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Alpari UK - Customer Agreement

1. Introduction

1.1. This Customer Agreement (“Agreement”) is entered by and between Alpari (UK) Limited (hereinafter called the “Company”) and the customer who has completed an Application to open a Margin Trading Account Form (“Customer”).

1.2. The Company is authorised and regulated by the Financial Services Authority (“FSA”) under the Financial Services and Markets Act 2000 and entered on the FSA’s Register of authorised persons with registration number 448002. It is registered in the UK, registered number 05284142. Its registered office is 201 Bishopsgate, London, EC2M 3AB.

1.3. This Agreement with the Terms of Business as amended from time to time in accordance with clause 20.1 (together, the “Operative Agreements”) set out the terms upon which the Company will deal with the Customer in respect of foreign exchange and Precious Metal transactions and Contracts for Differences (CFDs). The dealings and relations between the Company and the Customer are subject to English law whether or not the terms of the Operative Agreements are accepted by the Customer and will be conducted in the English language unless otherwise agreed with the Customer.

1.4. The Operative Agreements shall govern all trading activity and should be read carefully by the Customer. Amongst other things, they set out those matters which the Company is required to disclose to the Customer under the FSA Handbook of Rules and Guidance (“FSA Rules”).

1.5. The defined terms used in this Agreement are set out in clause 30 (“Interpretation of Terms”).

2. Commencement

2.1. The Operative Agreements will commence on the date on which the Customer receives notice from the Company in accordance with clause 3.1 and will continue unless or until terminated by either party in accordance with clause 20.

2.2. This Agreement is an initial service agreement which relates to a series of successive or separate operations including, without limitation, Transactions. The Customer has no right to cancel the Agreement on the basis that it is a distance contract (as defined in the FSA Rules).

3. Account activation

3.1. The Customer’s Trading Account will be activated by the Company giving notice to the Customer as soon as the Company has received a completed signed and dated copy of the Application to open a Trading Account Form and identity checks have been satisfied.

4. Classification

4.1. The Company will treat the Customer as a Retail Client, Professional Client or Eligible Counterparty, depending on how the Customer completes the Application to open a Margin Trading Account Form.

4.2. When assessing the Customer’s classification and thereafter dealing with the Customer, the Company will rely upon the truth, accuracy and completeness of the information provided by the Customer in the Application to open a Margin Trading Account Form. The Customer expressly consents to the Company using and relying on all such information in making its assessment and its dealings with the Customer.

4.3. If there is a change in the personal circumstances of the Customer, the Customer must immediately notify the Company of the change in writing.

4.4. The Company may review the Customer’s classification from time to time (subject to complying with regulatory requirements) to re-classify the Customer if necessary.

5. Capacity

5.1. In relation to any Transaction the Company acts as principal to principal and not as agent on the Customer’s behalf. This means that unless otherwise agreed, the Company will treat the Customer as a client for all purposes and the

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Customer shall be directly and fully responsible for performing the obligations under each Transaction made by or on behalf of the Customer.

5.2. If the Customer acts in relation to or on behalf of someone else, whether or not the Customer identifies that person, the Company shall not accept that person as an indirect client and shall accept no obligation to that person, unless otherwise specifically agreed.

5.3. Any person or agent notified to the Company as being authorised by the Customer may give Instructions and Requests to the Company concerning any Transaction, or proposed Transaction, or any other matter.

5.4. The Customer authorises the Company to rely and act on any Request, Instruction or other communication received from the Customer which purports to have been given by the Customer or on behalf of the Customer without further enquiry on the part of the Company as to the authenticity, genuineness, authority or identity of the person giving or purporting to give such Request, Instruction or other communication.

The Customer will be responsible for and will be bound by all obligations entered into or assumed by the Company on behalf of the Customer in consequence of or in connection with such Requests, Instructions or other communications.

6. Customer money

6.1. Relevant Amounts held on the Trading Account ("Segregated Funds") will be segregated by the Company and held in accordance with FSA client money rules.

6.2. The Company shall not be obliged to pay interest to the Customer on any funds which the Company holds. The Customer waives all rights to interest.

6.3. The Company will promptly place any Segregated Funds held on the Customer's behalf and not transferred to or held for the Company, into a Segregated Account (subject to FSA Rules and Permissions).

6.4. Unless the Customer has notified the Company in writing to the contrary, the Company may hold Segregated Funds on the Customer's behalf in a Segregated Account located outside the United Kingdom or pass money held on the Customer's behalf to an intermediate broker, settlement agent or OTC counterparty located outside the United Kingdom. The legal and regulatory regime applying to any such person will be different from that of the United Kingdom and in the event of the insolvency or any other equivalent failure of that person, the Customer's money may be treated differently from the treatment which would apply if the money was held in a Segregated Account in the United Kingdom. The Company will not be liable for the solvency, acts or omissions of any third party referred to in this clause.

6.5. The Customer agrees that, in the event that there has been no movement on the Customer's Trading Account Balance for a period of at least six years (notwithstanding any payments or receipts of charges, interest or similar items) and the Company is unable to trace the Customer despite having taken reasonable steps to do so, the Company may release any Customer's money balances from the Segregated Account.

6.6. The Company is covered by the Financial Services Compensation Scheme (FSCS). The Customer may be entitled to compensation from the scheme if the Company cannot meet its obligations. The Financial Services Compensation Scheme may be contacted by writing to the Financial Services Compensation Scheme, 5th Floor, Lloyds Chambers, Portsoken Street, London, E1 8BN, or by emailing them at the email address provided on the Financial Services Compensation Scheme website at www.fscs.org.uk.

6.7. The Company will carry out reconciliations of records and Segregated Funds with the records and accounts of the money the Company holds in Segregated Accounts on a daily basis, and any required transfer to or from the Segregated Account will take place by the close of business on the day that the reconciliation is performed. The Company reserves the right to carry out such reconciliations and transfers more frequently, should the Company reasonably consider that this is necessary to protect the Company's or a Customer's interests.

7. Services

7.1. Subject to the Customer's obligations under the Operative Agreements being fulfilled, the Company may enter into

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Transactions with the Customer in the Instruments specified in the Contract Details.

7.2. The Company shall carry out all Transactions with the Customer on an execution-only basis. The Company is entitled to execute Transactions notwithstanding that a Transaction may be not suitable for the Customer. The Company is under no obligation, unless otherwise agreed in the Operative Agreements, to monitor or advise the Customer on the status of any Transaction; to make margin calls; or to close out any Customer's Open Positions.

7.3. The Customer shall not be entitled to ask the Company to provide investment advice or to make any statements of opinion to encourage the Customer to make any particular Transaction.

7.4. The Company shall not provide physical delivery in relation to any Transaction. Profit or loss in the Currency of the Trading Account is deposited in/withdrawn from the Trading Account once the Transaction is closed.

7.5. The Company will not:

- (a) provide personal recommendations or advice on the merits of any specific Transactions; or
- (b) other than as described in clause 6, hold or safeguard any assets or investments.

7.6. The Company may from time to time and at its discretion provide information and recommendations in newsletters which it may post on its Website or provide to subscribers via its Website or otherwise. It will not be responsible for such information and recommendations and gives no representation, warranty or guarantee as to the accuracy, correctness or completeness, suitability or effect or consequences upon the Customer of such information and recommendations. It is provided solely to assist the Customer to make the Customer's own investment decisions and does not amount to investment advice or unsolicited financial promotions to the Customer.

7.7. The Company reserves the right, at its discretion, at any time to refuse to provide the Services to the Customer and the Customer agrees that the Company will have no obligation to inform the Customer of the reasons.

8. Conflicts of interest and material interests

8.1. When the Company deals with or for the Customer, the Company, an associate or some other person connected with the Company, may have an interest, relationship or arrangement that is material in relation to the Transaction concerned or that conflicts with the Customer's interest. By way of example only, when the Company deals with a Transaction for or on behalf of the Customer, the Company may be:

- (a) dealing in the Instrument concerned as principal for the Company's account by selling to or buying the Instrument from the Customer;
- (b) matching the Customer's Transaction with that of another customer by acting on such other customer's behalf as well as on the Customer's behalf; or
- (c) providing other services to associates or other customers of the Company who may have interests in investments or underlying assets which conflict with the Customer's interests.

8.2. The Customer consents to and authorises the Company to deal with or for the Customer in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any material interest in a Transaction, without prior reference to the Customer. Company employees are required to comply with a policy of independence and to disregard any such material interest or conflict of interest while advising the Customer.

9. Commissions, Charges and Other Costs

9.1. The Customer shall be obliged to pay the Company the commissions, charges and other costs. The Company will display all current commissions, charges and other costs on its Website.

9.2. The Company may vary commissions, charges and other costs from time to time and shall provide you with notice thereof in accordance with the FSA Rules. All changes in commissions, charges and other costs are displayed on the Company News Webpage, except the changes in rollover/interest policy which are displayed on the Rollover/Interest Policy

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Webpage.

9.3. Subject to complying with the FSA Rules and any other applicable regulations including those of a regulatory authority or the relevant recognised or designated investment exchange or other exchange, the Company will not be under any obligation to disclose to, or to account to the Customer for, any profit, benefit, commission or other remuneration made or received by the Company by reason of any Transaction or investment, unless otherwise agreed in the Operative Agreements.

9.4. The Company may from time to time deal on the Customer's behalf with persons whom the Company has a soft commission agreement which permits the Company (or another member of the Company's group) to receive goods or services in return for transacting investment business with such persons or others. It is the policy of the Company in relation to such agreements to ensure that such arrangements operate in the best interest of the Customer as far as practicable, for example, because the arrangements allow access to information or other benefits which would not otherwise be available.

10. Currency

10.1. The Company is entitled, without prior notice to the Customer, to make any currency conversions which the Company considers necessary or desirable for the purposes of complying with its obligations or exercising its rights under the Operative Agreements or any Transaction. Any such conversion shall be effected by the Company in such manner and at such rates as the Company may in its discretion determine, having regards to the prevailing rates for freely convertible currencies.

10.2. All foreign currency exchange risk arising from any Transaction or from the compliance by the Company with its obligations or the exercise by it of its rights under the Operative Agreements will be borne by the Customer.

11. Providing Quotes

11.1. The Company provides Quotes to the Customer in accordance with the Terms of Business.

11.2. The Company shall not be obliged to, but may, at its absolute discretion, execute the Customer's Requests and Instructions in respect of any Request or Instrument out of normal trading hours specified in the Contract Details for that particular Instrument.

11.3. The information contained in the Contract Details is indicative only and may, at the time when you open or close a Transaction, have become inaccurate. The current Contract Details will be the version then displayed on our website(s), which may be updated from time to time.

11.4. Although the Company does not ensure that the CFD Quotes it provides are within any specific percentage of the underlying asset price, the Company takes into account the underlying asset price. When the Underlying Market is closed, the Quotes provided by the Company will reflect what the Company believes to be the current Bid and Ask price of the relevant Security of the Underlying Market at that time. The Customer acknowledges that such Quotes will be set by the Company at its absolute discretion.

12. Customer's Requests and Instructions

12.1. The Company processes and executes Client requests and / or instructions in accordance with the corresponding platform Terms of Business.

12.2. The Company is entitled to decline a Client's request or instruction if any of the conditions set out in the Operative Agreements have not been satisfied before the request or instruction is processed by the Company. However, the Company may, at its sole discretion, accept and execute the Client request or instruction, notwithstanding that the conditions in the Operative Agreements have been breached.

12.3. If the Company executes the Client request or instruction and becomes aware of any breach of the conditions set out in the Operative Agreements, the Company may act in accordance with the provisions of the Operative Agreements.

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13. Netting

13.1. The amounts payable under the Operative Agreements are automatically converted by the Company into the Currency of the Trading Account at the relevant exchange rate for spot dealings in the foreign exchange market.

13.2. If the aggregate amount payable under the Operative Agreements by the Customer equals the aggregate amount payable under the Operative Agreements by the Company, then the obligations to make payment of any such amount will be automatically satisfied and discharged.

13.3. If the aggregate amount payable under the Operative Agreements by one party exceeds the aggregate amount payable under the Operative Agreements by the other party, then the party with the larger aggregate amount shall pay the excess to the other party and all obligations to make payment will be automatically satisfied and discharged.

13.4. The Customer obligations to pay any due amount shall include all commissions, charges and other costs determined by the Company.

14. Adjustments

14.1. If any Security becomes subject to possible adjustment as a result of any of the events set out in clause 14.2 below ("Corporate Event"), the Company will determine the appropriate adjustment, if any, to be made to the size, value and/or number of the related Transaction (and or to the level and size of any Order) to:

- (a) account for the diluting or concentrating effect necessary to preserve the economic equivalent of the rights and obligations of the parties under that Transaction immediately prior to that Corporate Event; and/or
- (b) replicate the effect of the Corporate Event upon someone with an interest in the relevant underlying Security, to be effective from the date determined by the Company.

14.2. The events to which clause 14.1 refers are the declaration by the issuer of a Security of the terms of any of the following:

- (a) a subdivision, consolidation or reclassification of shares, a share buy-back or cancellation, or a free distribution of shares to existing shareholders by way of a bonus, capitalisation or similar issue;
- (b) a distribution to existing holders of the underlying shares of additional shares, other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the issuer equally proportionately with such payments to holders of the underlying shares, or Securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares, in any case for payment (in cash or otherwise) at less than the prevailing market price per share as determined by the Company;
- (c) any other event in respect of the shares similar to any of the above events or otherwise having a diluting or concentrating effect on the market value of the shares; or
- (d) any event similar to any of the foregoing events or otherwise having a diluting or concentrating effect on the market value of any Security not based on shares.

14.3. Determination of any adjustment or amendment of the size, value and/or number of the Transaction (and/or of the level and size of any Order) shall be at the absolute discretion of the Company and shall be conclusive and binding upon the Customer. The Company shall inform the Customer of any adjustment or amendment under the Operative Agreements as soon as reasonably practicable.

14.4. If at any time a take-over offer is made in respect of a company, then at any time prior to the closing date of such offer the Company may give Written Notice to the Customer of its intention to close a Transaction in respect of that Security. This notice will include the closing date and the closing price.

14.5. Where applicable (e.g. where a Security is based on shares in respect of which the issuer pays dividends) a dividend adjustment will be calculated in respect of Open Positions held on the ex-dividend day for the relevant underlying Security. The dividend adjustment will be credited to the Customer's Trading Account if the Customer has an open Long Position, and debited if the Customer has an open Short Position.

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15. Payments

15.1. The Customer may deposit funds into the Trading Account at any time. Deposits will only be accepted by debit / credit card or by cheque in the same name as the Customer, or by bank transfer from the account of the Customer. Under no circumstances will third party or anonymous payments be accepted.

15.2. The Company has the right to refuse payment by cheque if:

- (a) the cheque is drawn from a non-UK/EU clearing bank; or
- (b) any payment given has not cleared on the first presentation.

15.3. The Customer may withdraw funds from the Trading Account at any time in accordance with the clause 15.4.

15.4. If the Customer gives an instruction to withdraw funds from the Trading Account, the Company shall pay the specified amount within two Business Days once the instruction has been accepted, if the following requirements are met:

- (a) the withdrawal instruction includes all necessary information;
- (b) the instruction is to make a bank transfer to the account of the Customer (under no circumstances will payments to third party or anonymous accounts be accepted); and
- (c) at the moment of payment, the Customer's Free Margin exceeds the amount specified in the withdrawal instruction including all payment charges.

15.5. The Company shall debit the Customer's Trading Account for all payment charges.

15.6. If the Customer has the obligation to pay any amount to the Company which exceeds the Trading Account Equity the Customer shall pay the amount of excess forthwith upon the obligation arising.

15.7. All payments subject to the terms of clause 15 are made by bank transfer or by cheque. If the Company accepts any payments to be made by a debit or credit card it reserves the right to levy a transfer charge.

15.8. If the Customer makes a payment by bank transfer, by credit card or any other method of electronic money transfer, the Company shall credit the Customer's Trading Account with the amount of such payment within one Business Day once the amount is cleared in the bank account of the Company. If the Customer makes a payment by cheque the Company shall credit the Customer's Trading Account with the amount of such payment within two Business Days once the amount is cleared in the bank account of the Company.

15.9. The Customer acknowledges and agrees that (without prejudice to any of the Company's other rights under the Operative Agreements to close out the Customer's Open Positions and exercise other default remedies against the Customer), where a sum is due and payable to the Company in accordance with the Operative Agreements and sufficient cleared funds are not yet credited to the Customer's Trading Account, the Company shall be entitled to treat the Customer as having failed to make a payment to the Company and to exercise its rights under the Operative Agreements.

15.10. The Customer shall make any margin payments or other payments due in US Dollars, Euros, Great Britain Pounds, Swiss Francs, Australian Dollars or Japanese Yen. The payment amount will be converted into the Currency of the Trading Account at the rate determined by the bank of the Company.

15.11. Any amount which is not paid in accordance with clauses 15.6 and 15.10 on the due date therefor shall bear interest at the Applicable Rate plus 4% per annum, for each day for which such amount remains unpaid. All debts are legally enforceable.

16. Limitations of Liability and Indemnity

16.1. Nothing in the Operative Agreements will exclude or restrict any obligation or liability which the Company may have or owe to the Customer under the FSA Rules, nor any liability which the Company may incur under the Act or the FSA Rules in respect of a breach of any such obligation, nor will anything in the Operative Agreements require the Customer to indemnify or compensate the Company to any extent prohibited by the FSA Rules.

16.2. In the event the Company may provide advice, information or recommendations to the Customer, the Company shall

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not be responsible for the profitability of such advice, information or recommendations. The Customer acknowledges that the Company shall not, in the absence of its fraud, wilful default or gross negligence, be liable for any losses, costs, expenses or damages suffered by the Customer arising from any inaccuracy or mistake in any information given to the Customer including, without limitation, information relating to any Transactions. Subject to the right of the Company to void or close any Transaction in the specific circumstances set out the Operative Agreements, any Transaction following such inaccuracy or mistake shall nonetheless remain valid and binding in all respects on both the Company and the Customer.

16.3. The Company will not be liable for any loss or expense incurred by the Customer in connection with, or directly or indirectly arising from:

- (a) any error or failure in the operation of the Trading Platform or any delay caused by the Client Terminal;
- (b) Transactions made via the Client Terminal or by telephone;
- (c) any failure by the Company to perform any of its obligations under the Operative Agreements as a result of a cause beyond its control; or
- (d) the acts, omissions or negligence of any third party.

16.4. The Customer will indemnify the Company and keep the Company indemnified on demand in respect of all liabilities, costs, claims, demands and expenses of any nature whatsoever which the Company suffers or incurs as a direct or indirect result of any failure by the Customer to perform any of the Customer's obligations under the Operative Agreements.

16.5. The Company shall in no circumstances be liable to the Customer for any consequential special or indirect losses, loss of profits, loss of opportunity (including in relation to subsequent market movements), costs, expenses or damages the Customer may suffer in relation to the Operative Agreements, unless otherwise agreed in the Terms of Business.

17. Complaints and Disputes

17.1. The complaints and Disputes resolution procedures are set out in the Terms of Business.

17.2. If the Customer is a private individual or a firm, charity or organisation with a turnover of less than £1,000,000, the Customer may refer the matter to the Financial Ombudsman Service within six months if the Customer is not satisfied with the Company's final response, or earlier if the Company has failed to provide a final response within eight weeks. Details of the Financial Ombudsman's role may be found on <http://fsahandbook.info/FSA/html/handbook/DISP/2>.

The Financial Ombudsman Service can be contacted by:

- (a) website <http://www.financial-ombudsman.org.uk/consumer/complaints.htm>,
- (b) telephoning 0845 080 1800.

The Company will provide whatever assistance the Company can to the Financial Ombudsman Service and abide with their final decision.

17.3. The Customer's right to take legal action remains unaffected by the existence or use of any complaints procedures referred to above. However, the Financial Ombudsman Service may not adjudicate on any cases where litigation has commenced.

18. Communications

18.1. The rules of communication between the Customer and the Company are set out in the Terms of Business.

18.2. The Customer shall give Instructions and Requests only via the Client Terminal or by telephone, in accordance with the Terms of Business.

19. Written Notice

19.1. Any Written Notice given under this Agreement may be made as follows:

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- (a) Trading Platform internal mail;
- (b) email;
- (c) facsimile transmission;
- (d) post; or
- (e) information published on the Company News Webpage.

19.2. All contact details provided by the Customer, e.g. address, email address or fax number as last notified will be used as applicable. The Customer agrees to accept any notices or messages from the Company at any time.

19.3. Any such Written Notice will be deemed to have been served:

- (a) if sent by email, within one hour after emailing it;
- (b) if sent by Trading Platform internal mail, immediately after sending it;
- (c) if sent by fax, at the completion of transmission during business hours at its destination or, if not within business hours, at the opening of the next period of business hours, but subject to:
 - proof by the sender that the sender holds a printed transmission report confirming dispatch of the transmitted notice; and
 - the sender not receiving any telephone calls from the recipient within one hour from the above time, that the fax has not been received in a legible form.
- (d) if sent by post, seven calendar days after posting it;
- (e) if posted on the Company News Webpage, within one hour after it has been posted.

19.4. For the purpose of clause 19, "business hours" mean between 9:00 a.m. and 5:30 p.m. on a Business Day.

20. Amendment and Termination

20.1. The Customer acknowledges that the Company has the right to modify the terms of the Operative Agreements at any time giving to the Customer five Business Days Written Notice prior to such changes. Any such amendments will become effective on the date specified in the notice and will also apply to positions opened and to Orders placed prior to such date.

20.2. The Customer may terminate this Agreement with immediate effect by giving Written Notice to the Company.

20.3. The Company may terminate this Agreement with immediate effect by giving Written Notice to the Customer.

20.4. Any such termination will not affect any obligation which has already been incurred by either the Customer or the Company in respect of any Open Position or any legal rights or obligations which may already have arisen under the Operative Agreements or any Transactions and deposit/withdrawal operations made thereunder.

20.5. Upon termination of this Agreement, the Company will be entitled without prior notice to the Customer to cease to grant the Customer access to the Trading Platform.

20.6. Upon termination of this Agreement, all amounts payable by the Customer to the Company will become immediately due and payable including (but without limitation):

- (a) all outstanding fees, charges and commissions;
- (b) any dealing expenses incurred by terminating this Agreement and charges incurred for transferring the Customer's investments to another investment firm; and
- (c) any losses and expenses realised in closing out any Transactions or settling or concluding outstanding obligations incurred by the Company on the Customer's behalf.

21. Personal data and Recording of Telephone Calls

21.1. The Company may use, store or otherwise process personal information provided by the Customer in connection with

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the provision of the Services.

21.2. The Company is registered as a data controller in the United Kingdom under the Data Protection Act 1998.

21.3. If the Customer is an individual, the Company is obliged to supply the Customer, on request, with a copy of personal data which it holds about the Customer (if any), provided that the Customer pays a fee.

21.4. By entering into this Agreement, the Customer will be consenting to the transmittal of the Customer's personal data (and/or have obtained consent from individuals working on the Customer's behalf) outside the European Economic Area.

21.5. The Customer agrees that the Company may pass information about the Customer which the Customer has provided to other companies in the Company's group and to external companies to help the Company to process and/or analyse it as part of the provision of Services to the Customer. If the Customer does not wish the Customer's personal data to be used for such purposes, the Customer shall give the Company Written Notice.

21.6. Such personal data may also be used for marketing purposes, or to conduct market research for the Company or other companies in its group that may use the personal data to bring to the attention of the Customer products and services that may be of interest to the Customer and also to assist in the efficient provision of the Services. If the Customer does not wish the Customer's personal data to be held for such purposes, the Customer shall give the Company Written Notice.

21.7. Telephone conversations between the Customer and the Company may be recorded. All Instructions or Requests received by telephone will be binding as if received in writing. Any recordings shall be and remain the sole property of the Company and will be accepted by the Customer as conclusive evidence of the Instructions/Requests or conversations so recorded. The Customer agrees that the Company may deliver copies of transcripts of such recordings to any court, regulatory or government authority.

22. Consent to Direct Contact

22.1. The Customer expressly invites the Company, for the purpose of administering the terms of the Operative Agreements or otherwise marketing financial services and products, from time to time, to make direct contact with the Customer by telephone, fax, or otherwise.

22.2. The Customer consents to such communications and acknowledges that such communication would not be considered by the Customer as being a breach of any of the Customer's rights under any relevant data protection and/or privacy regulations.

23. Confidentiality

23.1. The information which the Company holds about the Customer is confidential and will not be used for any purpose other than in connection with the provision of the Services. Information of a confidential nature will be treated as such provided that such information is not already in the public domain. Information of a confidential nature will only be disclosed to any person other than an Affiliate of the Company, in the following circumstances:

- (a) where required by law or if requested by any regulatory authority or exchange having control or jurisdiction over the Company (or any respective associate);
- (b) to investigate or prevent fraud or other illegal activity;
- (c) to any third party in connection with the provision of Services to the Customer by the Company;
- (d) for purposes ancillary to the provision of the Services or the administration of the Customer's Trading Account, including, without limitation, for the purposes of credit or identification enquiries or assessments;
- (e) if it is in the public interest to disclose such information; or
- (f) at the Customer's request or with the Customer's consent.

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24. Time of essence

24.1. Time shall be of the essence in the Operative Agreements.

25. Default

25.1. Each of the following constitutes an "Event of Default":

- (a) the failure of the Customer to provide any Initial Margin and/or Hedged Margin, or other amount due under the Operative Agreements;
- (b) the failure of the Customer to perform any obligation due to the Company;
- (c) the initiation by a third party of proceedings for the Customer's bankruptcy (if the Customer is an individual) or for the Customer's winding-up or for the appointment of an administrator or receiver in respect of the Customer or any of the Customer's assets (if the Customer is a company) or (in both cases) if the Customer makes an arrangement or composition with the Customer's creditors or any procedure which is similar or analogous to any of the above is commenced in respect of the Customer;
- (d) where any representation or warranty made by the Customer in clause 26 is or becomes untrue;
- (e) the Customer is unable to pay the Customer's debts when they fall due;
- (f) the Customer (if the Customer is an individual) dies or becomes of unsound mind; or
- (g) any other circumstance where the Company reasonably believes that it is necessary or desirable to take any action set out in clause 26.2.

25.2. If an Event of Default occurs the Company may, at its absolute discretion, at any time and without prior Written Notice, take one or more of the following steps:

- (a) close out all or any of the Customer's Open Positions at current Quotes;
- (b) debit the Customer's Trading Account(s) for the amounts which are due to the Company;
- (c) close any or all of the Customer's Trading Accounts held with the Company;
- (d) refuse to open new Trading Accounts for the Customer.

26. Representations and Warranties

26.1. The Customer represents and warrants to the Company, and agrees that each such representation and warranty is deemed repeated each time the Customer gives an Instruction or Request by reference to the circumstances prevailing at such time, that:

- (a) the information provided by the Customer to the Company in the Application to open a Margin Trading Account Form and the Operative Agreements and at any time thereafter is true, accurate and complete in all material respects;
- (b) the Customer has read and fully understood the terms of the Operative Agreements;
- (c) the Customer is duly authorised to enter into the Operative Agreements, to give Instructions and Requests and to perform its obligations thereunder;
- (d) the Customer acts as principal;
- (e) the Customer is an individual who has completed an Application to open a Margin Trading Account Form or, if the Customer is a company, the person who has completed an Application to open a Margin Trading Account Form on the Customer's behalf is duly authorised to do so; and
- (f) all actions performed under the Operative Agreements will not violate the Act, the FSA Rules or any law, ordinance, charter, by-law or rule applicable to the Customer or to the jurisdiction in which the Customer is resident, or any agreement by which the Customer is bound or by which any of the Customer's assets are affected.

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26.2. In addition to all other rights and remedies available to it, the Company has the right to render any position voidable or to close out any or all positions at the current Quotes at any time, at its absolute discretion, if the Customer breaches clause 26.1.

27. Force Majeure

27.1. The Company may, in its reasonable opinion, determine that a Force Majeure Event exists, in which case the Company will, in due course, take reasonable steps to inform the Customer. A Force Majeure Event includes without limitation:

- (a) any act, event or occurrence (including, without limitation, any strike, riot or civil commotion, terrorism, war, act of God, accident, fire, flood, storm, interruption of power supply, electronic, communication equipment or supplier failure, civil unrest, statutory provisions, lock-outs) which, in the Company's reasonable opinion, prevents the Company from maintaining an orderly market in one or more of the Instruments;
- (b) the suspension, liquidation or closure of any market or the abandonment or failure of any event to which the Company relates its Quotes, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event.

27.2. If the Company determines in its reasonable opinion that a Force Majeure Event exists (without prejudice to any other rights under the Operative Agreements) the Company may without prior Written Notice and at any time take any of the following steps:

- (a) increase margin requirements;
- (b) close out any or all Open Positions at such prices as the Company considers in good faith to be appropriate;
- (c) suspend or modify the application of any or all terms of the Operative Agreements to the extent that the Force Majeure Event makes it impossible or impractical for the Company to comply with them; or
- (d) take or omit to take all such other actions as the Company deems to be reasonably appropriate in the circumstances with regard to the position of the Company, the Customer and other customers.

28. Miscellaneous

28.1. The Company has the right to suspend the Customer's Trading Account at any time for any good reason with or without Written Notice to the Customer.

28.2. In the event that a situation arises that is not covered under the Operative Agreements, the Company will resolve the matter on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice.

28.3. No single or partial exercise of, or failure or delay in exercising any right, power or remedy (under these terms or at law) by the Company shall constitute a waiver by the Company of, or impair or preclude any exercise or further exercise of, that or any other right, power or remedy arising under the Operative Agreements or at law.

28.4. Any liability of the Customer to the Company under the Operative Agreements may in whole or in part be released, compounded, compromised or postponed by the Company in its absolute discretion without affecting any rights in respect of that or any liability not so waived, released, compounded, compromised or postponed. A waiver by the Company of a breach of any of the terms of the Operative Agreements 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 the Company of a breach of any of the terms of the Operative Agreements or a default under these terms will not prevent the Company from subsequently requiring compliance with the waived obligation.

28.5. The rights and remedies provided to the Company under the Operative Agreements are cumulative and are not exclusive of any rights or remedies provided by law.

28.6. The Company may assign the benefit and burden of the Operative Agreements to a third party in whole or in part,

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provided that such assignee agrees to abide by the terms of the Operative Agreements. Such assignment shall come into effect ten Business Days following the day the Customer is deemed to have received notice of the assignment in accordance with the Terms of Business.

28.7. If any term of the Operative Agreements (or any part of any term) shall be held by a court of competent jurisdiction to be unenforceable for any reason then such term shall, to that extent, be deemed severable and not form part of this Agreement or the Terms of Business, but the enforceability of the remainder of Operative Agreements shall not be affected.

28.8. The Customer may not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer the Customer's rights or obligations under the Operative Agreements without prior written consent of the Company and any purported assignment, charge or transfer in violation of this term shall be void.

29. Governing Law and Jurisdiction

29.1. This Agreement shall be governed by, and construed in accordance with the laws of England.

29.2. With respect to any proceedings, the Customer irrevocably:

- (a) agrees that the courts of England shall have exclusive jurisdiction to determine any proceedings,
- (b) submits to the jurisdiction of English courts,
- (c) waives any objection which the Customer may have at any time to the bringing of any proceedings in any such court, and
- (d) agrees not to claim that such proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over the Customer.

29.3. Where the Operative Agreements are issued in a language other than English, the English language version shall take precedence in the event of any conflict.

30. Interpretation of Terms

30.1. In this Agreement:

"Act" shall mean the Financial Services and Markets Act 2000.

"Affiliate" shall mean in relation to the Company, any entity controlled directly or indirectly, by the Company, any entity that controls directly or indirectly, the Company, or any entity directly or indirectly under common control with the Company. For this purpose, "control" means ownership of a majority of the voting power of the Company or entity.

"Applicable Rate" shall mean:

- (a) Federal Funds rate, if the Currency of the Trading Account is US dollars;
- (b) Bank of England Official Bank Rate, if the Currency of the Trading Account is Great Britain pounds;
- (c) Key European Central Bank (repo) Interest Rate, if the Currency of the Trading Account is euros;
- (d) Swiss National Bank Key Interest Rate, if the Currency of the Trading Account is Swiss francs;
- (e) The interbank overnight cash rate for any day is the rate specified for that day on screen page RBA30 at or about 9:00am on the day immediately following the relevant Day on which rates are quoted on that page for Australian Dollars; or
- (f) Bank of Japan's Target Rate, if the Currency of the Trading Account is Japanese Yen.

"Application to open Margin Trading Account" Form" shall mean the application form completed by the Customer and accessed through the Website to open a Trading Account.

"Ask" shall mean the higher price in the Quote being the price at which the Customer may buy.

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“Balance” shall mean the total financial result of all Completed Transactions and depositing/withdrawal operations on the Trading Account.

“Bid” shall mean the lower price in the Quote being the price at which the Customer may sell.

“Business Day” shall mean any day between Monday and Friday, inclusive, on which clearing banks are open in the City of London.

“Client Terminal” shall mean the program, which is used by the Customer in order to obtain information of financial markets (which content is defined by the Company) in real-time, to make technical analysis of the markets, make Transactions, place/modify/delete Orders, as well as to receive notices from the Company. The program can be downloaded on the Website free of charge.

“Company News Webpage” shall mean the page of the Website where the Company news is displayed on. At date of this Agreement the information is displayed on <http://www.alpari.co.uk/en/company-news/>.

“Completed Transaction” shall mean two counter deals of the same size (opening a position and closing a position): buy then sell and vice versa.

“Contract for Differences” (“CFD”) shall mean a contract, which is a contract for differences by reference to fluctuations in the price of the underlying asset (shares, futures, metals, indices etc.). Types of Contracts for Differences include, but are not limited to, Foreign Exchange CFDs, Futures CFDs, Option CFDs, Share CFDs and Stock Index CFDs;

“Contract Details” means the section of the public pages of our website designated as the Contract Details as amended from time to time.

“Corporate Event” shall have the meaning set out in clause 14.

“Currency of the Trading Account” shall mean the currency that the Customer chooses when opening the Trading Account.

“Dispute” shall mean either:

- (a) the conflict situation when the Customer reasonably believes that the Company as a result of any action or failure to act breaches one or more terms of the Terms of Business; or
- (b) the conflict situation when the Company reasonably believes that the Customer as a result of any action or failure to act breaches one or more terms of the Terms of Business; or

“Electronic Trading Services” means any electronic services (together with any related software) including without limitation the Trading Platform, Client Terminal, direct market access order routing or information services that we grant you access to or make available to you either directly or through a third party service provider, and used by you to view information and/or enter into Transactions;

“Eligible Counterparty” shall mean an “Eligible Counterparty” for the purposes of the FSA Rules.

“Equity” shall mean: Balance + Floating Profit - Floating Loss.

“Event of Default” shall have the meaning given in clause 25.

“Floating Profit/Loss” shall mean current profit/loss on Open Positions calculated at the current Quotes.

“Force Majeure Event” shall have the meaning as set out in clause 27.

“Free Margin” shall mean funds on the Trading Account, which may be used to open a position. It is calculated as Equity less Necessary Margin.

“FSA” means The Financial Services Authority or any organisation that will replace the FSA or take over the conduct of its affairs;

“FSA Rules” means the rules of the FSA as from time to time varied, amended or substituted by the FSA and, where you open an account via a Branch office of ours, “FSA Rules” includes the Conduct of Business rules of the EEA member state in which the Branch office is located;

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“Hedged Margin” shall mean the margin required by the Company sufficient to open and maintain Matched Positions. The details for each Instrument are in the Contract Details.

“Indicative Quote” shall mean a Quote at which the Company has the right not to accept any Instructions or execute any Orders.

“Initial Margin” shall mean the margin required by the Company to open a position. The details for each Instrument are in the Contract Details.

“Instruction” shall mean an instruction from the Customer to the Company to open/close a position or to place/modify/delete an Order.

“Instrument” shall mean any Contract for Differences.

“Margin Level” shall mean the percentage Equity to Necessary Margin ratio. It is calculated as $(\text{Equity} / \text{Necessary Margin}) * 100\%$.

“Margin Trading” shall mean Leverage trading when the Customer may make Transactions having far less funds on the Trading Account in comparison with the Transaction Size.

“Matched Positions” shall mean Long and Short Positions of the same Transaction Size opened on the Trading Account for the same Instrument ¹.

“Necessary Margin” shall mean the margin required by the Company to maintain Open Positions. The details for each Instrument are specified in the Contract Details.

“Open Position” shall mean a Long Position or a Short Position which is not a Completed Transaction.

“Operative Agreements” shall mean this Agreement and the Terms of Business.

“Order” shall mean an instruction from the Customer to the Company to open or close a position when the price reaches the Order Level.

“Order Level” shall mean the price indicated in the Order.

“Precious Metal” shall mean spot gold or spot silver.

“Professional Client” shall mean a “Professional Client” for the purposes of the FSA Rules.

“Quote” shall mean the information of the current price for a specific Instrument, in the form of the Bid and Ask prices.

“Relevant Amount(s)” shall mean any free Equity in the Customer’s Trading Account.

“Request” shall mean a request from the Customer to the Company given to obtain a Quote. Such a Request shall not constitute an obligation to make a Transaction.

“Retail Client” shall mean a “Retail Client” for the purposes of the FSA Rules.

“Risk Disclosure Notice” shall mean the Risk Disclosure Notice on the Company website.

“Rollover/Interest Policy Webpage” shall mean the webpage at <http://www.alpari.co.uk/en/services/rollover-policy.html>.

“Security” shall mean any share, future, forward or option contract, commodity, Precious Metal, interest rate, debt instrument or stock index.

“Segregated Account” shall mean a client bank account as defined by and held in accordance with the FSA Rules.

“Segregated Funds” shall have the meaning as set out in clause 6.1.

“Server” shall mean the Server program. The program is used to execute the Customer’s Instructions or Requests, to provide trading information in real-time mode (the content is defined by the Company), in consideration of the mutual liabilities between the Customer and the Company, subject to terms of the Terms of Business.

¹ For example, if the Customer has a Long Position of 2.0 Lots and a Short Position of 3.0 Lots in the same Instrument, then the Long Position and 2.0 Lots of the Short Position are considered as Matched Positions and 1.0 Lot of the Short Position is not a Matched Position.

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“Services” shall mean the services provided by the Company to the Customer as set out in clause 7.

“Spread” shall mean the difference between Ask and Bid.

“Trading Account” shall mean the unique personified registration system of all Completed Transactions, Open Positions, Orders and deposit/withdrawal transactions in the Trading Platform.

“Trading Platform” shall mean all programs and technical facilities which provide real-time Quotes, allow Transactions to be made, Orders to be placed/modified/deleted/executed and calculate all mutual obligations between the Customer and the Company. The trading platform consists of the Server and the Client Terminal.

“Transaction” shall mean any contract or transaction entered into or executed by the Customer or on behalf of the Customer arising under this Agreement and the Terms of Business.

“Transaction Size” shall mean Lot Size multiplied by number of Lots.

“Underlying Market” shall mean the market where the underlying asset for CFD is traded.

“Website” shall mean the Company’s website at <http://www.alpari.co.uk> or such other website as the Company may maintain from time to time for access by customers.

“Written Notice” shall have the meaning set out in clause 19.

30.2. All references to a statutory provision include references to:

- (a) any statutory modification, consolidation or re-enactment of it, whether before or after the date of this Agreement, for the time being in force;
- (b) all statutory instruments or orders made pursuant to it; and
- (c) any statutory provision of which that statutory provision is a re-enactment or modification.

30.3. Words denoting the singular include the plural and vice versa; words denoting any gender include all genders; and words denoting persons include corporations, partnerships, other unincorporated bodies and all other legal entities and vice versa.

30.4. Unless otherwise stated, a reference to a clause, party or a schedule is a reference to respectively a clause in or a party or schedule to this Agreement.

30.5. The clause headings are inserted for ease of reference only and do not affect the construction of this Agreement.

Alpari (UK) Limited

January 2011