

Spread Betting Terms & Conditions

1. Warning

1.1 Wins and losses on spread bets can be many times your original stake. Depending on the nature of your bet (and regardless of whether you have a deposit or a credit account) your losses may be unlimited. You should only bet if you are prepared to accept that degree of risk. You should always estimate a worst case scenario before you bet. Some markets are more volatile than others, so select your stake accordingly as large amounts of liquid risk capital may be required at short notice. Spread betting involves high risk and is not suitable for everyone.

1.2 You will be classified as a private customer or an intermediate customer. When assessing your classification and thereafter dealing with you City Index will (among other things) rely on information provided by you, financial information and information contained on your Application Form. You expressly consent to City Index using and relying on all such information in making its assessment and in its dealings with you. Therefore, if there is any material change in your personal circumstances you must immediately inform City Index of the change (in writing) so that City Index can consider your classification. Note that City Index reserves the right in its absolute discretion to review your classification from time to time and (subject to compliance with regulatory requirements and execution by you and City Index of any relevant documents) to re-classify you as it thinks fit.

1.3 If you have been classified as a private customer, then your attention is drawn in particular to the Risk Warning Notice which forms part of the Application Form for private customers. This sets out certain risks involved with spread betting but is by no means an exhaustive statement of those risks. If you are a private customer, by (a) entering into these Terms and signing the Application Form or (b) (if you have applied on-line) signifying your acceptance of these Terms and completing the Application Form in the on-line manner required by City Index, you (i) confirm receipt and acceptance of the Risk Warning Notice and (ii) warrant that you have read and understood the Risk Warning Notice.

1.4 If you have been classified as an intermediate customer, then your attention is drawn to the Intermediate Customer Notice which forms part of

the Application Form for intermediate customers. This sets out the protections under the regulatory system that you will lose as a consequence of being classified as an intermediate customer. If you are an intermediate customer, by (a) entering into these Terms and signing the Application Form or (b) (if you have applied on-line) signifying your acceptance of these Terms and completing the Application Form in the on-line manner required by City Index you (i) confirm receipt of the Intermediate Customer Notice and (ii) warrant that you have read and understood the Intermediate Customer Notice and that you accept your classification as an intermediate customer. You are required to sign the Intermediate Customer Notice.

1.5 City Index has been granted an exemption from the COB requirement to provide best execution for private and intermediate customers; accordingly City Index does not owe a duty of best execution to private customers or intermediate customers.

1.6 You should not engage in spread betting unless you understand the nature of the transaction you are entering into, the risks involved and the true extent of your exposure to the risk of loss. You must familiarise yourself with and understand how you win or lose bets, the nature of spread betting, how to calculate Margin, jargon used, market/exchange/City Index hours, expiry times and dates, the nature of the bet and any betting rules before you place any bet. You are also responsible for monitoring your position and knowing when you are liable to pay Margin. City Index's brochure gives working examples of spread betting and the Website explains certain jargon, you may refer to these or telephone City Index for a general explanation of how you win or lose bets. However it is ultimately solely your responsibility to ensure that you understand all these matters. If in doubt, seek professional advice and remember that debts incurred through spread bets are recoverable at law.

1.7 All dealings will be on an execution only basis. City Index acts as principal. Notwithstanding clause 3.2(d), we owe you no duty to monitor the size of your trading or to ensure that spread betting or any bets you may place are suitable for you or to close any bet you have opened or not to allow you to over-trade. You must rely on your own judgement in deciding to enter into or close a bet. Any statements made to you by us shall not

constitute a recommendation to you to enter into or close a bet in any way.

1.8 These Terms are made between the Client and City Index and apply to all spread bets between the Client and City Index (including any bets placed by an Agent pursuant to clause 4.14 or other person giving the Client's name, account number and/or Password as referred to in clause 4.13).

1.9 Your acceptance of these Terms is signified by (a) your signature on the Application Form or (b) (if you have applied on-line) your acceptance of these Terms in the on-line manner required by City Index.

2. Definitions

2.1 In these terms and conditions (in addition to expressions defined elsewhere in these Terms) the following words and expressions shall have the following meanings:-

"Account Balance" the balance of your account with us (whether a credit or debit balance) taking into account credits and debits to that account including any profit or loss arising from closed positions (but not taking into account any open positions)

"Application Form" the City Index account application form for private customers or intermediate customers as the case may be (whether in hard copy or any on-line application form)

"an Agent" a person authorised to operate an account on behalf of a Client as referred to in clause 4.14

"business day" Monday to Friday (inclusive) excluding any English public holiday

"City Index" "we" "us" and "our" City Index Limited (no. 1761813)

"City Index Quote"/"Our Quote" as defined in clause 12.12

"Client", "you" and "your" a person for whom City Index has opened an account and allocated an account number

"COB" the Conduct of Business rules of the FSA

"Corporate Event" the occurrence of any of the following in relation to the issuer of the underlying equity to which your bet directly or indirectly relates:-

(a) any rights scrip bonus or other issue or offer of shares/equities of whatsoever nature;

(b) acquisition of own shares/equities;

(c) reduction of share/equity capital;

(d) any amalgamation or reconstruction affecting the shares/equities concerned;

(e) any other event which in City Index's opinion (acting reasonably) has a diluting or concentrating effect on the market value of the said underlying equity

"Credit Allocation" a risk allocation figure allocated by City Index in respect of a Credit Account, as referred to in clause 5.2 and as such Credit Allocation may be varied by City Index from time to time as referred to in clause 5.7

"Excess NTR" applies to Credit Accounts only and is

	the remainder (if any) of the aggregate of all NTR of all your open positions less Waived NTR	"GFTD"	as defined in clause 12.13
		"GTC"	as defined in clause 12.14
"Force Majeure Event"	any cause preventing City Index from performing any or all of its obligations hereunder which arises from or is attributable to acts events omissions or accidents beyond the reasonable control of City Index including without limitation:-	"Guaranteed Stops"	as defined in clause 12.15
		"Insolvency Event"	in relation to you:
(a)	an emergency or exceptional market condition;	(a)	(if the Client is other than a natural person or a partnership) the passing of a resolution or the making of an order for your winding up or dissolution, the making of an administration order, the appointment of a receiver, administrator, manager, administrative receiver or similar officer over, or if any encumbrancer takes possession of or sells, all or any part of your business or assets, the making of an arrangement or composition with your creditors generally or the making of an application to court for protection from your creditors generally (including under Chapter 11 of the US Bankruptcy Code);
(b)	compliance with any law legislation or governmental order regulatory rule regulation or direction;	(b)	(if the Client is a natural person or partnership) if an encumbrancer takes possession of or sells all or any part of your business or assets, the making of an arrangement or composition with your creditors generally, the making of a bankruptcy order; if the Client is a partnership, the occurrence of any of the foregoing events in relation to any partner in that partnership shall be deemed an "Insolvency Event"; or
(c)	any act, event or occurrence (including without limitation any strike, lock-out or other industrial dispute, riot, terrorism, war, civil commotion, act of God, malicious damage, accident, breakdown of equipment, fire, flood, storm, interruption of power supply or breakdown of or interruption in any electronic, communication or information system) which in our reasonable opinion prevents us from maintaining an orderly market in one or more of the indices/markets/exchanges in respect of which we ordinarily accept bets;	(c)	(in either case) becoming insolvent or otherwise being unable to pay your debts as they fall due, or any act of insolvency or similar or analogous event (to those set out in paragraphs (a) and (b) above) occurring or action taken in respect of you
(d)	the suspension or closure of any index/market/exchange or the abandonment or failure of any event upon which we base, or to which we may relate, our quotes, or the imposition of limits or special or unusual terms on any such event;		
"the FSMA 2000"	the Financial Services and Markets Act 2000	"ITP"	an Interactive Trading Platform provided by City Index
"the FSA"	the Financial Services Authority	"LSE"	the London Stock Exchange
		"Manifest Error"	means any error omission or misquote

(whether an error of City Index or any third party) which is manifest or palpable including a misquote by the City Index dealer taking into account the current market and currently advertised quotes, for example wrong price, month, expiry date or market, or any error or lack of clarity of any information, source, commentator, official, official result or pronunciation. The fact that a Client may have entered into, or refrained from entering into, a corresponding financial commitment, contract or bet in reliance on a bet placed with City Index (or that the Client has suffered or may suffer any loss whether direct indirect consequential or otherwise) is deemed irrelevant as a factor and shall not be taken into account in determining whether a situation amounts to a Manifest Error

- (c) an unusual movement in the level of, or the unusual loss of liquidity in respect of, the underlying equity/market/exchange on which our spread betting prices are based or our reasonable anticipation of the occurrence of the same;
- (d) the occurrence of any other event which causes a material market disruption in respect of the underlying equity/market/exchange on which our spread betting prices are based

“Market Information Sheets” the Market Information Sheets prepared by City Index and as the same may be amended and/or replaced from time to time as referred to in clause 7.1

“Margin” as defined in clause 15.1

“Margin Call” a request for payment of Margin as referred to in clause 15.7

“NMS” in relation to any equity means Normal Market Size as defined in the LSE rules from time to time in force

“Marked to Market” the value of a Client’s open position calculated at City Index’s current quotes from time to time

“NTR” Notional Trading Requirement as defined in clause 5.3 and as the same may be varied from time to time as referred to in clause 5.5

“Market Disruption Event” any of the following events:-

- (a) if the underlying equity on which your bet is based, whether directly on the equity or indirectly for example on a future of or option on such equity, is the subject of a take-over offer or a merger offer or the issuer of such equity has entered into or is the subject of insolvency or liquidation proceedings (or any Insolvency Event has occurred in relation to such issuer, mutatis mutandis);
- (b) if trading in respect of the underlying equity/market/exchange on which our spread betting prices are based is suspended or limited for any reason whatsoever, including by reason of movements in price exceeding limits permitted by the relevant exchange or if limits or special or unusual terms are imposed on the trading of such equity/market/exchange by the relevant exchange;

“Password” a password given to you by City Index in connection with use of the ITP

“Screen” as defined in clause 12.12

“Terms” the terms and conditions set out herein as the same may be amended and/or replaced from time to time, the Market Information Sheets and any rules/terms and conditions from time to time created by City Index as referred to in clause 7.3 and as such rules/terms and conditions may from time to time be amended and/or replaced, all the

	foregoing together constituting City Index's "terms of business" and "client agreement" for the purposes of the FSA rules	2.2 The expressions "bet", "betting", "dealing", "trading" or other similar or analogous expressions include a reference to a Client placing a bet/opening a position, closing a bet/position, leaving an order of any description and the execution of any order.
"Total Position"	as defined in clause 15.1	2.3 Note:-
"Unused Waived NTR"	the amount of Waived NTR (if any) remaining after deducting the NTR of all your open positions	(a) all times stated in these Terms relate to UK time taking account of changes between Greenwich Mean Time and British Summer Time;
"Waived NTR"	applies to Credit Accounts only and means the amount of NTR which City Index may in its absolute discretion waive as a requirement for any Client having a Credit Account, which amount is normally in the same size as that Client's Credit Allocation, and as such amount of Waived NTR may from time to time be varied by City Index as referred to in clause 5.7	(b) all City Index trading hours are subject to variation by City Index from time to time;
		(c) without prejudice to the generality of clause 2.3(b), City Index trading hours (and all hours stated as traded by City Index in these Terms) may vary according to public holidays (whether UK or elsewhere) and the trading hours of the relevant underlying market.
		2.4 Further information regarding City Index trading times is set out in the Market Information Sheets.
		3. Your Account
"the Website"	means such website that City Index may from time to time maintain for access by Clients, currently maintained under the URL: www.cityindex.co.uk	3.1 City Index reserves the right to close or suspend a Client's account at any time for any good reason, with or without notice to you.
"Your Information"	all personal and financial information about you which:-	3.2 Without prejudice to the generality of clause 3.1, you specifically and unconditionally agree that City Index has the right to close or suspend your account, with or without notice to you, if:-
(a)	is obtained from you or from third parties such as joint account holders, credit reference agencies (who may search the Electoral Register), fraud prevention agencies or other organisations; and/or	(a) City Index has reasonable concerns in relation to credit worthiness, financial status, verification of identity, money laundering or any breach of FSA rules;
(b)	relates to your account or is ascertained from the way you use and manage your account, from the transactions you make and from the payments which are made to your account.	(b) you are in breach of these Terms;
		(c) you have failed to pay any amount due to City Index on time;

- (d) City Index has reasonable concerns that you do not have a sufficient understanding of the nature of spread betting;
- (e) you have made any material misrepresentation to City Index;
- (f) you act in an abusive manner;
- (g) you fail to provide information requested in relation to any credit check undertaken by City Index.

3.3 In addition you specifically and unconditionally agree that City Index has the right to close or suspend your account by notice to you if your trading is of such a size that City Index no longer wishes to deal with you.

3.4 You authorise City Index to use Your Information to perform credit and identity checks in relation to you at any time as it thinks fit including by asking for bankers' references, by making enquiries of credit reference agencies and fraud prevention agencies, by searching the Electoral Register and by making any other enquiries we reasonably see fit. You understand that credit reference agencies will maintain a record of any enquiry made to them and the information given to them. City Index may refuse to carry out an instruction or transaction as a result of any credit reference check.

3.5 City Index shall be entitled to disclose Your Information without prior reference to you (including as to late payments) to any regulator of City Index's business, to your employer if it is

authorised or exempt under the FSMA 2000 (including its compliance officer and to send contract notes and statements of your account to that compliance officer), to credit reference agencies, fraud prevention agencies or to any other person City Index reasonably believes to be seeking a reference or credit reference in good faith. In particular, City Index shall be entitled to do so if you fail to make any payment when due, are in breach of these Terms, provide us with false or inaccurate information or if we suspect fraud.

3.6 You must immediately report to City Index in writing any material change in your financial circumstances and/or any material change to any of the information given on your Application Form (including change of employment, address, contact details and/or bank/credit card details). In City Index's absolute discretion it may accept such notification over the telephone.

3.7 If City Index opens an account in the name of two or more persons and allocates a single account number, each of such persons shall be jointly and severally liable in respect of that account and City Index shall be entitled to accept bets from and act on the instruction of any such joint account holder without reference to or notification to any other joint account holder.

4. Placing Bets

4.1 You may only bet with City Index using the telephone or via an ITP. City Index is not obliged to provide ITP access to you. If City Index provides you with access to an ITP it will also provide you with a Password.

4.2 You should assume that City Index's telephone lines are recorded (although this is not guaranteed) and you hereby agree to the recording of such conversations. You should assume that the ITP retains a chronological history of all conversations/communications conducted over that medium (although this is not guaranteed). All such records and recordings of telephone conversations shall be City Index's exclusive property and may be used for any purpose by City Index, including as evidence in any dispute. Notwithstanding the foregoing you should keep your own timed and dated written records of your transactions and dealings with City Index.

4.3 Deals are conducted and settled in pounds sterling unless City Index agrees otherwise, or the context or the relevant market otherwise requires. City Index quotes are for two-way markets in a size acceptable to City Index involving a spread between buying and selling prices. Clients may 'sell' at the lower price or 'buy' at the higher price.

4.4 Subject as hereinafter provided, City Index only deals with Clients and their Agents.

4.5 On receipt of any offer to place a bet via the ITP or the telephone, City Index may in its absolute discretion reject or accept your proposed bet. Without prejudice to the generality of the foregoing City Index reserves the right not to accept any bet or bets for any reason or no reason (in particular if you act in an abusive manner).

4.6 When placing a bet at the telephone, you will be required to give your name and account number. You are not permitted to bet without this information. Your bet (over the telephone) will only be treated as accepted by City Index when the dealer accepts your bet.

4.7 When placing a bet via the ITP, you will given access to your account by your account number and Password. Passwords are only obtainable from City Index upon request (and if City Index have provided an ITP to you).

4.8 Bets placed via the ITP will be treated as effective on acceptance by City Index. Bets placed via the ITP will normally be confirmed at the time of the transaction by electronic means broadcast over the ITP and subsequently in the form of a contract note as provided in clause 19.1.

4.9 If you are in any doubt whatsoever, due to, but not exclusively, a breakdown in communication leading to a cessation of connection between City Index and you, it is your sole responsibility to contact City Index immediately by telephone in order to obtain clarification as to the validity of any bet.

4.10 You must not disclose your account number or Password to any person (save disclosure of your account number to an Agent pursuant to clause 4.14). You should not keep records of both together in any location nor records of your account number with anything that identifies your name. If City Index has provided you with a card or any similar device bearing your account number you must keep the same safe and

confidential and separate from any other items that identify your name. You must immediately inform City Index and apply for a new account number/Password if you lose your card (or similar device) or are aware or suspect that a third party has ascertained your account number or Password or that any person other than you (or your authorised Agent) is dealing on your account.

4.11 City Index will treat you as having placed a bet at the telephone if it accepts a bet in good faith from a person giving your name and account number. City Index personnel cannot be expected to recognise your voice (or that of your Agent) in any circumstances and City Index is under no duty to enquire about the identity of any person who gives your name and account number.

4.12 In the case of bets placed via the ITP, City Index is under no obligation to recognise the domain from which a Client's business emanates.

4.13 You will be fully responsible for (a) in the case of communication by telephone all acts and omissions of any person giving your name and account number and (b) in the case of communication via the ITP all acts and omissions using your account number and Password, including (in both cases) all bets placed and instructions given as if such acts, omissions, bets and instructions were done, made or given by you and as if the person using your name, account number and/or Password were you.

4.14 City Index recognises that in some

circumstances it may be necessary for you to authorise someone to operate your account. If you wish to do this City Index's prior consent is required (which it may withhold in its absolute discretion) and City Index will require the same information, including verification of identity, from the person you propose as it required from you in order to open your account. In addition, both you and the person you wish to authorise to operate your account will be required to execute and deliver to City Index an agency in the form required by City Index authorising and appointing such person ("an Agent") to operate your account. You will be fully responsible for all acts and omissions of the Agent including all bets placed and instructions given by such Agent as if such acts, omissions, bets and instructions were done, made or given by you and as if the Agent were "you"/"the Client". City Index shall be entitled to accept instructions from such Agent until the expiration of 2 business days after receipt (including the business day of receipt) of a written notice from you stating that the authority of the Agent is revoked. Such written notice (to be effective) must be sent to City Index's Customer Services Department by first class post or by personal delivery.

4.15 Notwithstanding clause 4.14 City Index shall be entitled (by giving notice to you in accordance with clause 24.1) to refuse to accept instructions from any Agent and to treat the appointment of any such Agent as terminated. If you appoint any Agent you will still be treated as City Index's client for the purposes of rule 4.1.5 of the COB.

4.16 Clients should note that where they are

betting on the outcome of the price movement in relation to an underlying equity or index they will not be entitled to delivery of, or be required to deliver, nor entitled to ownership, dividends or any other rights in respect of the underlying equity or index.

4.17 You are referred to the Market Information Sheets for the further terms and conditions relating to equity bets and associated options.

5. Credit and deposit accounts; Credit Allocation and NTR

5.1 Subject to any election by you in your Application Form that your account be a Deposit Account, your account will either be a "Deposit Account" or a "Credit Account" as determined by City Index.

5.2 If City Index has opened a Credit Account for you, you will also be allocated a certain level of credit ("Credit Allocation"). A Credit Allocation does not constitute a credit facility; it is no more than a risk allocation figure. If you exceed your Credit Allocation you may be liable to pay Margin. City Index is entitled to allow you to bet, or your open positions to run, beyond your Credit Allocation. Your Credit Allocation does not represent your ultimate financial liability to City Index.

5.3 Each opening bet you place (or propose to place) attracts a Notional Trading Requirement ("NTR"). NTR is determined differently for particular markets, as follows:-

5.3.1 in the case of markets subject to an NTR multiplier, NTR is calculated by multiplying the stake size (or proposed stake size) by the relevant NTR multiplier;

5.3.2 in the case of markets subject to an NTR percentage, NTR is calculated as follows: (stake size multiplied by current City Index price) multiplied by relevant NTR percentage;

5.3.3 in the case of markets which are not subject to an NTR multiplier or an NTR percentage, for example options and base rates, please refer to the Market Information Sheets.

You shall pay the relevant NTR to City Index in respect of each opening bet you place.

5.4 The Market Information Sheets set out further terms and conditions regarding NTR for particular markets.

5.5 NTR multipliers/NTR percentages may be changed from time to time by notice to you. In particular NTR multipliers/NTR percentages may be changed by notice to you following the occurrence of a Force Majeure Event, Market Disruption Event or in other volatile market conditions or illiquidity of any market and/or if City Index considers it appropriate to do so having regard to your cumulative open position. The new NTR multiplier/NTR percentage will be applied to existing open positions as well as new bets. You may therefore be required to deposit additional NTR in respect of open positions. Certain NTR multipliers/NTR percentages are set out in the Market Information Sheets which are

correct at the time of first publication. In addition many one off markets are frequently created. NTR multipliers/NTR percentages which are not set out in the Market Information Sheets or which have changed since the date of publication of the Market Information Sheets will be quoted on request or posted on Reuters or the Website or in City Index's newsletter or otherwise notified to you by any of the methods referred to in clause 24.1 (and each of the foregoing methods will be deemed notice to you of the relevant change). It is your responsibility to ensure that you are using the up to date NTR multiplier/NTR percentage.

5.6 Waived NTR only applies to Credit Accounts. For example, a £10,000 Credit Allocation normally enjoys Waived NTR of £10,000. If the aggregate of your open bets produces a combined NTR in excess of your Waived NTR, this may result in Margin becoming due (see clause 15).

5.7 Your Credit Allocation and your Waived NTR may be altered by City Index from time to time (in its absolute discretion) by notice to you in accordance with clause 24.1. In particular City Index may by notice to you in accordance with clause 24.1 alter your Credit Allocation and/or Waived NTR, reduce your Credit Allocation and/or Waived NTR and/or change your account to a Deposit Account depending on City Index's assessment of your financial circumstances or if you fail to provide information relating to any credit check within the time specified by City Index or fail to pay Margin in full or if any cheque or other instrument of payment you send to City Index is not cleared on first presentation.

5.8 Neither your Credit Allocation, the amount of funds you may have on deposit with City Index nor the NTR applicable to your open positions represents your ultimate financial liability to City Index.

6. The Price

6.1 City Index current quotes will be quoted on request and are usually available on the ITP. You can only place a bet at the City Index currently quoted price for the relevant market and expiry date and within the applicable minimum/maximum stake size (unless otherwise agreed by City Index). The quote will be given for the market you request.

6.2 You can only offer to place a bet on a current valid quote. A price may change at any time after it has been quoted and prior to its acceptance by you. If a quote is made to you over the telephone, you can only bet on that quote during the same telephone conversation in which the quote was given to you. Quotes which are given as 'indication only' are ineffective and cannot be traded. Quotes which you are told are no longer valid before you place your bet are also ineffective and not tradable. For example, if the phrases "interrupt" "change" or "off" are used these mean that the relevant quote is no longer valid. Note also that even if you offer to bet on a current valid quote your offer is subject to acceptance as mentioned in clauses 4.5, 4.6 and 4.8.

7. Market Information Sheets; Buying and Selling Spreads

7.1 The Market Information Sheets form part of these Terms. The Market Information Sheets set out various matters relevant to bets including (a) minimum and maximum bets/stakes (b) City Index buying and selling spreads (c) NTR multipliers/NTR percentages and other provisions relating to NTR (d) contract months (e) last day of dealing (f) basis of settlement (g) City Index trading hours (h) list of certain available markets/exchanges (i) limited risk premiums (j) City Index minimum stop level and (k) other matters relevant to certain bets and markets. The Market Information Sheets were correct as at the date on which the same were published. City Index reserves the right to amend, vary, add to, remove from and from time to time replace the Market Information Sheets and any and all information set out therein by notice to you. It is your responsibility to ensure that you have the up to date information. City Index will notify you of changes to and/or replacements of the Market Information Sheets (and any and all information contained therein) through any of the following methods (as City Index determines): in statements sent to you, in City Index's newsletters, by new issues of the Market Information Sheets, via Reuters and/or the Website, by the telephone, via the ITP or by any of the methods referred to in clause 24.1.

7.2 City Index has the right to vary buying and selling spreads with or without notice to you. In particular, City Index may do so, with or without notice to you, especially in, but not limited to, volatile market conditions and/or illiquidity of the

underlying market and if a Force Majeure Event or Market Disruption Event occurs. Current buying and selling spreads will be quoted to you on request.

7.3 City Index may from time to time introduce special markets (eg Politics and Grey Markets). City Index reserves the right to create (and thereafter vary or replace) specifications, rules/terms and conditions in respect of bets on any particular market. Such specifications, rules/terms and conditions (and any variation and/or replacement of the same) will be notified to you by any of the methods referred to in clause 24.1. Clients should ensure that they are aware of the market specifications, rules and terms and conditions relating to any particular market before entering into any bet in relation to that market.

7.4 You are also referred to clauses 10.2 and 10.3 in relation to spreads and stakes on closing.

8. Your Bet

8.1 Subject to clause 8.8 the maximum stake in respect of any bet you wish to place will be the lower of (a) the maximum stake applicable to the relevant market, see clause 8.3 and (b) the "largest stake" applicable to you. The "largest stake" applicable to a Client is calculated based on the Client's individual situation and varies according to the nature of the bet, see clauses 8.4 and 8.5. See also clauses 10.2 and 10.3 in relation to closure of bets.

8.2 Subject to clause 8.6 the minimum stake in

respect of any bet you wish to place will be the minimum stake applicable to the relevant market (see clause 8.3).

8.3 Certain maximum and minimum stakes are set out in the Market Information Sheets. You are referred to clause 7.1. You are also referred to clause 10.3 in respect of maximum stakes on closure. Maximum and minimum stakes for one off markets or which are not set out in the Market Information Sheets (or which have changed since the date of publication of the Market Information Sheets) will be quoted on request. Maximum and minimum stakes can vary according to market conditions, including market volatility or illiquidity. City Index reserves the right to vary minimum/maximum stakes at any time as referred to in clause 7.1. In particular City Index may vary minimum/maximum stake sizes following the occurrence of a Force Majeure Event or Market Disruption Event. It is your responsibility to ensure that you know the current minimum and maximum stake applicable to any bet.

8.4 Deposit Accounts. In the case of Deposit Accounts, the largest stake in respect of each bet a Client wishes to place will be calculated as follows:-

Step 1

Account Balance less NTR of open positions, plus any positive Marked to Market balances and less any adverse Marked to Market balances;

Step 2

The following then applies:-

- (a) in the case of markets subject to an NTR multiplier, the figure calculated under Step 1 is then DIVIDED by the relevant NTR multiplier; the resulting figure is the largest stake; OR
- (b) in the case of markets subject to an NTR percentage, the figure calculated under Step 1 is then DIVIDED by (the relevant NTR percentage multiplied by the relevant City Index price); the resulting figure is the largest stake; OR
- (c) in the case of markets for which there is no NTR multiplier or NTR percentage, the largest stake is calculated depending on the market concerned. Please refer to the City Index dealing desk.

8.5 Credit Accounts. In the case of Credit Accounts, the largest stake in respect of each bet a Client wishes to place will be calculated as follows:-

Step 1

Account Balance plus Credit Allocation plus Unused Waived NTR or (as the case may be) Excess NTR plus any positive Marked to Market balances and less any adverse Marked to Market balances;

Step 2

The following then applies:-

- (a) in the case of markets subject to an NTR multiplier, the figure calculated under Step 1 is then DIVIDED by the relevant NTR multiplier; the resulting figure is the largest stake; OR
- (b) in the case of markets subject to an NTR percentage, the figure calculated under Step 1 is then DIVIDED by (the relevant NTR percentage multiplied by the relevant City Index price); the resulting figure is the largest stake; OR
- (c) in the case of markets for which there is no NTR multiplier or NTR percentage, the largest stake is calculated depending on the market concerned. Please refer to the City Index dealing desk.

8.6 In the case of both Deposit and Credit Accounts, if you bet the largest stake in relation to your available funds (ie, as calculated under clauses 8.4 and 8.5) then any adverse market movement may result in Margin being immediately due (see below) – we therefore recommend that these largest stakes are not bet in order to allow for some adverse market movement.

8.7 If the maximum stake (referred to in clause 8.1) in respect of any bet you wish to place is nil or less you may not (whether your account is a Credit or Deposit Account) be permitted to bet

unless you deposit funds with City Index (in such amount as it may require).

8.8 Notwithstanding any other provision of these Terms, City Index is entitled in its absolute discretion (a) to permit stakes which are above or below any applicable maximum or minimum and whether with or without notice to you; (b) to limit any stake to any size including the maximum size; (c) to close (on City Index's then current quote) any bet placed in excess of any applicable maximum or minimum stake notwithstanding that City Index may previously have accepted that bet; and (d) to close (on City Index's then current quote) any bet placed if funds are not deposited in accordance with clause 8.7 and notwithstanding that City Index may previously have accepted that bet.

9. Multiple Deals

9.1 Subject as mentioned in clause 9.2, you may not hold opposing positions in the same market for the same expiry date; for example, if you had originally placed a 'sell' bet and you subsequently placed a 'buy' bet on the same market and expiry, this will close all or part of your original 'sell' bet and may create a new open position. If you have more than one open bet in the same market, such bets (or part thereof) will normally be closed (subject to clause 9.2) in the order "First In, First Out" (commonly known as "FIFO"), subject to any express election by you to close bets in any other order.

9.2 FIFO does not apply to bets which are subject to orders specific to that bet, such as a

stop loss order. Those bets will be closed in accordance with the relevant order, unless you specifically close the bet before the relevant order is executed.

9.3 City Index reserve the right to refuse to accept, or if inadvertently accepted, to cancel or void, any bet which would result in you simultaneously holding open positions which are both either long or short of both a currency future and its inverse currency future contract. Should City Index allow such a position to be held by you, without prejudice to City Index's right to cancel or void such bets and notwithstanding any verbal or other confirmation to the contrary, individual rates/percentages of NTR will be applied to both bets (notwithstanding that one position may effectively hedge the other).

10. Closure of positions

10.1 Subject to all other provisions of these Terms:-

- (a) each bet can run until its expiry date or the occurrence of the relevant event (as applicable);
- (b) bets can normally be closed at any time during the City Index trading hours in the relevant underlying market (as set out in the Market Information Sheets);
- (c) for markets whose City Index trading hours are not set out in the Market Information Sheets bets can normally be closed during the hours of 10:00 to 15:00 on a business day

but City Index reserve the right to trade/quote outside those hours;

- (d) bets will be automatically closed (as the case may be) on the expiry date or at the time and date of occurrence of the relevant event.

10.2 Closing bets will be traded at the price dictated by the spread quoted at the time of closing, irrespective of the spread and price at the time of the opening bet, which may be larger or smaller.

10.3 City Index reserve the right to limit the maximum stake on closing a bet to the maximum stake quoted at the time of closing irrespective of the maximum stake quoted at the time of the opening bet, which may be larger or smaller.

10.4 "Up bets" ('Buys') are closed by the Client selling at the lower of the then currently quoted spread. "Down bets" ('Sells') are closed by the Client buying at the higher of the then currently quoted spread.

10.5 All bets automatically closed (under clause 10.1 (d)) will be closed on the applicable basis of settlement set out in the Market Information Sheets (subject to clause 7.1) save for one off markets and other markets whose basis of settlement is not set out in the Market Information Sheets, and in that case the applicable basis of settlement will be that quoted by City Index on closure.

10.6 In the case of bets closed automatically as

referred to in clause 10.1(d) if the expiry date or the time and date of occurrence of the relevant event:-

- (a) in cases where there is an underlying exchange in respect of the relevant bet:-
 - (i) is not a business day of that underlying exchange then the relevant bet will be deemed to have closed on the immediately previous business day of the relevant underlying exchange (ignoring for this purpose the meaning of business day given in clause 2.1);
 - (ii) is a business day of that underlying exchange then the relevant bet will be deemed to have closed on that business day (ignoring for this purpose the meaning of 'business day' given in clause 2.1);
- (b) in cases where there is no underlying exchange in respect of the relevant bet:-
 - (i) is a business day (as defined in clause 2.1) then the relevant bet will automatically close on that day;
 - (ii) is not a business day (as defined in clause 2.1) then the relevant bet will automatically close on the next business day (as defined in clause 2.1).

10.7 If a bet has been closed automatically any subsequent purported closing of that bet by the Client (whether or not erroneously accepted by City Index) will be of nil effect and void.

10.8 City Index will not be obliged to check or have regard to any assumption made or expressed by a Client as to the effect of any bet on your existing or overall positions with City Index. City Index need have no regard to the Client's comments that any bet he places is a bet to close all or part of an open position. City Index will treat all bets as a buy or a sell regardless of whether the bet has the effect of opening a new position or closing an existing one.

10.9 City Index need have no regard to the fact that a Client may trade with any entity other than City Index (for example if the Client places an "up bet" with City Index and a "down bet" with any other entity).

10.10 On closure of a bet a profit or loss may arise which will be calculated as follows: the difference between the closing price and the opening price of the bet concerned, multiplied by the relevant stake. You will make a profit if the price at which you sell (whether to open or close a bet) exceeds the price at which you buy (whether to open or close a bet). If the price at which you sell is less than the price at which you buy, you will make a loss. Profits will be credited to your Account Balance and losses will be debited from your Account Balance.

11. Roll-Overs (Extension of deals)

11.1 You may, with the exception of bets on option prices, at any time prior to expiry of a bet, be advised of, or request terms for rolling over bets into the next contract period. Any spread quoted will reflect prevailing market

premiums/discounts. Any roll-over is in the absolute discretion of City Index. Should the Client be permitted to effect a roll-over, the original bet is closed, becomes due for settlement and a new bet is established.

11.2 The Market Information Sheets set out further terms and conditions in relation to roll-over.

12. Limit, stop and other orders

12.1 On certain markets you may be able to place limit stop or other orders.

12.2 No orders are guaranteed, save for Guaranteed Stops as provided in clause 12.18. Subject to clause 12.18 (and subject as mentioned in this clause 12.2), orders may be filled by City Index when it is reasonably able to do so. For example, if the relevant underlying market is open and trades through or has opened through the level of an order, commonly known as 'gapping', such order will be executed at the City Index quote based upon the first price City Index are reasonably able to obtain in the underlying market. In respect of markets quoted by City Index outside the trading hours of the relevant underlying market, orders that are basis City Index Quote/Our Quote may be filled at the City Index quote based on a price which is in City Index's opinion reasonable in light of prevailing world markets at that time. There are exceptions to the foregoing:-

- (a) if City Index has accepted alternative instructions from you; and

(b) if a market has traded through the level of an order outside of City Index's trading hours, but by the opening of City Index trading hours that market has been restored so that the order level has not been exceeded, then City Index will not execute that order at the opening of City Index trading hours and the order will continue to be valid.

12.3 All terms and conditions relevant to your placing any bet (which includes opening or closing any position) must be complied with both at the time any order is placed and on its execution. City Index is entitled to refuse to accept or fulfill any order if such terms and conditions are not complied with.

12.4 Without prejudice to the generality of the clause 12.3 the provisions of clause 8 in relation to maximum and minimum stake sizes apply to all orders both on acceptance and on execution. In particular orders will be subject to the maximum stake size applicable at the time of execution of the order irrespective of the maximum stake size applicable at the time of placing the order. Orders which on execution would be in excess of the maximum stake size applicable on execution will be executed in tranches of up to the maximum stake size until the order is fulfilled. It should be noted that the price applicable to each tranche may vary considerably. Notwithstanding the foregoing in the case of execution of a Guaranteed Stop such order will be filled at the stake size agreed at the time of acceptance of that order.

12.5 The orders you place as referred to in clause 12.1 shall:-

- (a) be deemed "good until cancelled" ("GTC") unless the Client expressly specifies (at the time of placing the relevant order) that it is "good for the day" ("GFTD");
- (b) be at levels and on terms acceptable to City Index;
- (c) be deemed to be "City Index Quote"/"Our Quote", unless the Client expressly specifies (and City Index accept) basis "Screen";
- (d) be applied to and be valid in respect of the contract day, week or month in respect of which City Index accepted the order. For example an order instruction accepted in relation to the June Wall Street contract will not apply to the September contract once the June Contract has expired (subject to any agreed roll-over, see clause 11).

12.6 No extra charge or spread is incurred for orders except that a charge is made in connection with Guaranteed Stops (clause 12.20).

12.7 City Index will only accept instructions in relation to orders orally at the telephone or via the ITP should this be available. City Index is not obliged to accept any instructions in relation to orders given in any other manner or any other form of communication.

12.8 Unless otherwise specified by City Index (at the time City Index accepts the relevant order) all

orders left basis Screen will always relate to the underlying month of your contract regardless of the fact that the month in question may or may not be the lead month.

12.9 It is your responsibility specifically and expressly to cancel any order you have placed which, unless you have done so, may be filled by City Index in accordance with this clause 12 (irrespective of whether you have closed any of your positions or opened any new positions). In the case of stop loss orders and Guaranteed Stops if the related trade is closed by you the stop loss order or the Guaranteed Stop (as the case may be) will be deemed automatically cancelled.

12.10 City Index is not obliged to inform you of the "fill" on any order, except by a contract note/statement as provided in clauses 19.1 and 19.2.

12.11 GFTD and GTC orders can be left either "Screen" or "City Index Quote" (otherwise known as "Our Quote").

12.12 "Screen" means that (subject to all other provisions of this clause 12) the order will be executed when the underlying market trades at the relevant price or trades through it. "City Index Quote" (otherwise known as "Our Quote") means that (subject to all other provisions of this clause 12) the order will be executed when the City Index current quote reaches the relevant price or trades through it.

12.13 GOOD FOR THE DAY (GFTD) means that the order in question will be effective as follows:-

- (a) Having left your GFTD order basis "Screen", the relevant order will be valid until the underlying market closes at the end of that day's trading session, ie the trading session of the underlying market. At that time the GFTD order will automatically cease to have effect.
- (b) Having left your GFTD order basis "City Index Quote"/"Our Quote", the relevant order will be valid until the underlying market closes at the end of that day's trading session, ie the trading session of the underlying market. At that time (and subject as hereinafter provided) the GFTD order will automatically cease to have effect. If, however, your order relates to a market that we are quoting out of the trading hours of the underlying market, it will be valid until 21:15 (or such earlier time as City Index may cease trading) on the day in question whereupon it will automatically cease to have effect.
- (c) Notwithstanding the foregoing, if your GFTD order relates to a Daily Wall St Cash contract, the order will only be valid up until the underlying market ceases trading at 21:00 on the day in question. If the GFTD order relates to a Daily Wall Street futures contract, the order will only be valid up until the underlying market ceases trading at 21:15 on the day in question. If the GFTD order relates to a Daily S&P futures contract, the order will only be valid up until the underlying market ceases trading at 21:15 on the day in question. If
- the GFTD order relates to a Daily SE 100 Cash or Daily SE 100 futures contract, the order will only be valid up until the underlying market ceases trading at 16:30 on the day in question. If the GFTD order relates to a Daily Dax 30 futures contract, the order will only be valid up until the underlying market ceases trading at 19:00 on the day in question. If the GFTD order relates to a Daily CAC 40 futures contract, the order will only be valid up until the underlying market ceases trading at 16:30 on the day in question. If the GFTD order relates to a Daily NASDAQ 100 futures contract, the order will only be valid up until the underlying market ceases trading at 21:15 on the day in question.
- (d) Equity GFTD orders will only be valid during underlying exchange hours, regardless of whether City Index is quoting out of those hours.
- 12.14 GOOD TILL CANCELLED (GTC) means that the order will remain in effect until the order is filled or you cancel the order or it expires or in the case of a stop loss, until you manually close your related open position.
- (a) Having left your GTC order basis "Screen", the relevant order will be valid until the underlying market closes at the end of each daily trading session (ie, the daily trading session of the underlying market) during the lifetime of your order. In the case of those instruments that are traded on more than one exchange, City Index
- may (in its absolute discretion and is not obliged to) allow you to work such orders during the trading hours of all such exchanges. This is commonly known as being worked "good all markets".
- (b) Having left your GTC order basis "City Index Quote"/"Our Quote", the relevant order will be valid until the underlying market closes at the end of each daily session (ie, the daily trading session of the underlying market) during the lifetime of your order. If, however, your order relates to a market that we quote out of the trading hours of the underlying market, then the order will be valid during each day of trading as traded by City Index during the lifetime of your order.
- (c) Equity GTC orders will only be valid during underlying exchange hours, regardless of whether City Index is quoting out of those hours.
- 12.15 Guaranteed stop loss orders ("Guaranteed Stops") are not always available and if made available are in any event only available at City Index's absolute discretion, on a few selected markets and on some individual equities, and on such terms and conditions as City Index may specify.
- 12.16 Guaranteed Stops will not be accepted at a level that is closer to the price of the bet than the then prevailing City Index minimum stop level. See clause 7.1.

12.17 Guaranteed Stops are only accepted on the basis "City Index Quote"/"Our Quote".

12.18 Guaranteed Stops are deemed to be GTC. The Guaranteed Stop will be executed at the agreed Guaranteed Stop level irrespective of the City Index Quote gapping through the agreed Guaranteed Stop level.

12.19 Guaranteed Stops (if available) are only available at the time of opening the relevant position. City Index may in its absolute discretion agree to change the level of the Guaranteed Stop, provided that the new Guaranteed Stop level is not closer than the then prevailing City Index minimum stop level to City Index's then current price quotation, on such terms as City Index may specify and in particular City Index may decline to do so if Margin would thereby become payable.

12.20 An additional spread (limited risk premium) is charged in connection with Guaranteed Stops which is City Index's prevailing charge at the date the Guaranteed Stop is set. In addition City Index reserves the right to render a further charge if it agrees to vary the level at which a Guaranteed Stop was set.

12.21 Additional terms and conditions relating to orders are set out in the Market Information Sheets, for example in relation to minimum stop level in relation to equity trading. In addition:-

- (a) All orders relating to equities listed on a UK exchange may be restricted to NMS. Orders which are subject to this restriction

will be executed in tranches until such order is fulfilled. It should be noted that the price applicable to each tranche may vary considerably.

- (b) All orders relating to equities listed on any exchange other than a UK exchange may be restricted to a maximum of £200 per point or the equivalent of £100,000 (stake x current price) whichever is the smaller. Orders which are subject to this restriction will be executed in tranches until such order is fulfilled. It should be noted that the price applicable to each tranche may vary considerably.

13. Errors

13.1 A contract note which does not accurately reflect the relevant transaction struck using the telephone or via the ITP (a) does not affect the validity of the transaction that was struck and (b) does not entitle the Client to enforce whatever is inaccurately recorded in the contract note. The foregoing is subject to clause 13.2.

13.2 City Index reserves the right to void ab initio any bet involving or deriving from a Manifest Error or to amend the details of such a bet to reflect that which City Index considers in its sole discretion acting in good faith to be the correct or fair details of such a bet absent such Manifest Error. City Index, for this purpose, may take into account all information in its possession including information concerning the expertise of the Client and relevant market conditions. Clients shall not be entitled to gain an unfair

advantage by Manifest Error.

13.3 Without prejudice to the generality of clauses 25.8 and 25.9 and in the absence of fraud or bad faith City Index shall in no circumstances be liable to you for any loss, cost, claim, damage, demand or expense of whatsoever nature you may suffer or incur in connection with any Manifest Error and howsoever arising whether direct indirect special consequential or arising otherwise howsoever including loss of profit and loss of opportunity and even if City Index had been advised of the possibility of the same arising or the same were reasonably foreseeable. Your attention is drawn in particular to clause 25.11 in relation to the limitations on liability contained in these Terms. The foregoing is subject to clause 25.15.

13.4 The exclusions and limitations of liability contained in clause 13.3 shall also apply to any loss or damage referred to therein arising by reason of the negligence of City Index.

14. Force Majeure, Market Disruption and Corporate Events

14.1 If we determine in our reasonable opinion that a Force Majeure Event exists then we may (but we are not obliged to) in our absolute discretion (without prejudice to any other rights we may (otherwise) have):

- (a) cease or suspend trading and/or alter trading times for all or any markets;

- (b) amend NTR multipliers/NTR percentages and/or vary any buying and/or selling spreads;
- (c) close any or all open bets, refuse any bets, cancel and/or fill any orders in each case at such level as we consider in good faith to be appropriate in all the circumstances;
- (d) immediately require payment of Margin and/or any other amounts you may owe City Index;
- (e) vary maximum and/or minimum stake size;
- (f) suspend or modify the application of any or all of these Terms to the extent that it is impossible or not reasonably practicable for us to comply with them; and
- (g) take or omit to take all such other actions as we deem appropriate in the circumstances to protect ourselves and our Clients as a whole.

14.2 If a Corporate Event occurs City Index shall be entitled in its absolute discretion to make adjustments to the price and/or size of any open bets and/or any orders (whether stop, limit guaranteed or otherwise) that relate to the relevant underlying equities and which were open/in place at the close of City Index business on the day preceding occurrence of the relevant Corporate Event. Such adjustment shall be as City Index in good faith considers reasonably necessary to endeavour to preserve the economic value of such bet and/or order immediately prior to occurrence of the Corporate Event.

14.3 If a Market Disruption Event occurs City Index may at its absolute discretion (but is not obliged to) without prejudice to any other rights it may (otherwise) have exercise all or any of the rights referred to in clauses 14.1 (a) to (g) inclusive. In addition, if any trades in relation to any financial instruments on which City Index's prices are based are for any reason cancelled by the relevant exchange on which they are traded, then City Index shall be entitled (without prejudice to any other rights it may otherwise have) to cancel the bets relating thereto.

14.4 City Index shall be entitled to do any act or thing permitted by clauses 14.1, 14.2 or 14.3 either with or without notice to you. If City Index gives any such notice it may be given by any of the methods referred to in clause 24.1.

14.5 Without prejudice to the generality of clauses 25.8 and 25.9 and in the absence of fraud or bad faith City Index shall not be liable to you for any loss cost claim damage demand or expense of whatsoever nature you may suffer or incur in connection with the exercise by City Index of any of its rights under clauses 14.1 and/or 14.3 and howsoever arising whether direct indirect special consequential or arising otherwise howsoever including loss of profit and loss of opportunity and even if City Index had been advised of the possibility of the same arising or the same were reasonably foreseeable. Your attention is drawn in particular to clause 25.11 in relation to the limitations on liability contained in these Terms. The foregoing is subject to clause 25.15.

14.6 The exclusions and limitations of liability contained in clause 14.5 shall also apply to any loss or damage referred to therein arising by reason of the negligence of City Index.

15. Payment of Margin

15.1 Margin is calculated as follows:

- a) In the case of a Credit Account;
 - Account Balance
 - Plus Credit Allocation
 - Plus Marked to Market profits / Less Marked to Market losses
 - Less Excess NTR

= Total Position
- b) In the case of a Deposit Account;
 - Account Balance
 - Plus Marked to Market profits / Less Marked to Market losses
 - Less aggregate NTR of all open positions

= Total Position

If the Total Position is a negative figure, Margin is payable. The amount of Margin payable is the amount needed to return the Total Position to zero.

15.2 Margin is immediately payable whether or not demanded and whether or not a Margin Call is made.

15.3 Margin is due for payment immediately upon a Margin Call being made.

15.4 City Index is not obliged to make Margin

Calls of you at all or within any specific time period. We shall not be liable to you for any failure by us to contact you or attempt to contact you.

15.5 Without prejudice to your obligation to pay Margin immediately the same becomes due, you must notify us immediately if you cannot, or believe you will not be able to, meet a Margin payment when due. It is your responsibility to ensure that you understand how Margin is calculated.

15.6 It is your responsibility, and not City Index's, to monitor your open positions and all other relevant factors used to calculate Margin payable.

15.7 Margin Calls may be made at any time by any method of communication including telephone, telephone answering machine message, voice mail, pager, letter, fax, e-mail or any other means of communication (including the methods referred to in clause 24.1) and such Margin Calls shall be deemed to have been made in accordance with the timescales referred to in clause 24.3. We shall be deemed to have made a Margin Call on you if we have left a message (via any of the foregoing methods of communication) requesting you to contact us and such Margin Call shall be deemed to have been made in accordance with the timescales referred to in clause 24.3. Such Margin Call will be deemed to have been made notwithstanding that you have not returned any message we may have left requesting you to contact us. If a Margin Call is made by more than one method of

communication it shall be deemed to have been made at the earliest time such communication is deemed served as referred to in clause 24.3. A Margin Call shall also be deemed to have been made if we are unable to leave a message for you and have used reasonable endeavours to contact you. All references in these Terms to a Margin Call shall be deemed to include reference to a deemed Margin Call. Any message we leave for you requesting you to contact us should be regarded as extremely urgent. If we leave a message for you, it will (to avoid potential embarrassment) usually not reveal our company name or the nature of the call; however, we may, without liability to you, do so if we in our absolute discretion so decide and in particular we may leave our company name if you do not return any previous message left for you.

15.8 Margin is not, of course, the total extent of your financial liability to City Index, as you must make good in accordance with these Terms any losses you suffer and any other payments due hereunder.

15.9 Margin payments must be settled in pounds sterling or, if City Index expressly agrees, in US Dollars or Euros.

15.10 Subject to the rules of its regulator, City Index may in its absolute discretion allow you to run open positions or to open bets notwithstanding that you have not met any Margin payment which is due.

15.11 If Margin is due and payable in excess of £10,000 (or foreign currency equivalent), City

Index is entitled (when making a Margin Call to you or at any time thereafter) to require payment of the full amount of the Margin (and not just the excess over £10,000) by telegraphic transfer, debit card or any other method of immediate / electronic funds transfer acceptable to City Index and:

- (a) subject to clause 15.11(b), if the Margin Call or other request for payment under this clause 15.11 is made (as referred to in clause 15.7) on or before 12.00 noon on a business day, such transfer of funds as referred to above must be received by City Index at least one hour before the close of the relevant underlying market (or if more than one, the first of them to close) on the same business day;
- (b) if the Margin Call or other request for payment under this clause 15.11 is made (as referred to in clause 15.7) after 12.00 noon on a business day (or at any time on a business day if you are resident outside the UK at the time of the call), such transfer of funds as referred to above must be received by City Index at least one hour before the close of the relevant underlying market (or if more than one, the first of them to close) on the next business day.

15.12 In relation to any and all amounts payable by the Client under these Terms (including under this clause 15 and under clause 16) only the net funds received by City Index (after deduction of any bank charges and all other costs of transfer) will be credited as paid.

15.13 Without prejudice to this clause 15 or any other provision of these Terms (and in particular City Index's rights under clause 10.3), City Index reserves the right (but is not obliged) to close any or all, in whole or in part, of your open bets (including those held on a joint account with others) on the basis of City Index's current (or next available) market quotations, to exercise its rights of combination consolidation and set off hereunder, to close your account and not accept any further bets from you, in each case with or without notice to you:

- (a) if the amount of Margin due exceeds (i) in the case of a Credit Account three times your Credit Allocation or (ii) in the case of a Deposit Account three times your Account Balance;
- (b) if Margin is due as referred to in clause 15.11 and you fail to pay such Margin in full (and not simply the excess) in accordance with clause 15.11;
- (c) if any Margin is not paid within three business days of a Margin Call;
- (d) if any payment due hereunder (including Margin) is not received within three business days of becoming due;
- (e) if any instrument of payment used by you to make payment to City Index is not met on first presentation or is subsequently dishonoured;
- (f) if any representation or warranty made by

you in relation to these Terms (including those set out in clauses 20 and/or 21) is or becomes untrue inaccurate or misleading in any respect;

- (g) if City Index, in its absolute discretion, considers that you are unlikely to meet any Margin or other payment when due;
- (h) if City Index considers, in its absolute discretion, that you have materially breached any of these Terms;
- (i) if an Insolvency Event occurs in relation to you;
- (j) if you die or become a patient under or any court order is made in respect of you under relevant mental health legislation or City Index believes or suspects the same to be true;
- (k) if any regulator of City Index's business or its rules requires City Index to do all or any of the foregoing;
- (l) if we are in dispute with you over any instruction or any bet (save that in such case we may close all but not part only of the actual or alleged bet in dispute) (please note that this is whether or not such action is considered desirable for minimising the amount in dispute) or;
- (m) if there occurs any other event or any other circumstance exists, where we reasonably believe that it is necessary or desirable to

take any of the above actions in order to protect ourselves or any or all of our other Clients.

15.14 City Index will generally (but not always) action closures one hour before the close of the relevant underlying market, but it reserves the right to effect closures at any time.

15.15 City Index may exercise all or any of the rights referred to in clause 15.13 upon or at any time after the occurrence of any of the events therein referred to and regardless of when the underlying market may close.

15.16 If City Index has closed your account you will no longer be entitled to trade or place any bets.

16. Settlement of Accounts

16.1 If your Account Balance is a debit balance, the full amount of that debit balance is due and payable immediately in pounds sterling (or, by agreement with City Index, in US Dollars or Euros).

16.2 Notwithstanding clause 16.1:-

- (a) City Index is entitled to require immediate payment of debit Account Balances in excess of £10,000 (or foreign currency equivalent, if applicable), and any payment (of whatever amount) due from Clients resident outside the UK, by (i) telegraphic transfer, debit card, direct debit or any

other method of immediate/electronic funds transfer acceptable to City Index (such payment to be received on the same business day that the same became due and payable) or (ii) by bankers draft drawn on a UK clearing bank and delivered to City Index by 16:30 on the same business day that the same became due and payable;

- (b) and notwithstanding clause 16.2(a) Clients who at the date the debit Account Balance is due and payable are resident outside the UK are entitled to effect payment of the full amount due by bankers draft drawn on a UK clearing bank and delivered to City Index by 16:30 on the next business day after that on which the payment became due and payable;
- (c) City Index is entitled in its absolute discretion to refuse payment by cheque (i) in respect of debit Account Balances of £10,000 or more, (ii) drawn on a non-UK clearing bank and (iii) if any cheque or other instrument of payment has not been cleared on first presentation.

16.3 Without prejudice to any other rights and remedies available to City Index, City Index reserves the right to and shall be entitled to (a) charge interest on all amounts payable to City Index under these Terms (other than interest accruing under this clause 16.3) which are not paid within 7 days of their due date for payment from the due date until payment in full (both before and after judgment) at the higher of 4% above the base rate of Barclays Bank Plc from

time to time and the High Court rate pursuant to the Judgements Act 1838; (b) submit cheques and bankers drafts for special clearance and to charge you all costs of doing so; (c) require you to reimburse us for any and all costs we may suffer or incur (including bank charges, legal costs and any other third party costs we may reasonably incur) if you fail to make payment when due for any reason whatsoever; and (d) to debit from your Account Balance any and all of such interest costs and expenses and to recover the same from you as a debt.

16.4 Unrealised marked to market profits (ie, profits on open positions) will in no circumstances be paid or be available for electronic withdrawal.

16.5 City Index shall be entitled to retain monies which are required to cover adverse positions (eg, marked to market losses on open positions), NTR, Excess NTR, any uncleared funds, realised losses and any and all other amounts payable to it under these Terms (including Margin).

16.6 Subject to clauses 16.4 and 16.5, (a) in respect of Clients who have a Credit Account, realised available credit balances on your account will either (i) be sent by cheque which will usually be included with the weekly statement of account or (ii) be available for electronic withdrawal but, in both cases, may be retained by City Index pending your request for payment and (b) in respect of Clients who have a Deposit Account, realised available credit balances on your account will be sent on request or be available for electronic withdrawal.

16.7 If you are an employee of an associated company of City Index, you hereby authorise City Index, your employer, its associated companies and trustees of any employee benefit trust of which you are a beneficiary to deduct any debt due by you to City Index but which is unpaid from your wages or any other sum or sums due to you from such persons and to pay the same to City Index towards settlement of the said debt due from you to City Index. You also hereby authorise City Index to pay to any such persons mentioned in the previous sentence and on their request, any monies due and payable by City Index to you towards settlement of any monies you may owe to such persons.

17. Netting Provisions and Currency Conversion

17.1 All transactions between you and City Index will be entered into in consideration of each other and constitute a single contract between City Index and you. If City Index exercises any rights of combination consolidation and/or set off pursuant to clause 17.2, it may also, at the same time, without notice to you and in its absolute discretion, close, combine, consolidate and/or set off any or all open positions which shall be or shall be deemed to be immediately closed as we reasonably see fit and accordingly the rights contained in clause 17.2 shall apply to all open positions.

17.2 Without prejudice to any other rights and remedies available to City Index (at law or under these Terms), City Index reserves the right, at any time, from time to time, without notice to you

and in its absolute discretion, to combine and consolidate any or all of your accounts (of whatever nature or type you hold with City Index, whether Credit Account, Deposit Account or otherwise) and positive and negative exposures and/or to set off all of your Account Balances, cash deposits, realised profits, profits on open positions and any other amounts of whatsoever nature which may be due or payable from City Index to you (of whatsoever nature and howsoever and whenever arising) against all interest, costs, expenses, charges, realised losses, Margin, negative positions and any and all other liabilities and amounts (of whatsoever nature and howsoever and whenever arising) owed by you to City Index. In doing so City Index shall be entitled to disregard any Credit Allocation. If City Index exercises such rights of combination consolidation and/or set-off, all obligations for payment in respect of all the foregoing will be cancelled and simultaneously replaced by a single obligation to pay a net sum of cash to City Index or (if a net amount is payable to the Client) to the Client.

17.3 City Index may apply the above rights regardless of the currency of any amount payable by us to you or by you to us as referred to in clause 17.2.

17.4 City Index may (whether in connection with the exercise of any rights under clause 17.2 or otherwise) convert money standing to your credit on your account or any other profit loss exposure or liability or any money received from you or due to be paid by you to us or by us to you from one currency to another at prevailing

market rates available to us. City Index shall be entitled to charge you all commission costs and charges incurred in connection with the foregoing. All references in these Terms to any foreign currency equivalent to pounds sterling or conversion of any currency into pounds sterling shall be construed accordingly.

18. Client Money and Interest

18.1 If you are an intermediate customer you acknowledge that (unless City Index has otherwise expressly agreed in writing with you that the 'client money rules' will apply to you) any money held by City Index (received from you, held on your behalf or otherwise in respect of you) will not be subject to the protections conferred by the 'client money rules' as defined in Rule 9 of the COB, will not be segregated from money of City Index in accordance with the client money rules and will be used by City Index in the course of its own business. In addition if you are an intermediate customer you acknowledge that (unless City Index has expressly agreed in writing with you that the 'client money rules' will apply to you) you will only rank as a general creditor of City Index.

18.2 If you are a private customer, City Index will comply with the mandatory FSA regulations from time to time requiring City Index to segregate client money held by City Index in respect of you.

18.3 Subject to clause 18.4, you shall not (whether you are a private customer or an intermediate customer) be paid interest on client

money or any other amounts City Index may from time to time hold in respect of you.

18.4 City Index may by express agreement in writing with you agree to pay you interest on any cleared client money it may from time to time hold in respect of you (in excess of any amounts payable by you to City Index of whatsoever nature, including Margin). If City Index does so:

- (a) the rate of interest shall be as from time to time determined by City Index in its absolute discretion;
- (b) City Index may by notice to you cease payment of such interest at any time.

19. Confirmation; Query of Account and Complaints

19.1 Unless City Index have agreed otherwise, a contract note (in respect of each bet you place) will be sent to you on the next business day after the day on which you placed that bet. Contract notes in respect of orders which we fill for you will be sent to you on the next business day after the day on which we have filled that order. Contract notes may be sent by post, fax or e-mail. The absence of a contract note will not affect the validity of any bet which has been placed. Contract notes in the case of joint account holders will be sent to the addresses of both account holders.

19.2 Unless City Index have agreed otherwise, City Index will also issue weekly statements of account. These will be made available on-line or

sent by post, fax or e-mail; in the case of joint account holders statements will be sent to each of their addresses, fax numbers or e-mail addresses.

19.3 It is your responsibility to keep yourself fully informed and up to date in respect of your trading positions and bets placed. As soon as you receive any statement or contract note, you must check it to ensure that it is correct. The ITP provides access to open bets, recent transaction history and account balances. The sooner that City Index is made aware of any error or alleged error, the better City Index will be able to investigate and correct errors.

19.4 If a contract note is received by you for a bet or filled order not transacted by or for you (or which you allege was not transacted by or for you), City Index must be notified immediately. If you do not receive a contract note for a bet you have placed (or believe you have placed) you must notify City Index immediately; likewise you must notify us immediately if you have not received a contract note for an order you believe we have filled for you.

19.5 If you think that any contract note or statement contains any error or omission you must notify City Index within four business days of receipt of the same.

19.6 Subject to clauses 19.4 and 19.5 any query or dispute in respect of any bet/alleged bet or conversation/alleged conversation (together with details of the time and date of the bet/alleged bet or conversation/alleged conversation) must be raised with City Index (as provided in clause

19.8) as soon as you become aware of the same and in any event within four business days of the date of the bet/alleged bet or conversation / alleged conversation (inclusive of the date of the bet / alleged bet / conversation / alleged conversation).

19.7 As mentioned in clause 4.2, you should keep your own record of the times and dates of your transactions and dealings with City Index. City Index is only able to effectively investigate any bet/conversation or alleged bet/conversation if you are able to give the time and date of the relevant matter. If you are unable to do so, City Index will take reasonable steps to investigate, but you should be aware that City Index may not be able to locate relevant records and/or tapes of bets/conversations in the absence of reasonable time and date details.

19.8 Any disputes or complaints (with all relevant details) must be in writing and may be referred in the first instance to City Index's Customer Services Department, and if not resolved to the Client's satisfaction, may be further referred by the Client to City Index's Compliance Manager. Should you be dissatisfied with the handling of the dispute, you have the right if you are a private customer to refer the matter to the Financial Ombudsman Service (FOS) South Quay Plaza, 183 Marsh Wall, London E14 9SR. Persons who were intermediate customers at the time of, and in respect of, the matter complained of do not have this right. City Index reserves the right to take all such actions as it sees fit to resolve any dispute or to enforce its rights hereunder. Copies of our complaints handling

procedures are available on request.

20. Personal Details, Representations and Warranties

20.1 You represent and warrant to us, and agree that each such representation and warranty is deemed repeated each time you make a bet that:

- (a) the information you provided to us in your Application Form and at any time thereafter is true accurate and complete in all material respects;
- (b) you have read and fully understood these Terms (including the Market Information Sheets), in the case of private customers the Risk Warning Notice and in the case of intermediate customers the Intermediate Customer Notice;
- (c) you are duly authorised to and have obtained all necessary authorisations to enter into these Terms and to execute/complete the Application Form and deliver the Application Form to City Index and to enter into each bet and to perform your obligations hereunder and thereunder (including any necessary governmental authorisations);
- (d) these Terms are binding and enforceable upon you;
- (e) the execution/completion and delivery of

the Application Form and/or the entry into these Terms and/or entry into any bet or performance of any obligation hereunder does not and will not violate any law ordinance charter by-law articles or memorandum of association (or similar document) relevant to you;

- (f) you act as principal;
- (g) if you are a natural person you have signed your Application Form (or if completed and submitted on-line, you have completed and submitted the same yourself) and if you are not a natural person the person signing the Application Form on your behalf (or completing and submitting the same on-line) is duly authorised to do so on your behalf;
- (h) if you are a natural person you have placed any bet in person and given any instruction in person, unless clause 4.14 applies in which case the person placing the bet or giving any other instruction on your behalf (if not you) is your Agent and is duly authorised by you to do so;
- (i) if you are not a natural person, the person placing any bet or giving any other instruction on your behalf is duly authorised to do so;
- (j) if you have appointed an Agent, such Agent has read and understood these Terms (including the Market Information Sheets), the Risk Warning Notice if you are

a private customer or the Intermediate Customer Notice if you are an intermediate Customer and fully understands the nature of spread betting and the jargon used.

20.2 You acknowledge that City Index has relied on and will rely on the truth accuracy and completeness of the information provided by you on your Application Form and at any time thereafter.

21. Market Abuse

21.1 City Index will frequently hedge its liability to you by opening analogous positions with other institutions. A consequence of City Index doing so is that when you bet on shares with us your trades can through our hedging exert a distorting influence on the underlying market for that share, in addition to the impact it might have on our own prices. This creates a possibility of market abuse and the function of this clause 21 is to prevent such abuse and to enable us to take appropriate action as referred to in clause 21.3.

21.2 You represent and warrant to us and agree that each such representation and warranty is deemed repeated each time you open and close a bet/trade that:

- (a) you will not place and have not placed a bet or bets with us relating to a particular share/equity if to do so would result in you, or others with whom you are acting in concert together, having an exposure to that share/equity which is equal to or in excess of the amount of a declarable

interest in the relevant company. For this purpose the level of declarable interest shall be the prevailing level at the material time, set by the stock exchange(s) upon which the underlying share/equity is listed;

- (b) you will not place and have not placed a bet in connection with:
 - (i) a placing, issue, distribution or other analogous event; or
 - (ii) an offer, take-over, merger or analogous event in which you are involved or otherwise interested; and
- (c) you will not place and have not placed a bet that contravenes any primary or secondary legislation or other law or regulatory rules including in relation to 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 relating to a share/equity you may be treated as if you were dealing in securities within the meaning of Part V of the Criminal Justice Act 1993.

21.3 In the event that (i) you place any bet in breach of any of the representations and warranties given in clause 21.2 or (ii) we have grounds for suspecting that you have done so, we may in our absolute discretion (and with or without giving notice to you) and without being under any obligation to inform you of our reason for doing so, close that bet and any other bets that you may have open at that time and also in

our absolute discretion:-

- (a) enforce the bet or bets against you if it is a bet or bets under which you have made losses; and
- (b) treat all your bets closed under this clause as void if they are bets under which you have made profits, unless and until you produce conclusive evidence that you in fact have not committed the breach of warranty and/or misrepresentation as referred to in clause 21.2. For the avoidance of doubt, if you do not produce such evidence within the period of six months from the date of closure under this clause 21.3, all such bets will be finally null and void as between us.

21.4 You acknowledge that we will not transfer voting rights relating to an underlying share/equity to you or otherwise allow you to influence the exercise of voting rights held by us or on our behalf.

21.5 You acknowledge that spread bets are speculative instruments and you agree that you will not enter into any spread bets with us in connection with any corporate finance style activity.

21.6 The exercise by City Index of any of its rights under this clause 21 in respect of any bet shall not affect any other right of City Index (under these Terms or at law) whether in respect of that bet or any other bet.

22. Alteration of Terms

22.1 These Terms are subject to alteration by notice to you. Any alteration shall be deemed effective immediately on service in accordance with clause 24, unless City Index is obliged under the mandatory regulatory rules of the FSA to give a longer period of notice to you, in which case such alteration shall be effective immediately on expiration of such longer period of notice. Any alteration to these Terms shall apply to all open positions and unfilled orders as at and after the effective date of the change.

22.2 Without prejudice to clause 22.1 in the event that a situation or dispute arises which is not specifically covered by these Terms, City Index shall be entitled to construct such rules or further terms in relation to such matter, or otherwise resolve the dispute, on the basis of good faith and fairness and, where appropriate, consistency with other comparable City Index Terms or rules or their spirit and any applicable or comparable market conventions or practice.

23. Data Protection and Unsolicited Calls

23.1 You agree that City Index and/or its associated companies may store and process Your Information on their computers and in any other way.

23.2 You agree that City Index and/or its associated companies will use Your Information to manage your account, provide statements and related services, for assessment and analysis

(including market and product analysis) and to develop and improve our/their services.

23.3 You agree that City Index and/or its associated companies may provide Your Information to the following:

- (a) anyone who provides a service to us or our associated companies or acts as our or our associated companies' agent or sub-contractor (including in connection with legal proceedings), on the understanding that they will keep the information confidential;
- (b) the persons referred to in clauses 3.4 and 3.5;
- (c) anyone to whom we transfer all or any of our rights and/or obligations in relation to Your Information under these Terms;
- (d) any person to whom we have a duty to do so or to the extent that the law permits us to do so.

23.4 City Index and/or its associated companies will add your details to their respective databases/store information manually for the purposes of informing you (whether by letter, telephone (including text messages), electronically by computer or otherwise) about products and services (including those of other persons) which may be of interest to you.

23.5 For your protection and ours, to check instructions and to maintain high quality service

standards, we may record and monitor calls made to or by us. Clause 4.2 of these Terms will apply to all recorded or monitored calls.

23.6 Internet communications are not secure unless the data being sent is encrypted. We cannot accept any responsibility for unauthorised access by a third party or the corruption of data sent to or by us. For security, operational and business purposes we may monitor e-mails received by us or issued by us.

23.7 You authorise City Index to telephone or otherwise contact you at any time whatsoever in order to discuss any aspect of City Index's or its associated companies business.

24. Notices

24.1 Save for any statement of account or contract note any notice from City Index to you (including without limitation any demand or Margin Call) or other communication under or in connection with these Terms may be verbal, in writing or by electronic means and may be delivered personally, sent by first class post, airmail, fax, telex or telephone answering machine message, voice mail message, pager, e-mail or via the Website. Notices or other communications to you may be made to your last known home address, place of work, telephone number (including a telephone answering machine), fax number, telex number, pager number, ITP, e-mail address or other contact details.

24.2 Any notice or other communication from

the Client to City Index except in relation to the placing of bets or orders shall be in writing sent by first class post to or delivered personally to City Index's Customer Services Department or sent by fax or e-mail addressed to the correct fax number of or as the case may be e-mail address of City Index's Customer Services Department. If delivered personally to City Index's Customer Services Department on a business day such notice shall be deemed received on that business day and if not delivered on a business day it shall be deemed received on the next business day after delivery. If sent by first class post addressed to City Index Customer Services Department's current address such notice shall be deemed received if posted on a business day on the next business day after posting and if posted on a day which is not a business day on the second business day after the day of posting (unless posted from an address outside the UK, in which case it shall be deemed received on the 3rd business day after posting). Any notice sent by fax (to the aforesaid number) at least one hour before close of business on a business day shall be deemed received on completion of the transmission (and if sent after that time shall be deemed received on the next business day after completion of the transmission) provided that a transmission 'complete' report is received. Any notice sent by e-mail (to the aforesaid e-mail address) at least one hour before close of business on a business day shall be deemed received one hour after sending (and if sent after that time shall be deemed received on the next business day after sending), provided no 'not sent' or 'not received' message is received from the relevant e-mail providers.

24.3 In the absence of evidence of earlier receipt, any notice or other communication from City Index to the Client shall be deemed to have been duly given to or served on the Client:

- (a) if delivered personally, when left at the Client's last known home or work address or when actually given by hand to the Client;
- (b) if given verbally by telephonic or face to face conversation with the Client (or person purporting to be the Client), when actually given;
- (c) if given by leaving a telephone answering machine message, pager message or voice mail message, one hour after the message being left on the relevant medium;
- (d) if given by leaving a message with any person (for example a spouse or work colleague), one hour after leaving such message;
- (e) if sent by first class post, on the next day after posting (excluding Sundays and public holidays in England) unless (a) not posted on a business day, in which case it shall in any event be effective on the second business day after posting (b) sent by air mail in which case it shall in any event be effective on the third business day after posting;
- (f) if sent by telex, when the proper answer-back is received;

- (g) if sent by fax, on completion of its transmission, provided that a transmission “complete” report is received;
- (h) if sent by e-mail, one hour after sending, provided no ‘not sent’ or ‘not received’ message is received from the relevant e-mail providers;
- (i) if published on the Website, one hour after publication.

25. Limitations of Liability and Miscellaneous

25.1 City Index is entitled to waive or relax any of these Terms from time to time with or without notice to you. In particular but without limitation, where these Terms specify certain limits or parameters to your trading/betting activities, NTR and/or Margin requirements, City Index shall be entitled from time to time and with or without notice to you to allow you to breach such limits.

25.2 No single or partial exercise of, or failure or delay in exercising any right, power or remedy (under these Terms or at law) by City Index shall constitute a waiver by City Index of, or impair or preclude any exercise or further exercise of, that or any other right, power or remedy arising under these Terms or at law.

25.3 Any liability of a Client to City Index under these Terms may in whole or in part be released, compounded, compromised or postponed by City Index in its absolute discretion without in any

way prejudicing or affecting any rights in respect of that or any liability not so waived, released, compounded, compromised or postponed. A waiver by City Index of a breach of any of these Terms or of a default under these Terms does not constitute a waiver of any other breach or default and shall not affect the other Terms. A waiver by City Index of a breach of any of these Terms or of a default under these Terms will not prevent City Index from subsequently requiring compliance with the waived obligation.

25.4 The rights and remedies provided to City Index under these Terms are cumulative and are without prejudice to and not exclusive of any rights or remedies provided by law.

25.5 These Terms constitute the entire agreement and understanding between City Index and the Client and supersede any previous agreement (and any previous terms and conditions of City Index) between the parties relating to the subject matter of these Terms. Any previous terms and conditions of City Index shall be deemed superseded and replaced by these Terms.

25.6 The Client acknowledges and agrees that in entering into these Terms it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to these Terms or not) other than as expressly set out in these Terms. The only remedy available to the Client for breach of the Terms shall be for breach of contract under these Terms.

25.7 Nothing in these Terms shall limit or exclude any liability arising out of fraud or for death or injury arising by reason of City Index’s negligence.

25.8 Subject to all other provisions of these Terms (and the payment by you to City Index of all amounts due and payable by you to City Index) City Index is liable to you to pay you your realised available profits. The foregoing is City Index’s entire liability to you. Subject as aforesaid and in the absence of fraud or bad faith City Index shall in no circumstances be liable to you for any consequential special or indirect losses, loss of profits, loss of opportunity (including in relation to subsequent market movements), or other consequential costs, expenses or damages you may suffer in relation to these Terms, arising from any inaccuracy or mistake in any information given to you or in relation to any bets, alleged bets or other transactions you make or refrain from making with City Index or any other person, or in relation to the exercise by City Index of any of its rights hereunder or at law and even if City Index had been advised of the possibility of the Client incurring the same or the same were reasonably foreseeable. Your attention is drawn in particular to clause 25.11 in relation to the limitations on liability contained in these Terms. The foregoing is subject to clause 25.15.

25.9 The exclusions and limitations on liability contained in clause 25.8 shall also apply to any loss or damage referred to therein arising by reason of the negligence of City Index.

25.10 If at any time you are unable to communicate with us (including without

limitation because, for example, all our lines are busy or there is a breakdown in communication leading to a cessation of connection between City Index and you (whether ITP telephone or any other communication) or, due to an event beyond our reasonable control, we are unable to communicate with you, we shall not be responsible or liable to you for any loss, damage, cost or expense you suffer in consequence of the same, including without limitation because you are unable to open or close a bet or give any other instruction. This includes any temporary or permanent loss of internet or telephone connection. In the event of a loss of internet communication, we suggest you contact us immediately via telephone.

25.11 When agreeing to accept bets and trade on these Terms and when establishing prices, quotes and spreads City Index has done so on the basis that the limitations and exclusions on liability contained in these Terms and in particular at clauses 13.3, 13.4, 14.5, 14.6, 25.8, 25.9, 25.13 and 25.14 are valid and enforceable. City Index does not effect insurance in respect of the liabilities limited and/or excluded under clauses 13.3, 13.4, 14.5, 14.6, 25.8, 25.9, 25.13 and 25.14. If the limitations and/or exclusions on City Index's liability in these Terms, including at clauses 13.3, 13.4, 14.5, 14.6, 25.8, 25.9, 25.13 and 25.14, are not acceptable to you, you should either not deal with City Index or take out your own insurance in respect of those matters. If you elect to take out your own insurance City Index will provide information reasonably requested by the relevant insurers and which is necessary for your to effect such insurance, subject to such insurers and you

entering into such confidentiality agreement in relation to such information as City Index may require.

25.12 The ITP and any and all materials that City Index provides to you in connection with the ITP are (1) provided on a non-exclusive non-transferable, revocable basis, (2) the property of City Index and/or its ITP providers and (3) intended for your use only. You shall not (a) in whole or in part resell sub-licence supply or otherwise transfer permit access to or make available the ITP to others, (b) copy in whole or in part materials broadcast over the ITP for resale or other supply to others or otherwise make the same available to others; (c) copy the ITP and/or any software forming part thereof in whole or in part; (d) delete obscure or otherwise tamper with in whole or in part any copyright notices or other indications of protected intellectual property rights and/or ownership from the ITP, any software forming part thereof and/or any materials supplied to you by City Index and/or that you print or download from the ITP. You shall not obtain any intellectual property rights in or any right or license to use the ITP, the software forming part thereof or such materials or to conduct bets via the ITP other than as expressly set out herein. You shall immediately on demand by City Index return to City Index in good repair and condition the ITP and any and all other materials provided to you under these Terms and you shall not keep any copies thereof in whole or in part.

25.13 City Index warrants that it has the right to permit you to use the ITP and that it will take

reasonable steps to ensure that the ITP is virus-free, but City Index cannot guarantee that the ITP will be free from any virus. The Client is responsible for configuring its information technology, computer programs and platforms to ensure compatibility with the ITP and the Client must use its own virus protection software. City Index does not warrant that the ITP will always be available or accessible or that access to it will be uninterrupted nor that it will be free from errors. City Index reserves the right to close or suspend provision of the ITP and/or any of the services on the ITP for any purposes including repair, maintenance or development and either with or without notice to you. Access to the ITP and/or operation of any of the services on the ITP may be interrupted by circumstances beyond City Index's reasonable control. City Index will not be liable if, for any reason, the IPT and/or any of the services thereon are unavailable for any period of time. City Index disclaims and excludes to the fullest extent permitted by law all terms conditions and warranties implied by statute or common law in relation to the ITP including but not limited to merchantability, suitability or fitness for any particular purpose. Technical difficulties may be encountered in connection with the ITP. Such difficulties may include, but not be limited to, malfunctions, failures, delays, hardware damage or software erosion. Such difficulties could be the result of hardware, software or communication link inadequacies or any other cause and such difficulties could lead to possible economic and/or data loss. In the absence of fraud or bad faith in no event will City Index, any of its associated companies or employees be liable for any loss, cost, claim, demand expense or damage

including, without limitation, loss of profit, loss of revenue, loss of opportunity, consequential, unforeseeable, special or indirect damages or expenses which arise directly or indirectly as a result of accessing or using, the ITP and even if City Index had been advised of the possibility of the same arising or the same were reasonably foreseeable. Your attention is drawn in particular to clause 25.11 in relation to the limitations on liability contained in these Terms. The foregoing is subject to clause 25.15.

25.14 The exclusions and limitations of liability contained in clause 25.13 shall also apply to any loss or damage referred to therein arising by reason of the negligence of City Index.

25.15 Nothing in these Terms shall exclude or restrict any duty or liability owed by us to you under the 'regulatory system' (as 'regulatory system' is defined in the Glossary of Definitions forming part of the FSA Handbook) which such duties or liabilities shall, in the event of conflict, prevail over these Terms. In the case of private customers any duties or liabilities (save under the regulatory system) are only excluded by these Terms only insofar as it is reasonable to do so. Nothing in these Terms shall exclude any liability of City Index for death or personal injury arising out of the negligence of City Index nor for any fraudulent misrepresentation by City Index. All these Terms are subject to the foregoing.

25.16 You will indemnify us and keep us indemnified on demand in respect of all liabilities, costs, claims, demands and expenses of any nature whatsoever which we suffer or incur

as a direct or indirect result of any failure by you to perform any of your obligations under these Terms, including under any bet.

25.17 Either party may terminate this agreement on written notice to the other, without prejudice to accrued rights and remedies and the existence and enforceability of any open bets and/or orders (which shall continue until closed, filled or cancelled in accordance with these Terms). Any such notice of termination shall be served in accordance with clause 24 and shall have effect when served. Without prejudice to the generality of the foregoing (a) the termination of this agreement shall not affect any liabilities of whatsoever nature the Client may have under these Terms (whether actual current and/or contingent) and (b) following termination of this agreement the Client shall not be entitled to place any bet or otherwise deal as a Client save only insofar as necessary to close any bets that were open prior to termination.

25.18 In these Terms (except where the context otherwise requires):

- (a) the clause headings are included for convenience only and shall not affect the interpretation of these Terms;
- (b) use of the singular includes the plural and vice versa; use of any gender includes the other genders;
- (c) any reference to "persons" includes natural persons, firms, partnerships, companies, corporations, associations, organisations,

governments, states, foundations and trusts (in each case whether or not having separate legal personality);

- (d) any reference to a company being an "associated company" of another shall be interpreted in accordance with s52 Companies Act 1989;
- (e) any reference to a statute, statutory provision or subordinate legislation ("legislation") and the rules of any regulator ("regulatory rules") shall (except where the context otherwise requires) be construed as referring to such legislation and regulatory rules as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation;
- (f) any phrase introduced by the terms "including", "include", "in particular", "for example" or the letters "eg" or any similar expression shall be construed as illustrative and shall not limit the sense of the words that precede it.

25.19 If any provision (or part of any provision) of these Terms shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions of these Terms (or the remaining part of the affected provision as the case may be) which shall remain in full force and effect. If any provision of these Terms is so found to be invalid or unenforceable but would be valid and

enforceable if some part of the provision were deleted, the provision shall apply with such deletions as may be necessary to make it valid and enforceable. Each provision and part of a provision in these Terms is separate and severable and enforceable accordingly.

25.20 Each company which is an associated company of City Index may enforce all of these Terms. A person who is a permitted successor to or assignee of the rights of City Index is deemed a party to these Terms and the rights of such successor or assignee shall, subject to and upon any succession or assignment permitted by these Terms, be regulated by these Terms.

25.21 Except as provided in clause 25.20 no provision of these Terms shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party, but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.

25.22 Notwithstanding that any provision of these Terms may be or become enforceable by a person who is not a party to it, these Terms or any of them may be varied, amended or modified, or these Terms may be suspended, cancelled or terminated by agreement in writing between City Index and the Client or as otherwise provided in these Terms (including clauses 22.1 and 25.1) or rescinded, in each case without the consent of any such third party.

25.23 The Client shall not assign, transfer, charge, sub-contract or deal in any other manner with these Terms nor any of its rights or liabilities

hereunder (including any interest in balances, open positions or collateral), or purport to do any of the same.

25.24 City Index shall be entitled to assign, transfer, charge, sub-contract or deal in any manner with all or any of its rights and/or liabilities hereunder including by way of transfer of the same to an associated company.

25.25 These Terms and all business transacted between City Index and the Client shall be governed by, and shall be construed in accordance with, the laws of England and the parties submit to the non-exclusive jurisdiction of the English courts.

25.26 City Index is authorised and regulated by the Financial Services Authority.

City Index Limited – June 2004