

Customer Agreement

Please read these terms and conditions carefully before signing the Application Form. Do not sign the application form unless you understand these terms and conditions and are content to be bound by them. All signed Application Forms should be sent to:

The Compliance Officer
ProSpreads Limited
3rd Floor
Leisure Island Business Centre
Ocean Village Gibraltar

1. The Contract

1.1. This Spread Betting Customer Agreement is intended to be a contractually binding document that sets out the terms and conditions upon which ProSpreads Limited (referred to in this Client Agreement as "we" or "us") enters into spread betting transactions with its clients (referred to in this Client Agreement as "you"). We are a private limited company duly incorporated in Gibraltar with registered office situate at 2/3b Horse Barrack Lane, Gibraltar. We are a spread betting bookmaker and are licensed by the Department of Trade and Industry under the provisions of the Gaming Act and by the Financial Services Commission under the Financial Services (Markets in Financial Instruments) Act 2006.

1.2. The Spread Betting Customer Agreement is not an exhaustive statement of the terms of our contract with you, and is supplemented by (1) the Application Form that you have signed and submitted to us; (2) the Risk Warning Notice; (3) Order Execution Policy; (4) Summary of Conflicts of Interest Policy and (5) the materials that are referred to in this Customer Agreement all as being displayed on the website www.prospreads.com ("the website"). Together these five sources make up our contract with you ("the Contract"). No other written or printed material that we may supply to you is intended to form part of our contract with you and is provided for purposes of general guidance only as such materials may become obsolete.

1.3. You must read all documents comprising the Contract with care before you bet with us. You must ensure that you understand everything in them. If there is anything in them that you do not understand, you must not bet with us. By accepting the Application Form and submitting it to us you represent and undertake to us that you have read and understood the terms of the Contract and are willing to be legally bound by them. Accordingly, you agree with us that all bets placed by you with us are intended to be legally binding and enforceable and governed by the terms of the Contract.

1.4. Laws relating to betting vary throughout the world. It is your responsibility to ensure that you are complying with the laws of the country from which you bet with us. In addition, you must be at least 18 years old to place bets with us. We do not intend that our services and facilities should be used for any illegal purpose.

Customer Agreement

The presentation by us of any betting or gaming facilities or propositions does not constitute an invitation for the use of or subscription to betting or other services in any jurisdiction where such activities are prohibited by law.

1.5. Nothing in the Contract shall exclude or restrict any duty or liability owed by us to you under the Financial Services (Markets in Financial Instruments) Act 2006 or any reenactment thereof (the "Act") and if there is any conflict between the Contract and the Act, the latter shall prevail.

2. Warranties, Representations and Undertakings

2.1. By submitting your signed Application Form to us you warrant, undertake and represent to us that:

- (a) all statements that you have made to us, whether in writing or not, and whether on the Application Form or not are true; and
- (b) that you will notify us of any change in your circumstances as previously notified to us, whether orally or in writing, which may affect the way in which we manage your account or provide services to you; and
- (c) you deal and will deal with us in all respects and at all times as principal and not as agent for any other party; and
- (d) there is no legal rule or impediment to your entering into the Contract or to trading with us, or to your discharging your obligations arising under (i) the Contract or (ii) any bet that you may place under it; and
- (e) that you will provide to us promptly any information reasonably requested by us as a result of (i) any statute, order, regulation or code of practice designed to prevent money laundering, or (ii) any other enactment, or (iii) any request received by us from any person representing a law enforcement authority; and
- (f) that any person whom you identify to us as being authorised to bet with us on your behalf has been properly and validly appointed by you for that purpose and for all purposes normally incidental to it. These warranties, undertakings and representations will be deemed to be repeated by you each time you open and close a bet with us; and
- (g) that you have requested to be treated as a professional client and are aware of the protections that you forfeit by requesting such treatment, and
- (h) that you have read and accept the order execution policy provided to you, and (i) that you understand by instructing trades through our trading platform that you will be executing outside a regulated market.

2.2. Any breach of any such warranty or undertaking, or any inaccuracy in any such representation, will be an Event of Default (see below, clause 10).

2.3. If at any time any warranty, undertaking, representation or other statement that you have previously made to us that is in any way relevant to your trading with us ceases to be true, you must inform us as quickly as you can of the change in circumstances so that we can correct our records. Failure by you to comply with this requirement will be an Event of Default (see below, clause 10).

Customer Agreement

2.4. We do not give any warranty, undertaking or make any representation to you except such as is contained within the Contract.

3. Your Account

3.1. We may refuse to open an account for you for any reason at our sole discretion.

3.2. In order to activate your account you will be required to make an initial cash deposit of GBP £1,000 or the equivalent in US Dollars or Euros. This is the minimum balance required to open an account (although we will be under no obligation to close any of your bets because the balance has fallen below this figure) and to bet you may have to deposit extra funds commensurate with your intended trading strategy. We will not allow you to bet until we have these cleared funds in our hands. The money that you deposit with us is not intended to and does not constitute a limit on your potential losses, which are unlimited.

3.3. We will not accept for any purpose funds that do not come from a bank account or credit/debit card in your name.

3.4. Notwithstanding that you may deposit funds with us in currencies other than Sterling, we will calculate the net balance of your account basis Sterling. In doing this we will use an independent provider's exchange rate for the relevant exchange calculation as adopted by us in preparing your most recent daily statement (for which see paragraph 8.1 below).

3.5. We will require you to deposit money with us that will constitute our security in respect of liability that you may incur to us as a result of losing bets. This money is called "Initial Margin". The amount of Initial Margin that is attracted by any given bet is set out in the website.

3.6. We may refuse to open any bet with you for any reason at our absolute discretion. However, we will normally allow you to open a bet provided that to do so does not put your account in deficit. Your account will be in deficit at any given time to the extent that the sum of (i) total Initial Margin attracted by your open bets plus the losses that would be realized on them if they were to be closed at our prevailing prices exceeds (ii) the sum of cash held plus the profits that would be realised by your open bets if they were to be closed at our prevailing prices.

3.7. You must not allow your account to go into deficit at any time. You must ensure that your account has sufficient money in it at all times to cover the Initial Margin attracted by your open positions, plus any losses that might be incurred on them. It is for you to judge whether your account has sufficient money in it for these purposes: we do not assume any responsibility to you for managing your account.

3.8. If your account goes into deficit at any time we may in our absolute discretion:
(a) close any or all of your open bets at our price prevailing at the time of closure; and/or
(b) allow any of your bets to remain open; and/or

Customer Agreement

(c) allow you to open further bets. We will not be under any obligation to you to exercise any of these rights, or to have any regard to your interests in deciding whether or not to exercise them.

In exercising our rights to close your bets we will be under no obligation to consider your interests or any preference you may have as to which bets should be closed or as to the order in which your bets should be closed. We will be entitled to close all of your bets notwithstanding that by closing fewer than all of your open bets, or part of them, your account can be or is taken out of deficit by reason of the reduction in Initial Margin attracted by your open positions. Our rights under this clause, once triggered by your account going into deficit, will remain in existence for as long as any of the bets that are open on your account at the time when it goes into deficit remain open thereafter, and during that period will apply to all of your open bets, whether or not your account ceases to be in deficit and whether or not you are allowed to open new bets after your account has come out of deficit.

3.9. If your account does go into deficit we may at our absolute discretion contact you and ask you to pay money into it (a "margin call"). Such a request is simply an opportunity for you to correct the deficit and is not in any degree a waiver or suspension of our rights, which we may exercise regardless of the margin call and in particular regardless of whether or not we have given you a period within which to correct the deficit and the period has not yet expired.

3.10. Open positions will be measured against the prevailing price of the underlying market and the unrealised profit or loss will be treated as a credit or a debit to your account on this basis. If the underlying market is closed it will for these purposes be treated as standing at the level at which it closed.

3.11. If your account goes into deficit an Event of Default will be deemed to have occurred (see below, clause 10).

4. Initial Margin

4.1. Initial Margin is above (see "Your Account" paragraph 3.5). We may vary the Initial Margin payable in respect of any bet at any time by changing the relevant terms of the part of our website called "Spreads & Market Information".

4.2. We will only be entitled to vary the Initial Margin payable on an open bet held by you if the variation is reasonable, having regard to our operating costs and market conditions, both actual and prospective. Once we have varied the Initial Margin payable in respect of any bet we will be entitled to maintain the Initial Margin requirement at the varied level whether or not the market conditions that justified the variation have abated.

4.3. If the result of a variation in the Initial Margin required to support your open bets is that your account is placed in deficit, we will be entitled to exercise our rights under paragraph 3.8.

Customer Agreement

4.4. Initial Margin is for our protection, and we will not be obliged to ask you for it in relation to any bet. We will be entitled to treat profits on your open positions as standing in lieu of Initial Margin. If as a result of market movement those profits diminish you should ensure that you deposit cash to replace it so as to prevent your account from going into deficit.

4.5. The Initial Margin attracted by a bet is not intended to and does not constitute any kind of limit on the sum that you may lose on that bet.

5. Betting

5.1. You bet with us by opening or closing a bet, or by giving us any other instruction that we implement in relation to your account, for example by placing, moving or cancelling stop loss orders, limit orders and other types of order. A bet that you have opened and that has not yet been closed is called an "open bet". A bet that you have opened and has been partially closed is an open bet to the extent that it has not been closed.

5.2. We reserve the right to refuse to open any bet for you at our sole discretion.

5.3. You should record details all of the bets that you place with us so that you can refer to the terms of your instructions and to the times at and dates on which they were made, together with any relevant prices or sums. You may need to refer to these records if you wish to make a complaint.

5.4. On the underlying markets we offer you may subject to our agreement bet that the market will rise (a 'buy' bet) or that it will fall (a 'sell' bet). 'Buy' and 'sell' bets are also known as 'long' and 'short' or as 'up' and 'down' bets respectively. When you seek to open or close a bet, you will see (on the betting platform) or be told (phone betting) two prices, the 'bid' (the price at which you may subject to our agreement open a 'sell' bet) and the 'offer' (the price at which you may subject to our agreement open a 'buy' bet). The rate at which you may win or lose money on the bet is determined by the stake, which is expressed as the number of lots bet multiplied by the "tick" size or per point price movement. A "lot" is a sum of money set by the underlying futures market as a trading unit and varies with each different market, or in the case of spot forex bets, 1 lot = 100,000 of the lead currency. We will not allow you to open or close bets in fractions of lots.

5.5. You close an open bet by betting the same stake in the opposite direction to that of your opening bet. Thus, for example, a 'buy' bet on the FTSE 100 index of 10 lots (equivalent to £100 per point) is closed by placing a 'sell' bet on the same index of 10 lots. Conversely a 'sell' bet is closed by entering into a 'buy' bet at the same stake in the same market. The opening price of the second bet is deemed to be the closing price of the first bet. Partial closure can be made by placing a smaller opposite bet, such as by placing a 'sell' bet of 5 lots, which would leave 5 lots of the original 'buy' bet still open (although you may not bet in fractions of lots). If you enter into a bet in the opposite direction to that of an open bet and at a stake that is larger than that of your open bet, your open bet will be closed and a new bet opened in the direction of your second bet, whose stake will be the difference between the stakes of your first and second bet. We will not allow you to hold open opposing positions in the same market but will always treat the later bet as an instruction to close the relevant part of the earlier one.

Customer Agreement

5.6. You may also seek to bet with us by 'joining the bid' or 'joining the offer'. In this case you will offer to place a 'buy' bet at the then prevailing 'bid' price ('joining the bid') or to place a 'sell' bet at the then prevailing 'offer' price ('joining the offer'). In both cases your offer will unless it is withdrawn by you in accordance with the provisions of this Customer Agreement be open for acceptance by us at any time before the market closes on the trading day on which you make it. If it has not been accepted by then it will be deemed to have lapsed. We will not open any bet if to do so would place your account in deficit.

5.7. If you close the bet before it expires your profit or loss will be calculated as follows:

(a) If you close a 'buy' bet at a price that is higher than the price at which you opened it, we will pay to you a sum equal to the stake multiplied by the number of points by which the closing price is higher than the opening price.

(b) If you close a 'buy' bet at a price that is lower than the price at which you opened it, you will pay to us a sum equal to the stake multiplied by the number of points by which the closing price is lower than the opening price.

(c) If you close a 'sell' bet at a price that is lower than the price at which you opened it, we will pay to you a sum equal to the stake multiplied by the number of points by which the closing price is lower than the opening price.

(d) If you close a 'sell' bet at a price that is higher than the price at which you opened it, you will pay us a sum equal to the stake multiplied by the number of points by which the closing price is higher than the opening price.

5.8. We will not charge you commission for our service, but make our profit from the spread. The spread is the difference between the 'bid' and 'offer' prices, for a given size of transaction, for a given market. We will be entitled to vary the spread applying to any given transaction at any time, although this will normally be done at the end of each calendar month. Any such variation will be posted on the website and will apply to (1) all bets open at the time when it is posted and (2) all bets opened subsequently. However, we will only be able to vary the spread on bets that are already open if the variation is reasonable, having regard to the size of your positions and trading volume, our operating costs and market conditions, both actual and prospective.

5.9. The prices at which your bets are opened and closed shall be the prices that are actually confirmed to you by our dealers or over the betting platform at the time of opening or closing, and no other prices. The prices that may be shown on the betting platform are purely indicative of the prices that might be obtained in the market at any given time and are not offers to contract.

5.10. Our service is execution only. We will not advise you as to the merits of any bet or exercise any judgment on your behalf and you undertake that you will rely only on your own judgment in making betting decisions. Should any person employed by us give you any advice as to the merits of a bet that advice is given without our authority and must not be relied upon. We will not be liable to you in respect of it.

Customer Agreement

We may give you factual market information at our discretion. Such information (whether conveyed by telephone, website, email or placement on the being platform) may occasionally be inaccurate. We will not be liable to you in respect of losses you incur as a result of your having bet or managed or closed your bet or bets in reliance on such inaccurate information.

5.11. We will provide you with a password and an account number. We will only permit you to bet on your account. Should we suspect that your account has been accessed by a third party, we will suspend your account. ProSpreads can not be held responsible for any activity on your account that is transacted by a third party. You should therefore make certain that your password and account number do not come in to the possession of any third party and contact us immediately should you suspect that a third party has obtained this information.

5.12. We will not be obliged to accept any bet from you in any market if you attempt to place the bet outside the hours applicable to the relevant market. These are set out on the website. You should familiarise yourself with the hours of any market in which you wish to bet. Trading outside of ProSpreads office hours but within underlying market opening times is available by prior arrangement; however only email technical support will be available outside of ProSpreads office hours.

5.13. Each open bet will have an expiry date that is set in relation to that bet at the time when it is opened. A list of expiry dates and times can be found on the trading platform. You must close all open bets before they expire. If any bets remain open at the market close of the day prior at the time of expiry our dealing desk will close them out as soon as is reasonably practicable after the opening of the underling market on the next day when that market opens. A dealing transaction charge will apply to bets closed in this way, which will be the same as the charge made for telephone bets (see paragraph 5.19). We may extend the expiry date of any given bet but will only do so (1) in exceptional circumstances and (2) by written agreement with you.

Telephone Betting

5.14. You may subject to our agreement when placing a bet with us over the telephone by calling us on one of our dedicated dealing lines, whose numbers are on the website. You may not place bets on any other number. We reserve the right to record all calls. The recordings shall be our property.

Customer Agreement

5.15. Bets placed by telephone will attract a charge of £2.00 per lot. This charge will be debited from your account and will be made on both the opening and the closing of the bet.

5.16. When you contact us to place a bet by telephone you must have your account number and password to hand. We will not allow you to bet on your account unless you identify yourself to us satisfactorily by reference to them.

5.17. We will not under any circumstances accept or act on instructions placed by you by way of telephone message.

5.18. When our dealer quotes a 'bid' and/or an 'offer' price to you on the telephone he does not in law make an offer to contract at that price and accordingly it is not capable of acceptance by you. An offer is made when you indicate that you wish to bet at a price previously quoted to you by the dealer. Our dealer may accept or reject that offer. No contract comes into existence unless and until our dealer confirms that he agrees to effect a bet in those terms. No quoted price will form the basis of any contract unless that price was quoted in the same telephone call as that in which the contract comes into existence.

5.19. If you indicate that you wish to 'join the bid' or 'join the offer' this will constitute an offer on your part to contract with us in accordance with the principles set out in paragraph 5.6 above. We will make a note of your offer and may at our discretion accept it subsequently. If we do accept it the bet will be recorded in your account. If having indicated that you wish to join the bid or join the offer you change your mind you must telephone us in order to withdraw your offer. We may accept your offer at any time before we have had a reasonable opportunity to record in our computer system the fact that you have withdrawn it.

5.20. No bet or order may be opened, closed or otherwise transacted with a person who is not actually authorised by us to enter into such transactions on our behalf. Any such transaction with a person who is not so authorized will be voidable at our option.

5.21. We may attach conditions to the opening of a bet. If we do so you must comply with those conditions. Failure to do so will be an Event of Default (see below, clause 10).

5.22. We do not warrant that you will be able to speak with our dealers at the first attempt or that, even if you can speak with them, they will be able to accept the bet that you wish to place. There may be times when you are unable to bet with us over the telephone, because:

- (a) our telephone lines are for some reason not working; and/or
- (b) we for any reason do not have sufficient staff available to answer all incoming calls; and/or

Customer Agreement

(c) technical problems and/or their consequences (for which, see below at paragraph 5.37 and 5.38) prevent bets from being processed at the time when you wish to bet; and/or
(d) a sudden influx of calls from our customers, stemming from unusual market conditions, and/or from technical problems affecting the betting platform, and/or from other causes, means that we are unable to answer your call.

5.23. We do not accept any responsibility for financial loss that you may incur as a result of being unable to bet with us over the telephone save in circumstances where we wilfully and without good reason refuse to close a bet that you have previously opened. Save in these circumstances, you bet at your own risk as to such loss.

Internet Betting

5.24. We grant to you a non-exclusive, non-transferable license to use the betting platform and the software relating to it ("the Software") for your betting with us.

5.25. You undertake:

- (a) not to copy the Software (except for back-up purposes);
- (b) not to de-compile or reverse engineer the Software (nor permit any third party to do so);
- (c) not to modify, translate, amend or alter the Software or merge or incorporate the Software with other software or permit any third party to do so on your behalf;
- (e) not to provide or otherwise make available the Software in any form to any person without our prior written consent;
- (f) to maintain adequate security measures to prevent access to or use of the Software by any unauthorised third party;
- (g) to reproduce and include the copyright notice provided by us on any back-up copy made;
- (h) not to rent, loan, redistribute, sub-license the Software or create derivative works of the Software;
- (i) that you will within 14 days after the date of termination of your account for whatever reason, at our option destroy the Software and all upgrades or copies thereof or return the same without modification to us.

5.26. No warranty or representation, express or implied, is given as to the accuracy, efficacy or completeness of the Software or the usability, condition or operation thereof.

5.27. When you wish to bet with us via the betting platform, you will be invited to select the underlying market(s) in which you wish to bet. You can access the live underlying mark price field; this details the 'bid' and 'offer' prices and the volume available to bet with.

You must first select your stake by deciding the number of lots you wish to bet. By mousing over the underlying market prices a price tool tip is displayed detailing the spread prices that we are (subject to our express confirmation) prepared to transact with you:

Customer Agreement

(a) There are two prices displayed in the tool tip for the underlying market bid price:

(1) the price in red that you can sell to us ('selling the bid') and (2) the price in blue that you can bid us ('joining the bid').

(b) There are two prices displayed in the tool tip for the underlying market offer price:

(1) the price in red you can offer us ('joining the offer') and the price in blue you can buy at ('buying the offer').

5.28. To place a bet you must first click on the Buy or Sell tab. By doing this you will be offering to place the proposed bet. If you are buying the offer or selling the bid we will immediately confirm back whether or not we have accepted the bet and if so in what quantity of lots. If we have accepted it your bet is placed at the time when we send this electronic confirmation and not before. If you do not receive any confirmation you should contact us immediately in order to ascertain the position. If you do not contact us you will be bound by our records as to whether a transaction took place and if so on what terms.

5.29. If you are joining the bid or offer your offer to bet will remain in your order ticket until (if at all) it is accepted or lapses. The provisions of paragraph 5.6 above will apply to such offers to bet.

5.30. It should be remembered that our betting platform is extremely sophisticated and makes spreads around the actual underlying market so your ability to execute bets will at times be dependant on your skill and speed of reaction. There will be occasions when, unless you move very swiftly, you will miss an opportunity to place a bet.

5.31. You will, in addition to being able to open and close bets, also be able to (subject to our acceptance) place orders on the betting platform. When you have placed your order, you must check the working orders view of the betting platform to make sure that the order is logged there. If it is not logged there, it has not been received by us and will not be effected.

5.32. All trading over the internet must be done via the betting platform. We will not under any circumstances accept instructions received from you by email or by fax.

5.33. We do not warrant that data supplied by us is free of viruses or that it will not damage or otherwise adversely affect your computer or any information on it or generated by it. We will not be liable for any loss that you may suffer as a result of viruses emanating from our computer systems. You should take such steps as you judge necessary to protect your systems against the danger of virus transmission from us.

5.34. We do not warrant that all aspects of the betting platform and/or our computer systems will be fully functioning at all times when you wish to bet with us or that they will not be subject to partial or total failure without any prior notice to you. There may be times when such partial or total failure may occur ("technical problems"), because of the failure of hardware, or software, or because of human error, or power failure, or because we discontinue service for a period in order to effect maintenance or other works, or because of some other cause.

Customer Agreement

5.35. The consequences of technical problems may include the following:

- You might be unable to open or close a position or otherwise unable to place a bet on your account.
- You might be in doubt as to whether a bet that you have attempted to make has in fact been effective.
- You might believe that you have placed a bet when in fact you have not.
- You might receive information from the betting platform that is out of date, misleading, or inaccurate and bet in reliance on it in a way that you would not otherwise have done.
- Communications between you and us might become delayed, distorted or otherwise disrupted.
- Other difficulties, problems, miscommunications, misunderstandings may occur.
- We may consider it necessary or desirable to change, reduce or shut down the betting platform at any time, with or without notice, for any purpose and for any period.

5.36. We do not accept any responsibility for financial loss that you may incur as a result of technical problems or their consequences. You bet at your own risk as to such loss.

5.37. You acknowledge and agree that in the event of any dispute between you and us as to any aspect of your betting, our computer records will be treated as accurate in the absence of dishonesty by us.

5.38. If you find that you are having difficulty with the betting platform in any way, you must telephone us immediately so that any misunderstanding or error can be avoided or resolved and the position clarified in relation to any bet. Our support staff are available during the hours of 06.00 and 21.00 London time, Monday to Friday. While the staff on our support desk will try to help with any problem that you may be experiencing, we will not be liable for any financial loss that you may suffer as a result of following their advice unless it is not given in good faith. If, therefore, you do not wish to accept our assistance on this basis you should make alternative arrangements for obtaining computer support.

6. Mistaken Quotes

6.1. It is possible that a price quoted to you by our dealer or through the betting platform will be mistaken. A quote will be mistaken if it is different from the price that we would have quoted to you at the time had we followed our normal pricing procedure, taking into account the price in the underlying market, the nature of the bet, the size of the stake and all other factors that are relevant to the price that would be quoted in the ordinary course of things for the bet in question ("the correct price"). It will not be necessary for us to demonstrate that any particular natural person was labouring under any specific factual misapprehension.

6.2. If you enter into a bet which is based on a mistaken quote and you knew or suspected that the quote was mistaken at the time when you entered into the bet, we

Customer Agreement

will be entitled at our discretion to declare the bet void, alternatively to adjust all the terms of any such bet between you and us to what they would have been had the bet been based on what we reasonably believe would have been the correct quote. For the purpose of ascertaining the state of your knowledge or suspicion in any dispute relating to a mistaken quote or any other inaccurate information supplied to you by us you will be conclusively presumed to have known the price in the underlying market at the time when you received the mistaken quote.

7. Client Money

7.1. The Financial Services Commission of Gibraltar requires us to hold all moneys received from clients in the course of carrying on investment business in a segregated client account. Any money that you send to us will be held in an account at Barclays Bank Plc, 50 Pall Mall, London. This also applies to unclaimed cash profits held to your credit.

7.2. You acknowledge and agree that we will not pay you any interest on money in your account.

8. Administration and Payment

8.1. For every weekday, provided that you have bet with us or have one or more open bets, we will send to you on the following morning, in electronic form only (by email) a confirmation of your betting and positions ("daily statement"). This will comprise the following elements as at the time of preparing the daily statement:

(a) Contract confirmation (this will list all the transactions you have made in the course of the day, detailing: 'Order ID' for orders; the expiry date of each open bet; the stake; and the opening price of each bet).

(b) Position summary (this section will set out all of your forward open bets and value them at the underlying market settlement price).

(c) Cash activity (this will give an account of all cash transactions on your account, including money in/out; profit/loss from transactions; charges on telephone bets and other sundry items).

(d) Summary of your financial position (this will give you your cash balance, positive and negative equity on open bets based on the underlying market settlement price and aggregate Initial Margin requirement, and will therefore make it clear to what extent the account is in credit or deficit). At the end of every month we will also send to you a monthly statement. This will contain items (b), (c) and (d) for the whole of the preceding month.

8.2. If the daily statement reveals a debit cash balance (i.e. the balance on the account without taking into account the position on open bets or any Initial Margin) you must send us money to cover the negative cash figure by telegraphic transfer within 24 hours of receiving the relevant daily statement. This obligation is without prejudice to any obligation that you may be under to pay us money as a result of a margin call.

Customer Agreement

If any sum due under this clause is not received by us within 24 hours, you will be liable to pay us interest on that sum at the rate of 4% above LIBOR from the date when the money becomes due to the date of payment. Failure to pay on time will also be an Event of Default (for which see clause 10 below).

8.3. You must check your daily statement every day. You undertake to do so and agree that the figures in your daily statements shall be regarded as correct unless you challenge them within 24 hours of our sending them to you. If you do not receive your daily statement you should contact us and ask for it.

8.4. Payments out of your account to you may normally be withdrawn on 24 hours' notice, provided that the money is not being utilised for Initial Margin purposes. If you request a withdrawal of cash and we cannot comply with it without closing some part of your open positions, we will not comply with the request until after you have closed sufficient positions to allow you to make the withdrawal.

8.5. Withdrawals will only be made on request by you, by bank transfer, to the original account from where the funds were received or by funds returned via a credit card or debit card used to deposit funds.

9. Order Types

9.1. We may accept the following orders from you in relation to open positions:

(a) Limit Order (an order to open a specified position in a specified market, if the market should reach a specified price).

(b) Stop profits or stop loss order (an order to close a specified open position in the event that the price moves for or against you to a specified level).

(c) Stop Limit order (same as (b) but with a price limit on the stop).

(d) Market on close order (MOC) (an order placed which asks us to transact with you a bet on the day on which the order is placed, at the closing of the underlying futures market, at the closing price plus or minus our spread. This type of order can only be accepted through our dealers and not via the betting platform).

(e) Market on open order. (MOO) (an order placed which asks us to transact with you a bet on the day on which the order is placed, at the opening of the underlying futures market, at the opening price plus or minus our spread. This type of order can only be accepted through our dealers and not via the betting platform).

(f) One Cancels Other (OCO) (an order that is a combination of a stop profits and a stop loss order. It is an order that can be used to take a profit if the market moves in your favour to a specified level, or to close out if the market moves against you, again to a specified level. The triggering of either order cancels the other).

(g) Trailing Stop. A stop which will move in the direction of a winning position. A trailing stop will allow a user to potentially lock in a profit if the market returns to the entry point, having traded to a profitable price.

9.2. If you place an order that asks us to open a bet in the future we will not open the bet if the state of your account is such that the bet cannot be opened without placing your account into deficit.

Customer Agreement

9.3. All orders will lapse at the closing of the market to which they relate at the end of the day on which they are placed unless they are first executed or cancelled or are 'Good 'Till Cancelled' (GTC), that is, that (subject to the provisions of paragraph 9.4 below) it is agreed that they will remain on your account until executed or specifically cancelled. No order is GTC unless it has been accepted by us as such and recorded in your order ticket. If you do not know how to access this you must ask us for an explanation.

9.4. All orders that ask us to close in the future bets that are open will be cancelled automatically by us upon the closure of the relevant open bets unless we expressly agree otherwise with you. This applies whether or not such orders are GTC.

9.5. You should note that we do not guarantee any order. By accepting an order we undertake only to use reasonable care to see that it is filled as close as is reasonably possible to the specified level. If markets are moving quickly we will fill the order as soon as we can after the market has passed the level of your order. If a market gaps through the level of your order by opening above or below the specified level, we will fill the order as soon as we can after the market has gapped through the level in question. You acknowledge and agree that we will be entitled to fill orders in this way, and that the prices thus achieved will be binding on you as though you had expressly instructed us to open or close the bets in question at those levels.

9.6. You may by agreement with us cancel or amend any order prior to the order being filled. Our agreement is not to be unreasonably withheld.

10. Events of Default

10.1. Events of Default include the following:

- (a) any occurrence that is an Event of Default under the terms of the Contract outside this paragraph, namely the Events of Default set out in paragraphs 2.2, 2.3, 3.11, 5.25, 8.2 and 12.1;
- (b) failure to pay us any money that you owe us by the due date;
- (c) any breach of contract, misrepresentation or breach of any undertaking by you;
- (d) any failure by you to do anything material to the operation of your account that you have told us that you will do, whether or not your failure to do it was a breach of contract;
- (e) you become unable to pay your debts as they fall due;
- (f) a person demands payment of money from you, the demand is in our belief made in good faith and you do not pay it when instructed to do so by a court of law;
- (g) you die;
- (h) you are treated as an in-patient for any psychiatric condition or illness;
- (i) we have grounds to suspect that money that you have paid to us represents the proceeds of crime in any country;
- (j) you are charged with any criminal offence other than a motoring offence that is not punishable by imprisonment;
- (k) you are imprisoned by the law enforcement authorities of any country;
- (l) a bankruptcy petition, winding up petition or analogous insolvency proceeding is presented against you;
- (m) a receiver or administrator is appointed over you or any of your assets;

Customer Agreement

- (n) any cheque or other payment instruction given by you is returned dishonoured and/or unpaid;
- (o) any bet that we have opened with you constitutes a breach of any law or regulation;
- (p) we reasonably suspect that an Event of Default as defined in subparagraphs (a) to
- (q) has occurred or is about to occur. Our developing this suspicion will be an Event of Default in itself.

10.2. If an Event of Default has occurred we will be entitled, without notice to you, to:

- (a) close, at our absolute discretion, all or any of your open bets, or any part of them, at our then prevailing price, or if the relevant market is closed at a price that is fair in all the circumstances;
- (b) cancel and/or refuse to fill any orders placed by you;
- (c) demand immediate payment of all sums payable on your account. These rights will arise whether or not we know of the Event of Default unless it is an Event of Default that can only occur with our conscious knowledge. We will not have to give you any chance to remedy the facts that constitute the Event of Default;
- (d) close the account and return the funds held to the original source of funding.

10.3. We will only be entitled to close your open bets under this paragraph if we did not know of the Event of Default at the time when the bets in question were opened. We will not have had knowledge of an Event of Default unless one of our dealers and/or risk managers had actual knowledge of the Event of Default itself, and constructive knowledge or knowledge of facts from which it might have been inferred that an Event of Default had occurred will not suffice.

11. Force Majeure

11.1. In some circumstances we may decide in relation to one or more of our markets that a force majeure event has occurred. We will be able to do this if (and only if):

- (a) one or more of the markets underlying our betting markets is disrupted, suspended, closed or abandoned, with the result that we are in our reasonable opinion unable to maintain an orderly market to the usual extent in the relevant betting market/s; and/or
- (b) new and/or special and/or unusual terms are imposed in any such underlying market, with the same result; and/or
- (c) there is violent and/or excessive movement, and/or a loss of liquidity in, any such underlying market, with the same result; and/or
- (d) as a result of the impact of circumstances such as (but not limited to) war, terrorism, riot, industrial action, vandalism, civil unrest, earthquake, flood or Act of God in any part of the world on any such underlying market we are in our reasonable opinion unable to maintain an orderly market to the usual extent in the relevant betting market/s; and/or
- (e) the occurrence of technical problems and/or other equipment failure and/or other factors beyond our control (whether or not ascribable to our negligence) result in a state of affairs in which we reasonably believe that it would be commercially imprudent for us to allow normal trading to continue; and/or
- (f) we have grounds for believing and do believe that one of (a) to (e) will imminently occur.

Customer Agreement

11.2. If we decide that a force majeure event has occurred, we may, without prejudice to our other rights, and without notice to you:-

- (a) close all and any open bets at our then prevailing price; and/or
- (b) cancel any orders previously accepted by us; and/or
- (c) vary spreads and/or Initial Margin requirements; and/or
- (d) amend and/or vary the terms of our contract with you and/or any obligation/s that we owe to you in any way that will –
- (i) protect us against loss and/or the risk of loss arising from the force majeure event, and/or
- (ii) excuse us from performance of any existing or contingent obligation whose performance has been made impossible by reason of the force majeure event, - so as to ensure that our interests are not adversely affected by the force majeure event in any way; and/or
- (e) declare so that such declaration is binding on you and us that our liability to you in relation to any bet (whether or not such bet has already been closed) amounts to no more than we have been able to recover on the corresponding hedge; and/or
- (f) declare so that such declaration is binding on you and us that your liability to us in relation to any bet (whether or not any such bet has already been closed) shall be sufficient to cover the sums lost on the hedge relating to that bet; and/or
- (g) vary our normal trading hours - provided that any step that we take under subparagraphs (a) to (g) may only be taken by us in order to protect ourselves against loss or the risk of loss arising from the force majeure event.

11.3. We will within a reasonable time after deciding that a force majeure event has occurred give notice of our decision to this effect, and of the steps that we are taking in relation to it, by placing information concerning these matters on our website.

11.4. Without prejudice to the provisions of paragraphs 11.1 to 11.3, there will from time to time be circumstances in which the futures exchanges on which we hedge your bets will cancel our hedging positions, whether because of volatility in the market, force majeure or for another reason or reasons. If in any circumstances a hedging position is cancelled we will be entitled (but not obliged) to cancel any corresponding bet placed by you with us, in which case any such cancelled bet placed by you will be treated as void.

12. Money Laundering and Combating the Financing of Terrorism

12.1. It is a condition of our trading with you and you guarantee to us that none of the money that you shall send to us represents the proceeds of crime committed in any part of the world. If you do send us such money, or if we reasonably suspect that you have, an Event of Default will be deemed to have occurred.

13. Exclusion of Liability for Financial Loss

13.1. We will not be liable to you for losses incurred as a result of market movement. This includes (i) loss that you have incurred by reason of being out of a market to which you would have been exposed but for the fact or facts that forms the basis of your complaint, and (ii) loss that you have incurred by reason of being exposed to a market to which you would not have been exposed but for the fact or facts that forms the basis of your complaint.

Customer Agreement

13.2. If we inform you, whether by telephone, the betting platform, email or other means that we will close, are closing or have closed any of your open bets ("the closure") without having been instructed to do so by you, and you do not wish your market exposure to be adjusted in accordance with the closure, you will after receiving notice of the closure open equivalent positions elsewhere that will enable you to maintain the overall market exposure that you require ("the equivalent positions"). You acknowledge and agree that in the event that it should be determined that we were not entitled to impose the closure on you, any profits that you would have made from us but for the closure will be deemed to have been made instead by you from the equivalent positions (whether or not you in fact opened them) so that any loss that you have suffered as a result of the closure is limited to the reasonable cost of opening, maintaining and closing the equivalent positions. You warrant that you will at all times ensure that you have the means to be able to open such equivalent positions as and when the need may arise.

13.3. If you have an open bet with us that you wish to close but have been unable to close for any reason ("the original bet") you will open positions elsewhere so as to render your overall position in the relevant market neutral ("the hedging positions"). You will maintain the hedging positions until such time as you are able to close the original bet. Any losses that you have sustained by reason of your inability to close the original bet will be limited to the reasonable cost of opening, maintaining and closing the hedging positions, whether or not you in fact opened such hedging positions. You warrant that you will at all times ensure that you have the means to be able to open such equivalent positions as and when the need may arise.

14. Squawk Access

14.1. We may at our discretion supply you with software that is designed to enable the user to gain access to broadcast market commentary. If we supply such software to you it will be on the following terms:

- (a) it is to be used only by you and no other person;
- (b) we accept no responsibility whatever for the accuracy of any information that you may obtain as a result of using it;
- (c) we will not be liable for any losses that you may suffer as a result of betting in reliance on any information or advice that you may receive through it;
- (d) we will not be liable in respect of any disruption to the commentary or to your ability to receive it;
- (e) if a minimum of 200 lots per month are traded, the monthly fee for this service will be waived;
- (f) should the minimum qualifying number of lots not be traded, the monthly fee for the First Call Market Squawk Service shall be applied to your ProSpreads account within 5 working days of the calendar month end;
- (g) provision of services for less than one month, if charged, will be charged for a minimum of one month;
- (h) one complete calendar month's notice required to cancel subscription;
- (i) the provision of squawk access offer cannot be used in conjunction with any other ProSpreads Limited offer;
- (j) ProSpreads Limited reserves the right to exercise its sole discretion as to whether or not to open account facilities for any prospective client;
- (k) ProSpreads Limited reserves the right to amend, withdraw or restrict this offer at any time without notice;
- (l) ProSpreads Limited reserves the right to withhold this offer when it has reasonable belief that the offer is being abused in any way;
- (m) ProSpreads Limited is the sole arbiter of these rules and any other issue arising under the provision of squawk access;

Customer Agreement

(n) no staff member (or any relation or partner thereof) of any spread betting or fixed odds bookmaking firm is eligible to take advantage of this offer;

(o) accounts introduced via an Introducing Broker are excluded from the offer of a fee waiver;

(p) this offer of a fee waiver is not available for corporate or institutional accounts.

15. Indemnity

15.1. You agree to indemnify us and keep us indemnified in respect of all costs (including legal costs), expenses, claims, liabilities, losses and damages whatsoever that may arise out of any breach by you of the Contract, and to pay to us the same on demand.

16. Market Abuse

16.1. You undertake that you will not while you hold an account with us engage in or become party to any activity that contravenes or is in breach of any law, exchange rule, regulation, or other legal duty designed to protect the orderliness of any financial market. Any breach of this provision will be an Event of default (see paragraph 10.1 above).

17. Complaints/Disputes

17.1. We have a written procedure for dealing with complaints, and a copy of this will be posted on the website. If you have a complaint in relation to any aspect of your trading with us, you should contact us with full details of it as early as possible. We shall investigate the complaint promptly and fully. Should you be dissatisfied with our decision, you have the right to refer the matter to the Financial Services Commission of Gibraltar.

17.2. If you notify us of a dispute that relates to an identified open bet, we may at our discretion close that bet as soon as we are notified of the existence of the dispute, so as to minimise the sum in dispute while the facts are investigated. Any losses on the bet will be payable on the basis of the facts as they are subsequently established to be. The closure of the bet will be binding on you as though it had been carried out on your express instructions.

18. Severance

18.1. In the event that any term, provision or words of the Contract shall be found to be invalid or unenforceable, then that term shall, to that extent, be deemed severable and not form part of the Contract, but the enforceability of the remainder of the Contract shall not be affected.

19. Variation

19.1. We may vary the terms of this agreement in any way that we regard as desirable. A copy of the new version of the Spread Betting Customer Agreement will be made available to you by email and will be available on the website. Such variation will be effective in relation to all bets with effect from the variation date, whether or not they were opened before the variation date. You should read any such varied terms and only bet with us after the variation date if you are content to be bound by them.

Customer Agreement

20. Governing Law and Jurisdiction

20.1. This Spread Betting Customer Agreement and all bets made with you under it are governed by the law of Gibraltar. The courts of Gibraltar shall have jurisdiction to decide any dispute arising in connection with the same and you irrevocably submit to the exclusive jurisdiction of those courts in relation to any such dispute. Nothing, however, in this Spread Betting Customer Agreement shall prevent us from taking legal proceedings against you in any jurisdiction outside Gibraltar.

21. Communications

21.1. We will send all communications, including contract confirmations, daily and monthly statements, margin call etc. to you in electronic form and you have consented to this action by provision of an email address.

21.2. Any such notice or other written communication shall be deemed to have been received by you at the time of transmission (if sent during normal business hours, that is 9.30 to 17.30 local time) in the place from which it was sent or (if not sent during such normal business hours) at the beginning of the next business day in the place from which it was sent.

21.3. It is your responsibility to ensure that you notify us promptly of any changes to the contact details that you initially provide which affect your e-mail address, telephone number or postal address. We shall not be liable to you for any loss cost claim damage or demand or expense of whatsoever nature you may suffer or incur as a result of your failure to communicate a change in your contact details to us.

22. Miscellaneous

22.1. If as a result of any change in the basis of taxation we are or become responsible for the payment of any tax in respect of your account or betting, we reserve the right to deduct any such payment from your account or otherwise require you to pay or reimburse us, which you undertake to do.

23. Termination

23.1. The Contract and all arrangements made under it may be terminated at any time by written notice by either party. Any such notice will have immediate effect unless it specifies otherwise. Bets that are open will be unaffected by any such notice, but all orders will be deemed cancelled except those directly connected to bets that are already open. The termination of the Contract will not affect any obligations that have already accrued under it, in particular:

- (a) any obligation to pay money;
- (b) any obligation on restricting your use the use of any software belonging to us.

Customer Agreement

24. Data Protection Act 2004

24.1 You have the right to see most records processed containing personal information about you. You are entitled to ensure that any data collected about you is obtained fairly and lawfully, that it is accurate and, where necessary, up to date. Also, that it is collected for a specific purpose, not retained longer than necessary and that appropriate measures are taken on your behalf to prevent unauthorised access or alteration.

24.2 If you believe that personal information held by ProSpreads Limited is inaccurate, you have the right to request that we rectify or destroy any inaccurate data within 28 days of receipt of your request (subject to confirmation that the data is in fact inaccurate).

24.3 Alternatively, you have the right to access details of all information retained by ProSpreads Limited referencing you. Please place your request in writing to ProSpreads Limited enclosing a cheque for the appropriate amount. It is a statutory requirement that ProSpreads Limited will respond in writing within 28 days from receipt of your request. Please be advised in some limited situations, your right of access will not apply, for example in respect of criminal investigations.

25. Our Contact Details

Registered Office:
2/3b Horse Barrack Lane,
Gibraltar Private Limited Company No: 91368

Operating Premises:
ProSpreads Limited
3rd Floor
Leisure Island Business Centre
Ocean Village Gibraltar

Switchboard + 44 (0)203 370 6220
Fax + (350) 20047311

Direct Numbers
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Support + 44 (0)203 370 6222
Admin + 44 (0)203 370 6224
Compliance + 44 (0)203 370 6227

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