version of the Agreement on the website. This Agreement may be amended by us from time to time. We shall give you notice of any such amendments by posting an advance

copy of the amended Agreement on our website at least 10 business days before it becomes operative, unless it is impractical to do so. The amended Agreement will apply to new bets only. New bets shall include those bets which were in existence prior to the amended Agreement becoming operative but which have been rolled intra-day or into a new contract period since then. For your own protection you should enquire before trading whether there have been any new changes to this Agreement that are relevant to your bet.

(2) Amendments, which may include amendments to trading hours, spreads and maximum and minimum stake sizes may be made by us at our sole discretion without giving you notice. Any such amendments will be operative immediately and will apply to all bets and trading instructions on your account at that time. Amendments to spreads and maximum and minimum stake sizes will only normally be made in response to conditions in the underlying markets upon which our prices are based. Such amendments will be displayed on our website.

(3) Changes in spreads can be ascertained at any time by viewing our prices online and by reviewing the appropriate Information Table on the website. By opening or closing a bet you agree to be bound by whatever the prevailing requirements are at the time.

(4) We and you are each entitled to terminate this Agreement at any time by giving the other written notice by email, which shall take effect immediately, unless otherwise specified in the notice. The termination of this Agreement will not affect any outstanding liabilities or legal rights or obligations which may have arisen whilst the Agreement was in place.

→ 30. Manifest Error

(1) We reserve the right to, without your consent, to either void from the outset or amend the rules of any bet containing or based upon a manifest error. If, in our discretion, we choose to amend the rules of the manifestly erroneous bet, the amended level will be such level as we reasonably believe would have been fair at the time the bet was entered into. A "manifest error" is any error that we believe to be obvious or palpable. In deciding whether an error is a manifest error we may take into account any relevant information including, without limitation, the state of the underlying market at the time of the error or any mistake in, or lack of clarity of, any information source or pronouncement upon which we base our quoted prices. Any financial commitment that you have entered into or refrained from entering into in reliance on a bet with us will not be taken into account in deciding whether or not there has been a manifest error.

(2) In the absence of wilful default or fraud by us we will not be liable to you for any loss, cost, claim, demand or expense following a Manifest Error. In the event that a Manifest Error is made by any information source, commentator or official upon whom we reasonably rely we will not, in the absence of wilful default or fraud by us, be liable to you for any loss, cost, claim, or demand.

→ 31. Adjustments and Takeovers

(1) If any Financial Index becomes subject to possible adjustment as the result of any of the events set out in Rule 31(2) below (a "corporate event") affecting a related financial instrument, we will determine the appropriate adjustment, if any, to be made to the size and/ or value and/ or number of the related bet(s) (and/ or to the level of any stop or profit level) to account for the diluting or concentrating effect necessary to preserve the economic equivalent of the rights and obligations of the parties in relation to that bet immediately prior to that corporate event, to be effective from the date determined by us.

(2) The events to which Rule 31(1) refers are the declaration by the issuer of a financial instrument (or, if the financial instrument is itself a derivative, the issuer of the security underlying that instrument) of the rules of any of the following:

(a) A subdivision, consolidation or reclassification of shares, a share buy-back or cancellation, or a free distribution

of shares to existing shareholders by way of a bonus, capitalisation or similar issue;

(b) A distribution to existing holders of the underlying shares of additional shares, other share capital or securities granting the right to payment of dividends and/ or proceeds of liquidation of the issuer equally proportionately with such payments to holders of the underlying shares, or securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares, in any case for payment (in cash or otherwise) at less than the prevailing market price per share as determined by us;

(c) Any other event in respect of the shares analogous to any of the above events or otherwise having a diluting or concentrating effect on the market value of the shares; or

(d) Any event analogous to any of the foregoing events or otherwise having a diluting or concentrating effect on the market value of any financial instrument not based on shares.

(3) Any adjustment to the size and/ or value and/ or number of any bet(s) (and/ or to the level of a stop or profit level) will be determined reasonably and will be conclusive and binding upon you. We will inform you of any adjustment or amendment under this Rule as soon as reasonably practicable.

(4) If at any time a take-over offer is made in respect of a company, then at any time prior to the closing date of such offer we may give notice to you by email of our intention to close a bet in respect of that company's securities. The date of such notice will be the closing date and the closing level will be such price as we notify to you. References to "offer", "take-over" and "closing date" in this Rule have the meaning given to them in the City Code on Take-overs and Mergers, as amended from time to time. These expressions will, to the extent necessary, be applied by us (using our reasonable discretion) to analogous events on any non-UK stock exchange.

(5) In the event that there is declared or paid in respect of any financial instrument a special dividend or a dividend that is unusually large or payable by reference to an ex-dividend date that is unusually early or late (in each case, having regard to dividend payments in previous years in respect of that same financial instrument), we may make an appropriate adjustment (including a retrospective adjustment) to the opening level and / or the stake of a bet that relates to that financial instrument.

→ 32. Suspension and Insolvency

(1) If at any time trading is suspended in any financial instrument that forms the subject of a bet then the value of the bet unless re-valued by us as set out in this Rule 32, will be the mid-price quoted by us at the time of suspension.

(2) Irrespective of any orders given by you, a bet on a suspended financial instrument will remain open until such time as it is no longer suspended, whether this be via the resumption of normal market trading or its insolvency and any subsequent return to shareholders. Whilst the financial instrument is suspended the only level at which you may opt to close the bet is at your stop level.

(3) Notwithstanding the above if a company, whose securities represent all or part of the subject-matter of a bet, goes into insolvency, is otherwise dissolved or is de-listed by the underlying market by reason of the length of its suspension, the day on which the company goes into insolvency, is otherwise dissolved or de-listed will be the Expiry Date of that bet. The closing level will be the value of any distribution a holder of a security of the same type as the security underlying the bet would receive (if known) or our reasonable assessment of the then market value of the financial instrument.

(4) We reserve the right at all times during the term of a bet where the underlying financial instrument is suspended to revalue such bet at such price as we shall determine to be reasonable in the circumstances. If the bet remains open until such time as the suspension is terminated, which, for the avoidance of doubt, can occur without warning or notice to us, any stop or profit level that you may have given us with respect to that bet will remain in force.

→ 33. Privacy

(1) You acknowledge that by opening an account with us and placing bets you will be providing us with personal information within the meaning of the Data Protection Act 1998. You consent to us processing all such information for the purposes of performing the contract and administering the relationship between us. You consent and authorise us to disclose such information and details of your trading history to any person we reasonably determine to be seeking a credit reference in good faith (which includes but is not limited to, other FSA regulated firms and Credit Reference Agencies), to Associated Companies, to the FSA and other regulatory authorities upon their reasonable request, and to introducing brokers with whom we have a mutual relationship, any of whom may be within or outside the European Economic Area.

(2) You authorise us, or our agents acting on our behalf, to carry out such electronic or other credit and identity checks as we may deem necessary or desirable, including requesting a reference from your bank from time to time and you agree to assist us, where necessary, in obtaining such a reference. You acknowledge and agree that this may result in your personal information being sent to our agents, who may be within or outside the European Economic Area. You agree that we will be permitted, if so required, to furnish relevant information concerning you or your account to any person that we accept as seeking a reference or credit reference in good faith.

→ 34. Telephone Lines

We operate as an online service only. In the unlikely and rare event that you should need to contact us by telephone, please call our Customer Services Department. Such calls will be charged at £0.8511 per minute from a BT landline and calls from mobiles and other network providers may vary. By signing the Application Form you agree to the recording of all conversations with us. We may use these for training purposes and/ or as evidence in the event of any dispute between us.

→ 35. Credit Information

(1) Where you borrow or may borrow from us, we may give details of your account and how you manage it to credit reference agencies. If you borrow and do not repay in full and on time, we may tell credit reference agencies who will record the outstanding debt. You have the right of access to your personal records held by credit and fraud agencies. We will supply their names and addresses upon request to us.

(2) We may make periodic searches of group records, credit reference and fraud prevention agencies to manage your account with us, to take decisions regarding credit, including whether to make credit available or to continue to extend existing credit. The searches will not be seen or used by lenders to assess your ability to obtain credit.

(3) In signing the Application Form you are agreeing that we may undertake a search of the 'Index of Proprietors Names' at the Land Registry.

→ 36. Classification

(1) We will classify you as a Retail Client, Professional Client or Eligible Counterparty.

(2) The greatest degree of protection is afforded to Retail Clients.

(3) You will be notified of your categorisation when you open an account.

(4) We may re-classify you, and it is possible for you to request re-classification. Either way we would require your written consent, or we will enter into a new written agreement with you.

(5) If you have been categorised as a Professional Client or an Eligible Counterparty you are entitled to request us to re-categorise you as a client that benefits from a higher degree of protection. However, it is your responsibility to ask for this.

(6) When considering your application, classifying and dealing with you, we rely on information that you provide. If there is any material change in that information it is your responsibility to advise us in writing, eg: change in address, residence, contact details, employment, financial situation etc.

(7) In particular, if you are a Professional Client you are responsible for keeping us informed about any change that could affect your current categorisation.

→ 37. Conflicts of Interest

We have a policy on Conflicts of Interest which sets out information regarding measures we have in place to manage our conflicts, where these may affect the impartiality of our service. A summary of the policy on Conflicts of Interest is available on request.