

## MARGIN ACCOUNT TERMS AND CONDITIONS

### 1. Agreement

These Terms shall govern all CFDs (contracts for differences) and Spread Bets entered into by us (iDealing.com Limited) with you which are identified, when entered into or in the contract note or confirmation, as Margin Trades, which shall include (without limitation), CFDs, Spread Bets, futures and trades in securities on margin as we offer (together, "Margin Trades"). You should read the Agreement carefully, together with the accompanying Risk Disclosure Notice and any other documents that we have supplied to you. We are regulated by the FSA and nothing in these Terms shall exclude or restrict any duty or liability owed by us to you under the Financial Services and Markets Act 2000, or the FSA Rules. If there is any conflict between these Terms and the FSA Rules, the FSA Rules shall prevail. The Agreement incorporating these Terms comes into effect on the date your account is approved and activated by us. Each Margin Trade you open and each Open Position you create after such date will be subject to these Terms.

### 2. Service

(1) We will provide you with a dealing service in Margin Trades including CFD's and Spread Bets as may from time to time be offered by us. You will need to enter into a further agreement with us in respect of any other services which we agree to provide to you. We reserve the right to close or suspend your account at any time.

(2) You acknowledge that, regardless of whether or not you deal with us on credit, neither any limit set on your account nor any amount of margin you have paid puts any limit on your potential losses in respect of any Margin Trade or Open Position and your financial liability to us may exceed the level of any credit or other limit placed on your account. We refer you to our Risk Disclosure Notice.

(3) You must notify us immediately if you suspect that either your username or password has been disclosed to, or obtained by, a third party and that its integrity is threatened. Until such notification is received by us, we will assume that any instructions received in electronic form which have been authenticated by your username and password, or client code, will be genuine, valid instructions from you to us and will act accordingly. You will assume full settlement responsibility for all such transactions. All usernames and passwords must not be disclosed, or be allowed to be disclosed, to third parties. From time to time you are strongly advised to change your password.

(4) We shall not be liable for any direct or indirect, special, incidental or consequential loss or damages including loss of profits, business, revenue or goodwill arising from the use of or inability to use, interruption or non-availability of the website(s) or the services we are providing, its operation or transmission, computer viruses, loss of data or otherwise in respect of the use of the website(s) or the services we are providing or the downloading of any software made available by us.

### 3. Dealings and Dealing Capacity

(1) We will enter into each Margin Trade with you as principal and not as agent for any other person. This means that unless we have otherwise agreed in writing, we will treat you alone as our counterparty for all purposes and you shall be directly and personally responsible for performing all of your obligations under each Margin Trade entered into by you and your resultant Open Position(s), 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 shall not accept that person as an indirect customer of ours and we shall 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:

to satisfy ourselves as to the suitability of any Margin Trade for you;

to monitor or advise you on the status of any Margin Trade or Open Position;

to make margin calls; or

(except where the FSA Rules require) to close any Margin Trade which you have opened.

(3) You shall not be entitled to ask us to provide you with investment advice relating to a Margin Trade nor make any statement of opinion to encourage you to enter into a particular Margin Trade. We may, at our discretion, provide information:

(a) in relation to any Margin Trade about which you or your agent have enquired, particularly regarding procedures and risks attaching to that Margin Trade and ways of minimising risk; and

(b) by way of factual market information, however, we shall be under no obligation to disclose such information to you and in the event of us supplying such information it shall not constitute a personal recommendation to you.

(4) You agree that in respect of execution only dealing you rely on your own judgement in opening, closing, or refraining from opening or closing a Margin Trade with us and that in respect of both execution only and advisory dealing we shall not, in the absence of fraud, wilful default or gross 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 given to you, including without limitation, information relating to any of your Margin Trades with us.

#### **4. Orders and Executions**

(1) We will accept "At Best", "Limit", "Stop", and "Stop-Limit" Orders. We will not generally offer firm two way quotes and shall be under no obligation to do so. You acknowledge that Spreads can and do widen significantly in some circumstances, that they may not be the same size as any examples we may provide for illustration. You acknowledge that when you close a Margin Trade the Spread may be larger or smaller than the Spread when the Margin Trade was opened. For Margin Trades transacted when the Underlying Market is closed or in respect of which there is no Underlying Market, the figures which we quote will reflect what we believe the market in a Security to be at that time. You acknowledge that such figures will be set by us in our absolute discretion.

(2) We offer both a "House Account" and a "Touch Account". House accounts are commission-free and orders are dealt against our "House" prices. "Touch Accounts" are dealt on the prices reflecting the spreads of Underlying Security(ies) of the CFD or other Margin Trade in question, and carry a commission charge. For Margin Trades which are available only as House products with House Prices (For example, Spread Bets with fixed date Expiries), we may in our sole discretion offer those particular Margin Trades commission-free to Touch Accounts as well as House Accounts. Our commission schedule is available on our website(s) or via customer service contacts. House Accounts and Touch Account may also have different order size restrictions (see 4(4) and 5(6)).

(3) We may accept dealing instructions directly from you by telephone, via our website(s) or by such other means as we may from time to time notify to you. Prices displayed by us on our website(s) or via any other medium are only indicative and you acknowledge that we do not guarantee that you will be able to open or close a Margin Trade at the level of such prices.

(4) We reserve the right (in our absolute discretion) to refuse to accept a dealing instruction to open (or if applicable close) a Margin Trade with us or having accepted it may refuse to act on it. The circumstances in which we may exercise our discretion include (without limitation) Manifest Error, our being unable to obtain a quote which we consider reliable in the Underlying Investment, our determining that the proposed size of the transaction is too small or too large in the circumstances or that the resultant Open Position with us would be too large or too small, or determine that a Force Majeure situation exists, or an Event of Default exists, we believe that the instructions you have given us are incomplete, unclear or ambiguous, the Underlying Market is closed, our reasonably believing that to act on your dealing instruction would (in our opinion) infringe any law, rule, regulation or any Term of this Agreement or, in the case of instructions received from an agent, if we reasonably believe that such agent may be acting in excess of its authority.

(5) Nothing in this Term 4 shall be construed as placing us under a duty to inquire about the authority of an agent who purports to represent you.

(6) We may combine your orders with our own orders, orders of associated companies and persons connected with us and orders of other clients. By combining your orders with those of other clients, we must reasonably believe that in doing so it will not work to your disadvantage, however, on occasions

aggregation may result in your obtaining a less favourable price.

#### **5. Opening a Margin Trade**

(1) You will open a Margin Trade by actioning either a "buy" or a "sell". In these Terms a Margin Trade which is opened by "buying" creates or increases an Open Position which may also in our dealings with you be referred to as a "long position". A Margin Trade which is opened by "selling" is referred to as a "Sell" and will create or increase an Open Position which may also in our dealings with you be referred to as a "short position".

(2) when you open a Buy, the price will be the relevant offer for the account type and when you open a Sell, the price will be the relevant bid for the account type (see 4(2)).

(3) A Margin Trade must always be made for a specified number of securities, contracts or other units agreed at the time we accept your order. Upon accepting an order we will allocate it with an order Id. Upon execution of a trade a trade Id is allocated.

(4) Each Margin Trade opened by you will be binding on you notwithstanding that by opening the Margin Trade you may have exceeded any credit or other limit applicable to you or in respect of your dealings with us.

(5) Unless we agree otherwise all sums payable by you pursuant to this Term 5 including all fees and commissions and such Minimum Margin Requirement as we may determine are due and payable immediately.

(6) We may in our absolute discretion at any time impose limits on the size and frequency of Margin Trades or the size of the Open Position you may have with us in Margin Trades.

(7) We will not accept new opening (or closing) orders on Same Day CFDs or Same Day Spread Bets during their closeout process.

#### **6. Closing a Margin Trade**

(1) When you close or reduce an Open Position prior to the last time for dealing in the Underlying Security in the Underlying Market the Closing Price will, if the Margin Trade is a buy, be the relevant offer and if the Margin Trade is a sell, the relevant bid for the account type (see 4(2)) concerned.

(2) If an Open Position which expires automatically and has not already been closed prior to its Expiry it will be closed by us as soon as we have ascertained the Closing Price of the closing Margin Trade. Details of the Expiry for given Margin Trades are available on request. It is your responsibility to make yourself aware of the Expiry for a particular Margin Trade.

(3) Same Day CFDs and Same Day Spread Bets are those which Expire on the same trading day that they were opened. If you have an Open Position in a Same Day CFD or Same Day Spread Bet and have not closed that Open Position prior to its closeout period, then that Open Position will be automatically closed out by us during the closeout period. The closeout period will take place at such time as we may specify, generally, during the last 15 minutes of the relevant trading day of the Underlying Market. Closing Prices are determined by the relevant bid or offer for the account type at the time of execution of the closing Margin Trade. We will not accept new opening or closing orders on Same Day CFDs or Same Day Spread Bets during the closeout period.

(4) You acknowledge and agree that where you have an Open Position in respect of a particular Margin Trade and we are unable to borrow or continue to borrow the relevant Underlying Security(ies) we shall give you notice to that effect and we shall be entitled to close that Open Position in respect of that Margin Trade with immediate effect at a Closing Price determined by us.

(5) Upon execution of a closing Margin Trade, and subject to adjustments for interest, dividends, corporate events, and any other adjustments:

(a) your account will be debited the difference between the Closing Price of your trade and the Average Position Price of your position in that Margin Trade multiplied by the number of shares, contracts or other

units of the closing trade if this Margin Trade is:

- a Sell and the Closing Price of the Margin Trade is lower than your Average Position Price for that Margin Trade; or
- a Buy and the Closing Price of the Margin Trade is higher than the Average Position Price for that Margin Trade.

(b) your account will be credited the difference between the Closing Price of your trade and the Average Position Price of your position in that Margin Trade multiplied by the number of shares, contracts or other units of the closing trade if this Margin Trade is:

- a Sell and the Closing Price of the Margin Trade is higher than your Average Position Price for that Margin Trade; or
- a Buy and the Closing Price of the Margin Trade is lower than the Average Position Price for that Margin Trade; and

#### **7. Manifest Error**

(1) We reserve the right to void ab initio any Margin Trade containing or based upon a manifest error or (in our absolute discretion) to amend the terms of any such Margin Trade to what we believe would have been fair and reasonable at the time it was entered into. A "Manifest Error" is any error that we believe to be obvious. In deciding whether an error is a Manifest Error we may take into account any relevant information including the state of the Underlying Market at the time of the error. In making such a decision we will act in our sole discretion, reasonably and in good faith. Any financial commitment that you have entered into or refrained from entering into in reliance on a Margin Trade 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 we shall 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 shall not, in the absence of wilful default or fraud, be liable to you for any loss, cost, claim, demand or expense.

#### **8. Forced Stops**

(1) We will maintain a closing "forced stop" on each of your Open Positions. Unless otherwise specified this forced stop level will be set at such distance from your Average Position Price as we may specify. You may be allowed to move your forced stop level nearer to or beyond your Average Position Price. If we, in our absolute discretion, allow you to move your "forced stop" further from your Average Position Price then we may allocate additional margin against that Open Position.

(2) For a given Open Position your forced stop level:

(a) for "Long" (Buy) Open Positions may not be lower than the Average Position Price for that Open Position less the Minimum Stop Distance for that Open Position;

(b) for "short" (sell) Open Positions may not be higher than the Average Position Price for that Open Position plus the Minimum Stop Distance for that Open Position.

(3) These are NOT guaranteed stops, and any loss (without limitation) arising from Spreads, commissions, market illiquidity, bad fills, or any other event or environment that leads to executions less favourable than your actual forced stop level are borne entirely by you and you acknowledge that we will not be held responsible for these losses.

## 9. Deposit and margin

(1) From time to time we may require you to provide deposit and margin of such amounts as we may specify which, other than with our express prior consent, shall only be provided in the form of cleared funds in such currencies as we may specify (currently pounds sterling, US dollars and euros).

(2) In making any calculation of the deposit and margin which we require from you, we may in our absolute discretion have regard to all the circumstances including your overall position with us including your position in other (Margin Trading and non-Margin Trading) accounts or any part thereof including any of your net unrealised losses (i.e. losses on Open Positions).

(3) All payments of deposit and margin (other than payments under 9(6) which are due and payable in accordance with that sub-Term) are due and payable by you within such time as we may specify or if none is specified immediately on our oral or written demand. If a written demand is delivered to you or sent by post, fax, or e-mail, it will be deemed to have been received by you as follows:

(a) if sent by post to the address last notified by you to us, on the next business day after being deposited in the post;

(b) if delivered to the address last notified by you to us, immediately on being deposited at such address;

(c) if sent by fax, as soon as we have transmitted it to any fax number(s) last notified by you to us; and

(d) if sent by e-mail, one hour after we have transmitted it to any e-mail address last notified by you to us.

(4) We shall also be deemed to have made a demand on you if:

(a) we have left a message requesting you to contact us and you have not done so within a reasonable time after we have left such a message; or

(b) if we are unable to leave such a message and have used reasonable endeavours to attempt to contact you by telephone (at the telephone number last notified to us by you) but have been unable to contact you at such number. Any message which we leave for you requesting you to contact us should be regarded by you as extremely urgent unless we specify to the contrary when we leave the message. You acknowledge and accept that what constitutes a reasonable time may be influenced by the state of the Underlying Market at that time and that, according to the circumstances, that could be a matter of minutes or even immediately.

(5) It is your responsibility to notify us immediately of any change in your contact details (address, telephone, fax and mail address or number) and to provide us with alternative contact details and ensure that our calls for deposit and margin will be met if you will be uncontactable at your usual contact address or telephone number notified to us (for example because you are traveling or are on holiday). We shall not be liable for any losses, costs, expenses or damages incurred or suffered by you as a consequence of your failure to do so.

(6) Unless otherwise agreed by us, you must hold sufficient monies with us to meet your deposit and margin obligations. When you open a Margin Trade you must allocate at least the Minimum Margin Requirement when we accept your order.

You may be permitted in our sole discretion and via our website(s), to allocate more or additional margin to a given Open Position than the Minimum Margin Requirement.

For new opening orders, the Margin amount you have allocated will be displayed to you via our website(s) when you confirm your order. Margin allocated and confirmed will not be available for allocation towards other opening trades or open positions, unless and until the order is no longer open or active.

We shall at any time be entitled to require you to make additional payments into your account and/ or to allocate additional deposit and margin to existing Open Positions.

(7) Unless otherwise agreed by us, you shall immediately on demand (including on our deemed demand in accordance with such sub-Term 9(4)), make deposit and margin payments sufficient to provide us with an amount which, when a movement adverse to your Margin Trade or Open Position has taken place, you would lose on the Margin Trade or Open Position if it was closed.

#### **10. Payment and set-off**

(1) You may, subject to our right to insist upon immediate payment of deposit and margin by cleared funds, make any payment to us by cheque. Our failure on one or more occasions to enforce or exercise our right to insist upon immediate payment of deposit and margin shall not amount to a waiver or bar to enforcement of that right. Please refer to the account funding pages on our website(s) for more information.

Where you pay deposit or margin by cheque we will not treat such payment of deposit or margin as having been made until we have received cleared funds in our bank account.

(2) We shall be entitled at any time with or without notice to you to debit your account for any amounts due to us. We shall also be entitled to convert one currency into another (or others) to meet any liability in the currency in which it has been incurred or is due (the costs of such conversion being for your account).

(3) Without prejudice to our right to require immediate payment from you in cleared funds we shall at any time have the right to set off any losses incurred in respect of, or any debit balances in, any of your accounts with us against any sums or other assets held by us for or to your credit on any other account (including any joint account), whether a Margin Trading, sharedealing, or any other account, in which you may have an interest. If any loss or debit balance exceeds all amounts so held, you must forthwith pay such excess to us whether demanded or not. You also authorise us to set off sums held by us for or to your credit in a joint account against losses incurred by the joint account holder or debit balances in any of the joint account holder's other accounts with us.

(4) We shall be under no obligation to pay any money to you if that would reduce your credit balance (less losses) to less than the deposit and margin payments required on your Margin Trades and any other Open Positions you have with us. Subject these Terms any money requested by you will, if you are entitled to it, be sent to you by cheque by first class mail not later than the business day following the business day after the request is received and approved by us.

(5) You will pay interest to us on any sums due to us on a daily basis from the due date until the date of actual payment at the rate of four percentage points over the published Bank of Scotland base rate and shall be payable upon demand.

#### **11. Default and default remedies**

(1) Each of the following constitutes an "Event of Default":

(a) your failure to make any payment (including any deposit or margin payment) to us when it becomes due which shall, without limitation, include a payment which becomes due on our deemed demand;

(b) your failure to perform any obligation due to us;

(c) where any Margin Trade or Open Positions or any realised or unrealised losses on any Margin Trades or Open Positions opened by you results in your exceeding any credit or other limit placed upon your dealings by us;

(d) if you are an individual, your death;

(e) the initiation by a third party of proceedings for your bankruptcy (if you are an individual) or for your winding-up or for the appointment of an administrator or receiver in respect of you or any of your assets (if you are a company), or (in both cases) if you make an arrangement or composition with your creditors or any other similar or analogous proceedings are commenced in respect of you (in any jurisdiction);

(f) where any representation or warranty made by you in these Terms is or becomes untrue;

(g) you are or become unable to pay your debts as and when they fall due;

(h) any other circumstance where we reasonably believe that it is necessary or desirable to take any action in accordance with this Term 11 for your protection, to protect ourselves or protect the interest of any or all of our other clients;

(2) If an Event of Default occurs, we may in our absolute discretion at any time and without prior notice to you:

(a) close all or any of your Open Positions at a Closing Level based on the then prevailing quotations or prices in the relevant markets or, if none, at such levels as we consider fair and reasonable;

(b) exercise any right of set-off under these Terms, retain any funds, investments (including any interest or other payment payable thereon) or other assets owned by or due to you, and sell them without notice to you at such price and in such manner as we in our absolute discretion decide, applying the proceeds of sale after discharging the costs of sale to satisfy any due to us;

(c) if you have failed to make a payment when due, inform your partner, employer, any professional, regulatory or other organisation with which you are associated or any person whom we believe to have an interest in knowing such facts of the amount of such overdue sum, the circumstances thereof, the fact that you have failed to make payment, and any other relevant facts or information; or

(d) close any or all of your accounts held with us of whatever nature and refuse to enter into further Margin Trades, share deals, or any other transactions with you.

(3) If we take any action under this Term 11, unless in our absolute discretion we consider it necessary or desirable to do so without prior notice by you, we shall where reasonably possible take steps to advise you before exercising such rights. However, any failure on our part to take such steps shall not invalidate the action taken by us under this Term 11.

(4) You acknowledge and agree that:

(a) where you have failed to pay deposit and margin when due, we have the absolute right to close out your Open Position;

(b) when you have exceeded the credit or any other limit placed by us on you we shall have the absolute right to:

(i) close any or all of your Open Positions; and

(ii) refuse to open any further Margin Trades until you have brought yourself within your limits unless:

(I) movements in the Underlying Market have resulted in your Open Positions being brought back within your credit limit or any other limit (and we have waived any deposit and margin calls made upon you); or

(II) you have been contacted by us and have undertaken to immediately send us the required deposit and margin and we are satisfied on reasonable grounds that the failure to supply the deposit and margin is due to circumstances beyond your control.

(5) Subject to the FSA Rules, we may extend additional credit to you in the event of your failing to meet deposit and margin calls (at any time), but the availability and suitability of such credit will depend upon our assessment of your financial circumstances. If we extend such extra credit to you we shall not be obliged to close the Open Position(s) in respect of which the call for deposit and margin was made.

## 12. Client money

(1) Any money received from you shall be held by us in a non-segregated account of ours and will not be held as Client Money as defined in the FSA's Client Money Rules and will not be subject to the protections conferred by those Rules.

(2) You acknowledge that we shall be under no obligation to pay interest on balances on any Margin Trade account of yours and that you are therefore waiving any entitlement to interest under the FSA Client Money Rules or otherwise.

(3) As your money will not be segregated from our money and will be used by us in the general course of our business in the event of our default or insolvency you will rank as a general creditor of ours.

### **13. Indemnity**

Subject always to FSA Rules you will indemnify us, and keep us indemnified in respect of all liabilities, losses or costs of any kind or nature whatsoever which may be incurred by us as a direct or indirect result of any failure by you to perform any of your obligations under these Terms or any Margin Trade.

### **14. 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 Margin Trade by reference to the circumstances prevailing at such time, that:

(a) the information provided to us in your application form and at any time thereafter is true and accurate in all respects;

(b) you are duly authorised to execute and deliver our notices and declarations confirming your agreement to these Terms, to enter into each Margin Trade and to perform your obligations hereunder and have taken all necessary action to authorise such execution, delivery and performance;

(c) you will enter into each Margin Trade as principal;

(d) any person representing you in opening or closing a Margin Trade will have been, and (if you are a company) the person signing our notices and declarations on your behalf is, duly authorised to do so on your behalf;

(e) you have obtained all governmental or other authorisations and consents required by you in connection with these Terms and in connection with opening or closing any Margin Trades and such authorisations and consents are in full force and effect and all of their conditions have been and will be complied with; and

(f) execution, delivery and performance of our notices and declarations and the execution of each Margin Trade will not violate any law, ordinance, charter, by-law or rule applicable to you or any agreement by which you are bound or by which any of your assets are affected.

(2) No persons other than our Directors authorised to make any representation on our behalf with regard to these Terms or their effect.

### **15. Force majeure events**

(1) We may, in our absolute opinion, determine that an emergency or an exceptional market condition exists (a "Force Majeure Event"), in which case we will, take reasonable steps to inform you and the FSA. A Force Majeure Event shall include, but is not limited to, the following:

(a) any act, event or occurrence (including without limitation any strike, riot or civil commotion, interruption of power supply or electronic or communication equipment failure) which, in our opinion, prevents us from maintaining an orderly market in respect of Margin Trades in which we may deal;

(b) the suspension or closure of any Underlying Market or the abandonment or failure of any event upon which we base, or to which we in any way relate, our prices, or the imposition of limits or special or unusual terms on the trading in any such Underlying Market or on any such event; or

(c) the occurrence of an excessive movement in the level of any Margin Trade, Open Position and/or the

Underlying Market or our anticipation (acting reasonably) of the occurrence of such a movement.

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

(a) increase your deposit and margin requirements;

(b) close any or all of your Open Position(s) at such Closing Prices as we reasonably believe to be appropriate;

(c) suspend or modify the application of all or any of these Terms to the extent that the Force Majeure Event makes it impossible or impracticable for us to comply with these Term or the Terms in question; or

(d) alter the Expiry for a particular Margin Trade.

#### **16. Adjustments and Takeovers**

(1) If any Underlying Security becomes subject to possible adjustment as the result of any of the events set out in this Term 16 (a "Corporate Event"), we may determine the appropriate adjustment, if any, to be made to the size or Nominal Value of the Margin Trade(s) or Open Position concerned (and/or to the level of any "stop", "forced stop", "stop-limit" or "limit" order) to (a) account for the diluting or concentrating effect necessary to preserve the economic equivalent of the rights and obligations of the parties under that Margin Trade or Open Position immediately prior to that Corporate Event; and/or (b) replicate the effect of the Corporate Event upon someone with an interest in the relevant Underlying Security, to be effective from a date determined by us.

(2) The events to which this Term 16 refers are the declaration by the issuer of an Underlying Security (or, if the Underlying Security is itself a derivative, the issuer of the security underlying that Underlying Security) of the terms of any of the following:

(a) a subdivision, consolidation or reclassification of shares, 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 shares analogous to any of the above events or otherwise having a diluting or concentrating effect on the market value of the shares; or any event analogous to any of the foregoing events or otherwise having a diluting or concentrating effect on the market value of any Underlying Security not based on shares.

(3) Determination of any adjustment or amendment of the size or Nominal Value of the Margin Trade(s) or Open Position concerned (and/or of the level of any stop, forced stop, stop limit or limit order) shall be at our absolute discretion and shall be conclusive and binding upon you.

(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 of our intention to close a Margin Trade or Open Position in respect of that company's securities. The date of such notice will be the Expiry and the Closing Price shall be such price as we determine.

#### **17. Dividends, Interest and other Adjustments on Margin Trades**

(1) We will value Open Positions in rolling CFD's and Rolling Spread Bets on a daily basis and calculate the amount of interest that would apply to the sum of money necessary to take out an equivalent position in the Underlying Security with the same value. A different rate of interest will normally apply to long (buy) and short (sell) positions. Whilst you have an Open Position in a CFD an amount of interest will be calculated and will accrue on a daily basis.

Interest will be generally credited to your account for short positions, and debited to your account for long positions. However, please note that some unusual circumstances a short position in an CFD may incur negative interest. This may occur when the Underlying Securities are very difficult or impossible to borrow. If for whatever reason a short position incurs negative interest, then such interest adjustment will be debited to your account.

(2) Where applicable (e.g. where an Underlying Security is a stock or share in respect of which a company pays dividends) a dividend or coupon adjustment will be calculated for your account in respect of Open Positions held over and into the ex-dividend day for the relevant Underlying Security. Where the Underlying Securities are UK stocks or shares the dividend adjustment will be the gross dividend receivable by a UK taxpayer holding the equivalent position in the Underlying Security:

(a) for long positions multiplied by 80% and credited to your account; and

(b) for short positions multiplied by 100% and debited to your account and

Dividend adjustments will reflect normal practice in respect of Underlying Securities which are not UK stocks or shares, unless otherwise specified.

(3) We reserve the right to debit an additional cost of borrowing charge from your account where we incur a cost borrowing an Underlying Security in respect of a short position. Details of this cost of borrowing charge will be made available to you from time to time and will be provided on request.

(4) Dividend and interest adjustments for all of your Open Positions will be calculated and will be credited to and/or debited from your account on at least a quarterly basis or as we determine.

(5) Positions in Margin Trades with fixed Expiries will generally not be subject to regular Interest or Dividend Adjustments. These Adjustments will generally be reflected in the Spread Bet price.

(6) For any Margin Trade, we reserve the right to adjust a position price at any time for any appropriate adjustment in this clause, clause 16, or other appropriate adjustment at any time and retroactively to your Account. If you have closed a position prior to an appropriate price adjustment being made we reserve the right to debit or credit your account directly.

## **18. Suspension and Insolvency**

(1) If at any time trading on the Underlying Market is suspended in any Underlying Security then the value of any related Open Positions for the purposes of margining and otherwise, but not the Closing Price, shall be our relevant midprice at the time of suspension. In the event that the suspension continues for five business days, we and you may agree an Expiry and a Closing Price for the purposes of closing that Open Position. In the absence of any such agreement then the Open Position shall remain until such time as the suspension is terminated or until, where the Underlying Security is in respect of a company, that company goes into insolvency or is otherwise dissolved. We reserve the right at all times where the Underlying Security is suspended to revalue such Margin Trade and Open Positions at our absolute discretion.

(2) If the issuer of an Underlying Security is a company which goes into insolvency or is otherwise dissolved, the day on which the company goes into insolvency or is otherwise dissolved shall be the Expiry of that Margin Trade. The Closing Price shall be the value of any distribution a holder of a security of the same type as the Underlying Security would receive.

## **19. Queries, Complaints and Disputes**

Without prejudice to any of our other rights to close a Margin Trade or Open Position under these Terms, in any case where we are in dispute with you over a Margin Trade, alleged Margin Trade, any instruction relating to a Margin Trade or an Open Position we may, in our absolute discretion and without notice, close any such Margin Trade, alleged Margin Trade, or Open Position where we reasonably believe such action to be desirable for the purpose of limiting the maximum amount involved in the dispute and we shall not be under any obligation to you in connection with any subsequent movement in the level of the Margin Trade or Open Position concerned. If we close a Margin Trade under this Term such action shall be without

prejudice to our right to contend in relation to any dispute that such Margin Trade had already been closed by us or was never opened by you. We shall take reasonable steps to inform you that we have taken such action as soon as practicable after doing so. Where we close a Margin Trade or alleged Margin Trade or Open Position in accordance with this Term, the closing shall be without prejudice to your rights:

(a) to seek redress or compensation or otherwise for any loss or damage suffered in connection with the disputed or alleged Margin Trade or instruction, prior to the closing; and

(b) to open a new Margin Trade at any time thereafter, provided that such Margin Trade is opened in accordance with these Terms, which shall be applied, for the purposes only of calculating any relevant limits or money required from you, on the basis that our view of the disputed events or instruction is correct.

## **20. Assignment**

We may assign the benefit and burden of this Agreement in whole or in part to an Affiliate provided that such assignee agrees to abide by these Terms.

## **21. Taxes**

You are responsible for all taxes (UK or foreign) that may arise in relation to any Margin Trade, whether under current or changed tax law or practice. We shall not be responsible for notifying you of a change in any tax law or practice.

## **22. Variation**

Our Terms and Conditions may be updated on ten business days' notice. You can view the most recent version of these Terms online at our website(s) [www.idealing.com](http://www.idealing.com).

## **23. Law**

These Terms and any Margin Trade you enter into will be governed by and construed in accordance with English law and the courts of England are to have exclusive jurisdiction to settle any dispute which may arise between us.

## **24. Data Protection**

We are registered under The Data Protection Act 1998 to collect and retain personal information on Customers relevant to our business. The Data Protection Act 1998 (as amended from time to time) provides customers with the right to receive copies of their personal information held on our computer systems and certain other written records on written request and payment of an appropriate fee. If you require a copy of such information you should write to our Operations Manager at [idealing.com](http://idealing.com). For further information please see the Privacy Policy on our website(s).

## **25. Credit Checks**

We may carry out a credit check with a licensed credit reference agency which will retain a record of that search. In the event of default, relevant details may be recorded with the agency. This information may be used by other stockbrokers, financial institutions, etc., in assessing applications for credit by you and members of your household, and for occasional debt tracing and fraud prevention purposes.

## **26. Client Classification – Intermediate Customer Only**

- (1) Our Margin Trading service is only available to intermediate customers. Intermediate customers must have sufficient experience and understanding to be classified as such. On the basis of what you tell us about your trading experience and your understanding of contacts for differences and other relevant investments, we may be able to classify you as an Intermediate Customer. We will only conduct Margin Trading business with a customer whom we consider fully understands the nature of the risks involved. In assessing your understanding we will rely on the information provided in our application form. For this reason it is essential that the details you provide are accurate and complete and that we are informed if there is subsequently any material change to the information provided.
- (2) As a consequence of classification as an intermediate customer certain protections that are afforded to private customers under the rules and guidance of the FSA will not apply to you. These include rules relating to the issuing of direct offer financial promotions; ensuring that customers understand the nature of the risks involved; the obligation to disclose charges, remuneration and commission in writing; restrictions on the ability to lend money or grant credit to private

customers; notification of the circumstances in which a customer may be required to provide any margin requirements and ensuring that customers are able to obtain a reasonable price for non-exchange traded securities.

In addition, under the various provisions of the FSA conduct of business rules your protection may be limited or modified in consequence of your classification as an intermediate customer as set out below:

**Financial Promotion-** In the course of any financial promotions we communicate to you, we will not be obliged to include a description of or any further details or consequences of entry into any of the investments contained in such promotions. In addition, we will not be obliged to provide you with past performance details of investments offered by us. We are also not prevented from obtaining express requests from you for an unsolicited real-time financial promotion (e.g. face-to-face or by telephone) we may wish to make to you.

**Confirmation of transactions -** In relation to confirmations posted by us on our website(s), we are not obliged to ensure you are viewing your confirmations or to bring them to your attention.

**Periodic statements -** We do not need to provide periodic statements to intermediate customers.

Furthermore, the following provisions of the FSA conduct of business rules are modified, as explained below:

**Best execution -** We do not owe you a duty of best execution. This could mean, for example, that you do not get the best price theoretically obtainable in the market.

**Custody -** Where assets of yours are given to us for safekeeping, we will have more flexibility over who holds those assets, we are not obliged to explain the effects of pooling of assets to you, we will have more flexibility in the manner in which statements are provided to you, and if your assets are used for stock-lending, we will have more flexibility in relation to provision of collateral and monitoring of exposure.

**Client Money -** Money held by us on your behalf is not held subject to the FSA's client money rules. This means that your money may be at risk in the event of our default or insolvency.

As an intermediate customer you will not have the right of access to the Financial Ombudsman Scheme. We are also obliged to warn you that we may have regard to your expertise when complying with regulatory requirements that communications must be clear, fair and not misleading.

## 27. Definitions and Interpretation

(1) Any word or expression defined in the glossary of the FSA Handbook shall (unless defined below or the context otherwise requires) have the same meaning in these Terms. In these Terms the following words and expressions will have the meanings set alongside such word or expression:

**"Affiliate"** - any holding company or subsidiary company (as defined in the Companies Act 1985) from time to time of ours and/or any subsidiary company of any such holding company;

**"Average Position Price"** - the weighted average price of your current Open Position in a given Margin Trade. This determines the mark-to-market value of your Open Position and any profit or loss on closing or reducing an Open Position.

**"CFD"** a contract for differences as defined in the Financial Services and Markets Act;

**"Closing Price"** - the level or price at which a closing Margin Trade is offered;

**"Expiry"** – the time and day (if any) on which a Margin Trade will automatically expire as specified by us;

**"Force Majeure Event"** has the meaning attributed to it in 15;

**"FSA"** - The Financial Services Authority;

**"FSA Rules"** – the rules and guidance of the FSA only as they apply to any Client classified as an Intermediate Customer in accordance with those rules and guidance;

**"Same Day CFD"** – the meaning in sub Term 6(3);

**"Spread"** - the difference between the bid and offer prices for a transaction of specified size;

**"Spread Bet"** – as defined in the Financial Services and Markets Act;

**"Same Day Spread Bet"** - – the meaning in sub Term 6(3);

**"Minimum Margin Requirement"** – The minimum amount of margin we require for a given Open Position or trade in a given Margin Trade.

**"Minimum Stop Distance"** – will be calculated at 80% (or such other percentage as we may specify) of the cash margin allocated against your Open Position divided by the absolute values of the units constituting your Open Position;

**"Nominal Value"** – in respect of a Margin Trade on an Underlying Security, the price times quantity;

**"Open Position"** – your aggregate position in any specified Margin Trade;

**"Underlying Security"** – Any stock, share, future, forward or option contract, commodity, precious metal, exchange rate, interest rate, debt instrument, stock or other index, or other investment or security from which Margin Trade that we offer is derived.

**"Underlying Market"** – any exchange or market on which or through whose facilities (including if applicable rules, customs, and practices) any Underlying Security is customarily traded (and if more than one such market such market as we determine is the appropriate market for such Underlying Security).

- (2) In these Terms the headings and numbering are for convenience only and shall not be taken into account in their construction, any reference to the singular shall include the plural and vice versa, references to any gender shall include all genders and references to any statute shall include such statute as amended or extended from time to time.
- (3) In the event that any of these Terms or any part of any of these Terms shall be ruled by a court or other tribunal to be unenforceable these Terms shall be read as if such Term or part thereof was deleted. We may substitute for such deleted provision such alternative Term or part Term as we may reasonably determine reflects the intention of any Term or part Term so deleted. Such deletion shall not in any event effect the remainder of the Terms.