



**CANTOR FITZGERALD EUROPE**

**TERMS OF BUSINESS FOR RETAIL CLIENTS SETTLING THROUGH PILLING**

**(Update effective 25 May 2018)**

**DATED JANUARY 2018**

**(“THE TERMS”)**

**THE LATEST VERSION OF THIS DOCUMENT TOGETHER WITH ANY AMENDMENTS  
AND RELATED DOCUMENTATION IS AVAILABLE ON OUR WEBSITE:**

**<http://www.cantor.com><sup>1</sup>.**

The Terms are legally binding will apply to and govern our relationship with you. The Terms shall take effect on the date on which we receive confirmation from you that you agree to these Terms in accordance with clause 16.8 below. *Please evidence your acceptance of these Terms by completing and returning the consent form in Appendix II of this document.*

**1. GENERAL INFORMATION**

**1.1 Our status:** Cantor Fitzgerald Europe (“CFE” or “we”) is authorised and regulated by the Financial Conduct Authority (“FCA”) under Registration No. 149380. We are an unlimited liability company incorporated under the laws of England (company number 2505767) and our registered office is at One Churchill Place, Canary Wharf, London E14 5RB. Our VAT Registration number is GB 577406809. The FCA can be contacted at 25 The North Colonnade, London E14 5HS.

**1.2 Capacity:** Save where we have agreed to the contrary or in relation to the submission of settlement instructions we shall act on our own account as principal and not as agent when dealing with you. When we submit settlement instructions to Pilling on your behalf we will be acting as your agent and you hereby authorize and appoint CFE to act as your agent with respect to the operation of your account with Pilling. You will inform us of the capacity in which you are acting (in particular before placing any order with us). We will assume, in the absence of any instruction, that you are acting as principal unless you specifically notify us that you are acting in another capacity.

**1.3 Applicability:** The Terms supersede any previous agreement between us on the same subject matter. The Terms shall apply to all Transactions contemplated or services provided by us under the Terms.

**2. SERVICES**

**2.1 Our services:** We may provide you with services set out below in relation to cash equities of all classes including shares, warrants, exchange traded funds and American Depository Receipts.

The services we will provide you with include:

- Receipt of your order;
- Execution of your order;
- Submitting settlement instructions into Crest (to or from the market with CFE and matching instruction with Pilling); and
- Monitoring settlement of trades and investigating and resolving any failed settlements.

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<sup>1</sup> [http://www.cantor.com/a\\_global\\_platform/cantor\\_fitzgerald\\_europe](http://www.cantor.com/a_global_platform/cantor_fitzgerald_europe)

Please note that all cash and securities arising from execution of your orders by us will be held by Pilling, in accordance with your instructions.

We give you no warranty as to the suitability or appropriateness of the Financial Products traded or services provided under the Terms.

**2.2 Subject to Applicable Regulations:** The Terms and all Transactions are subject to Applicable Regulations so that: (i) if there is any conflict between the Terms and any Applicable Regulations, the latter will prevail; and (ii) notwithstanding any provision of the Terms to the contrary, we may take or omit to take any action we consider necessary to ensure compliance with any Applicable Regulations and whatever we do or fail to do in order to comply with them will be binding on you. Actions that we take or fail to take for the purpose of compliance with any Applicable Regulations shall not render us or any of our Staff or agents liable.

**2.3 Application:** These Terms shall apply to all Transactions contemplated or services provided by us under this document.

### **3. NO ADVICE**

**3.1. Execution only:** Unless agreed otherwise in writing, we deal on an execution-only basis and do not advise on the merits or suitability of purchasing, selling or otherwise dealing in particular Financial Products, their taxation consequences or the composition of any account or any other rights or obligations attaching to such Transactions.

**3.2. Advice:** If we do agree in writing to provide you with advice, such advice will, unless otherwise agreed, be confined to the investment merits of the relevant Transaction and we will not be responsible for giving you tax, legal or accountancy advice. We do not provide discretionary management services to our clients.

**3.3. Own judgement and suitability:** In asking us to enter into any Transaction or perform services under the Terms, you represent that you have been solely responsible for making your own independent appraisal and investigations into the risks of the Transaction. You represent that you have sufficient knowledge, experience, market sophistication and professional advice to make your own legal and business evaluation of the merits and risks of any Transaction. We give you no warranty as to the suitability of the Financial Products traded under the Terms and assume no fiduciary duty in our relations with you. When making a decision to deal in Financial Products, you should consider the risk inherent in those Financial Products, and in any services and strategies related to them. Your assessment should include a consideration of a variety of potential risks including those relating to credit, the market, liquidity, interest rates, insolvency, foreign exchange, contingent liabilities, execution venue, settlement, legal and tax.

### **4. CHARGES AND PAYMENTS**

**4.1 Charges:** Prior to our providing services to you we will disclose our rates and charges in accordance with Applicable Regulations. Where we charge you for the services we provide, you will promptly pay our charges as agreed with you from time to time or we may deduct such charges from any funds held by us on your behalf. All such charges and expenses resulting from the trades that we execute for you under this agreement may be deducted by Pilling in accordance with their terms of business. The current charges are set out on the rate card included as Appendix I to this document and may be amended from time to time. Our charges will include any applicable tax, duty and fees and all other liabilities, charges, costs and

expenses payable in connection with Transactions effected on your behalf. We may charge you interest (both before and after any judgement) on any amount you fail to pay us when due at such rate as is permitted by English law. In the event that we execute a transaction for you in a currency other than Sterling and you decide to settle in Sterling, you may suffer a foreign exchange loss or gain on the transaction. Details of currency conversion rates will be made available on the relevant contract note.

**4.2 Remuneration and sharing charges:** We may receive remuneration from, or share charges with, an Affiliate or other third party in connection with Transactions carried out on your behalf. To the extent applicable, details of such remuneration or sharing arrangements may be made available to you on written request.

**4.3 Contract notes:** After we have executed a trade for you the details will be summarised in a contract note which will be provided to you by Pilling.

**4.4 Benefits:** We may provide or receive minor benefits, non-minor benefits or monetary benefits (“Benefits”) to or from you or third parties in relation to the services we provide to you. Any such Benefits will, where required, be disclosed to you prior to our providing services to you. In the event you do not wish to receive any Benefits referred to in such ex-ante disclosure you must inform us prior to their provision. Alternatively, if you would like to receive a specific Benefit for a fee please contact the Compliance Department (Email: [compliance@cantor.co.uk](mailto:compliance@cantor.co.uk)).

## **5. INSTRUCTIONS AND ORDERS**

**5.1 Placing of instructions:** We will only accept instructions from a third party where you have provided us with a valid power of attorney document. We shall be entitled to act for you upon instructions given or purported to be given by you or any person authorised on your behalf without further enquiry as to the genuineness, authority or identity of the person giving or purporting to give such instructions.

**5.2 Aggregation of orders:** We may combine your order with our own or our Affiliates’ orders and orders of other clients. By combining such orders we must reasonably believe that this is in your overall best interests. However, on occasions aggregation may result in you obtaining a less favourable price in relation to a particular order.

**5.3 Communication of orders:** Orders from you are to be communicated in writing or orally to a member of CFE’s Sales Trading department. Your normal contact in our Corporate Finance department will provide you with contact details should you require them.

**5.4 FCA Reporting:** Once we have executed an order on your behalf, we will report to the FCA such details of the order as are required to be reported by the FCA Rules.

**5.5 Trade reporting:** Under the Applicable Regulations, we may be obliged to make information about certain Transactions public. You agree and acknowledge that any and all proprietary rights in Transaction information are owned by us and you waive any duty of confidentiality attaching to the information which we reasonably disclose.

**5.6. Short selling:** Subject to, and in compliance with Applicable Regulations, you may give us instructions to sell short. You are required to advise us if any sale order given to us is a short sale and we shall have the right in our absolute discretion to refuse to accept any short sale order.

## 6. CLIENT MONEY

**6.1 Client Money:** We do not intend to hold any client money on your behalf under these Terms as all Financial Products and cash arising from Transactions will be settled between you and Pilling. However, in the unlikely event that we do hold client money on your behalf, it will be held in accordance with FCA Client Money Rules and the terms set out below.

**Delivery versus payment exemption:** Transactions are normally settled on a delivery vs. payment basis and, as a result, we will not receive or hold money or assets belonging to you and your money and assets will not usually be eligible for treatment as client money or client custody assets. However, there may be circumstances, in the course of settling transactions with or for you, where we receive or hold money or assets belonging to you, and in those circumstances you agree we may utilise, at our discretion, where permitted by the FCA Rules, the "delivery vs. payment transaction exemption" available in respect of client money and client assets. However, when we do not utilise such exemption and we hold client money on your behalf, we will do so in accordance with the FCA Client Money Rules.

**Arrangements for holding client money:** Subject to the "delivery vs. payment transaction exemption" above we will promptly place any client money received into an account or accounts with a third party that we have opened specifically to hold client money (including a designated client fund account (as defined by the FCA Rules), the usage of which you consent to by your acceptance of the Terms). The type of third party with which we may deposit client money include any of the following (which may be inside or outside of the UK or the EEA), a central bank, a credit institution, a bank, a central counterparty, a depository or such other entity as may be permitted by law and regulation from time to time (which may be subject to such third party's liens or security interest). We will exercise due skill, care and diligence when considering which entity to use to hold client money and we will review the ongoing suitability of such entities to hold your client money on a periodic basis.

We will not be liable to you for any losses that you may suffer as a result of any act or omission or the insolvency of the bank with which we open such a bank account, although we have exercised due skill, care and diligence in the selection of the bank in accordance with the FCA Client Money Rules.

Client Money shall be subject to a right of set-off, lien or other security interest as set out in these Terms and any depository may have a security interest or lien, or right of set off in relationship to the Client Money.

**Insolvency:** In the event of CFE's insolvency any money belonging to you that is held in a client money account is segregated from our own money and will not be available to our creditors. Similarly, money held at a third party will be held on trust and should not be available to that third party's creditors in the event of its insolvency. **However, please note that as your money will be held in a pooled account that holds the funds of more than one client, in the event of the insolvency of another client who holds funds in that account that result in a shortfall, you will share proportionately in that shortfall with other clients whose funds are held in that account.**

**Money held outside the UK or the EEA:** If client money is held in an account outside the UK or the EEA your legal rights in relation to the client money may differ as compared with the UK or an EEA state. You should let us know if there is any jurisdiction in which you do not wish us to hold client money.

**Interest:** You agree that CFE will not pay you any interest on any client money held on your behalf.

**6.2 Transfer of business:** You accept that in the event that CFE decides to transfer all or part of its business to a third party, we may transfer any client money to a third party without seeking your further consent. For the avoidance of doubt cash would be transferred in accordance with the FCA Client Money rules and would be treated as Client Money at all times.

**6.3 Unclaimed Client Money:** You agree that CFE may cease to treat as client money any unclaimed client money balances of £25 or less allocated to you and donate them to a registered charity of our choice where there has been no movement on the balance for six years (notwithstanding any payments or receipts of charges, interest or similar items) and despite taking reasonable steps CFE has been unable to return the client money to you. Reasonable steps shall mean that we will attempt to contact the you at the last address we have for you in our records notifying you of our proposed action. Furthermore, we shall take no action for at least 28 days following the date of the notification.

With regard to balances of more than £25 the FCA's Client Money Rules allow us to donate any unclaimed client money to a registered charity of our choice, but subject to enhanced notification requirements. Cantor will comply fully with these requirements.

Where we have transferred a balance on a client account of more than £25 in accordance with the above procedure and subsequently you submit a valid claim supported by appropriate evidence we agree to pay you a sum equal to the balance paid away to charity.

## **7. EXECUTION POLICY**

**7.1 Best Execution Policy ("the Policy"):** Your orders will be executed in accordance with the Policy (as amended from time to time). A summary of the Policy is included with these Terms. Please note that before we are able to provide services to you under these Terms, we require that you sign a copy of the Client Acknowledgement and Consent Sheet at Appendix II of these Terms and return it to us. We will notify you of any material changes to our Policy, which is available on our internet site: <http://www.cantor.com><sup>2</sup>.

You agree that it is your obligation to ensure that you comply with all legal and regulatory requirements with respect to your trading decisions, including without limitation your responsibilities as a "Person Discharging Managerial Responsibilities" (if relevant). Without prejudice to such obligation, CFE may, in its sole discretion, and without any obligation or liability to you, seek to verify that you are in compliance with such legal and regulatory obligations prior to executing a trade on your behalf.

**7.2 Consent to Non-publication of Limit Orders:** Where you place a limit order in shares with us and that order is not immediately executed, we are required to obtain your agreement not to make that order (or the unexecuted part of it) public where we consider that it is not in your best interest to do so. A consent statement is included on the Client Acknowledgement and Consent Sheet at Appendix II of these Terms.

**7.3 Execution of orders outside a regulated market or MTF:** Whilst it will always be our intention to trade on an exchange there may be certain occasions when we believe that it is in your best interests to trade outside a regulated market or a MTF. In order to trade in this way we will need your express consent. A consent statement is included on the Client Acknowledgement and Consent Sheet at Appendix II of these Terms.

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<sup>2</sup> [http://www.cantor.com/a\\_global\\_platform/cantor\\_fitgerald\\_europe](http://www.cantor.com/a_global_platform/cantor_fitgerald_europe)

**7.4 Execution venues:** The execution venues that we will use are listed in the summary of our Best Execution Policy.

## **8. SETTLEMENT AND OWNERSHIP**

**8.1 Settlement:** Unless otherwise agreed between us, settlement of Transactions between you and us shall be carried out in accordance with the usual settlement terms of the relevant Market or clearing house where applicable and/or Applicable Regulations.

**8.2 Obligation to settle conditional upon receiving necessary documents or funds:** Our obligation to settle any Transaction, is conditional upon receipt by us on or before the due date for settlement (or satisfactory confirmation of such receipt by our settlement agents) of all necessary documents or funds to be delivered by you or on your behalf by such due date. In addition, where any Transaction has been arranged by us, delivery or payment (as the case may be) by the other party to the Transaction shall be at your entire risk. In the case of Financial Products which have already been assented to an offer or are the subject of any other corporate event, settlement may be delayed if delivery can only be completed with Financial Products issued by the offeror or, as the case may be, with Financial Products to which such corporate event relates. You will be responsible for the due and punctual performance of every Transaction which we enter into with or for you, whether you are dealing as principal or as agent for another person; accordingly, if Financial Products or funds are not delivered, as and when due, under any such Transaction, you will fully indemnify us in accordance with clause 15.5.

**8.3 Payments to be free of charges:** Unless otherwise agreed, all money payable by you to us in respect of any Transaction will be paid free and clear of, and without withholding or deduction for, any taxes or duties of whatsoever nature imposed, levied, collected, withheld or assessed by any authority having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, unless otherwise agreed in writing prior to the execution of any Transaction, you will pay such additional amounts as will result in the net amounts receivable by us (after taking account of such withholding or deduction) being equal to such amounts as would have been received by us had no such taxes or duties been required to be withheld or deducted.

**8.4 Withholding/deduction:** You acknowledge that we are entitled without notice to you to withhold or deduct amounts from any payments, dividends, interest or any other sums whatsoever due to you if we in our sole discretion determine that we are or may be required to do so under Applicable Regulations.

## **9. CLIENT CATEGORISATION**

**9.1 Client classification:** You are categorised under FCA Rules as a Retail client. You have the right to request categorization as a Professional client. In the event of you requesting to be reclassified the FCA rules require us to obtain from you evidence that you are a Professional client and for you to make various written declarations. Reclassification would also be subject to our consent. In the event of you becoming a Professional client you would lose certain protections under the FCA Rules. We will provide you with details of the protections lost on request.

## **10. CONFLICTS OF INTEREST**

**Conflict of Interest:** You acknowledge and agree that we and our Affiliates are involved in a wide range of broking, trading, Financial Products, advisory, banking, investment banking and other financial services businesses, both for our own account and for those of other clients. In the course of carrying on our business

(both on our own account and for other clients), we and our Affiliates may provide services or advice to other clients whose interests may conflict with the services or advice provided by us to, or the interests of, you and your Affiliates, or we or our Affiliates may have some other interest, relationship or arrangement that is material and conflicts of interest or potential conflicts of interest may arise. Neither our relationship with you, nor the services we provide, nor any other matter, will give rise to any fiduciary or equitable duties on our part or on the part of any Affiliate which would prevent or hinder us or any Affiliate in doing business with or for you. You acknowledge and accept that we and/or our Affiliates, individually or taken as a whole, may have Conflicts of Interest and, subject to our compliance with Applicable Regulations and our Conflicts of Interest Policy (referred to below), that:

- (i) we may act in any manner which we consider appropriate in relation to any Conflict of Interest; and
- (ii) we will be under no obligation to disclose any Conflict of Interest unless we are unable to ensure with reasonable confidence that risks to your interests can be prevented. In the event of such disclosure we will disclose in writing the general nature and/or source of the Conflict of Interest the steps taken to mitigate the risks to you.

**10.2 Disclosure to you:** We shall not be obliged to disclose to you or take into consideration any fact, matter or finding which might involve a breach of duty or confidence to any other person, or which comes to the notice of any of our Staff or agents but does not come to the actual notice of the individual or individuals dealing with you. We are required by the FCA Rules to have a policy for managing conflicts. The current version of our Conflicts of Interest Policy is available on our website (see below). In accordance with the FCA Rules, we have established practices and procedures, including information barriers, designed to help ensure the independence of advice and manage conflicts. For the avoidance of doubt, our Conflicts of Interest Policy does not constitute or create any legal rights for you under the Terms against us or our Affiliates.

**10.3 No liability to disclose or account:** We will comply with Applicable Regulations binding on us, but we shall be under no further duty to disclose any interest to you (including but not limited to any benefit, profit, commission or other remuneration made or received by reason of any Transaction or any matching Transaction (whether arising under a Conflict of Interest or otherwise) or account to you for any such interest.

**10.4 Information Barriers:** We maintain arrangements which restrict access by our Staff to information relating to areas of our business and the affairs of clients (and that of Affiliates) with which, they are not directly concerned. Accordingly, we shall not be required to have regard to, or disclose to you, or make use of any information which belongs to, or is confidential to another client or to us or any Affiliate, and we may be unable to advise or deal with you in relation to particular Financial Products without disclosing the reason for this.

**10.5 Conflict of Interest Policy:** A summary of Cantor's conflicts of interest policy is available on our website.<sup>3</sup> Please consent to the provision of this information via our website by completing the Consent form at Appendix II of these terms.

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<sup>3</sup> [http://www.cantor.com/a\\_global\\_platform/cantor\\_fitzgerald\\_europe](http://www.cantor.com/a_global_platform/cantor_fitzgerald_europe)

## 11. DATA PROTECTION

11.1 You acknowledge that (subject to clause 11.2):

- (iii) in the course of providing services pursuant to the Terms and/or our business relationship with you and your Affiliates, that we and our Affiliates (and third parties appointed by us) may process personal data (as defined below) in relation to you and your Staff;
- (iv) such processing of personal data will be carried out pursuant to one or more Privacy Notices that are applicable to such processing and which may be found at <http://www.cantor.com/global/europe/notices> or such other place as we may determine and provide notice of (and such Privacy Notices do not form part of the Terms) (as such Privacy Notices may be updated from time to time without notice by us);
- (v) such processing will include the disclosure to and sharing with you and your Affiliates' personal data with Pilling;
- (vi) unless we have specifically agreed to the contrary with you under a mutually executed agreement, where we and our Affiliates process personal data we do so as a 'data controller' and not as a 'data processor or 'sub-processor' of you, your Affiliates or any other person;
- (vii) to the extent required, the provision of personal data by you, your Affiliates or any member of your Staff will comply with Applicable Data Regulations (as further defined below) including, having in place appropriate fair processing notices and consent mechanisms (where applicable) to ensure that your Staff whose personal data you disclose to us is made aware of such disclosure and provided a copy of our Privacy Notice and you will indemnify us pursuant to clause 15.5.

11.2 Each party acknowledges and agrees that it shall comply with its obligations under Applicable Data Regulations in relation to personal data

11.3 For the purposes of this clause 11, "**Applicable Data Regulations**" shall mean Directive 95/46/EC and Directive 2002/58/EC, in each case as transposed into domestic legislation of each Member State of the European Economic Area and in each case as amended, replaced or superseded from time to time, including without limitation by the EU General Data Protection Regulation 2016/679 of the European Parliament and of the Council ("**GDPR**"), any data protection laws substantially amending, replacing or superseding the GDPR following any exit by the United Kingdom from the European Union,. The terms "**processing**", "**personal data**", "**controller**", "**processor**" and "**sub-processor**" bear the meanings set out in the GDPR.

## 12. MONEY LAUNDERING AND FINANCIAL CRIME

You confirm by entering into this agreement that all funds used in your relationship with us from legitimate activities and sources are not a result of money laundering, bribery or other financial crime. In the event of us making an enquiry to satisfy our legal or regulatory requirements you agree to provide us with such information and documentation as we may reasonably require to comply with our legal and regulatory requirements in the United Kingdom.



### **13. REPRESENTATIONS, WARRANTIES AND COVENANTS**

**13.1** We each represent and warrant to the other that on the date that the Terms come into effect and as of the date of each Transaction that we each have all necessary authority, powers, consents, licences, approvals and authorisations and have taken all necessary action to enable you and us to lawfully to enter into and perform the Terms and such Transaction.

**13.2** You represent and warrant to us on the date the Terms come into effect and as of the date of each Transaction that:

**13.2.1** the Terms, each Transaction and the obligations created under each of them are binding upon you and enforceable against you in accordance with their terms and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;

**13.2.2** the Terms, each Transaction and the obligations created under each of them are binding upon you and enforceable against you in accordance with their terms and do not and will not violate the terms of any regulation, order, charge or agreement by which you are bound;

**13.2.3** unless otherwise disclosed to us in writing, you act as principal and sole beneficial owner (but not as trustee) in entering into the Terms and each Transaction;

**13.2.4** any information which you provide or have provided to us in respect of your financial position or other matters is accurate and not misleading in any material respect;

**13.2.5** you are willing and financially able to sustain a total loss of funds resulting from Transactions; and

**13.2.6** you have adequate resources to enter into and perform any such Transaction which you decide to undertake;

**13.2.7** you and/or your Underlying Principals shall not engage in any activity, practice or conduct which would constitute either:

- (i) a UK tax evasion facilitation offence under section 45(1) of the Criminal Finances Act 2017; or
- (ii) a foreign tax evasion facilitation offence under section 46(1) of the Criminal Finances Act 2017.

### **14. TERMINATION**

**14.1** Either you or we may notify the other in writing that it wishes to terminate the relationship governed by the Terms. Unless otherwise agreed between us, the relationship shall terminate upon receipt of such notice (subject to clause 14.2 below).

**14.2** Termination shall not affect either party's outstanding rights and obligations under these Terms (in particular those in clauses 15 (**Exclusions, Limitations and Indemnity**) and 16 **Error! Reference source not found. (Miscellaneous)**), which shall continue to apply after the termination of the Terms) and Transactions shall continue to be governed by the Terms until all obligations have been fully performed.

### **15. EXCLUSIONS, LIMITATIONS AND INDEMNITY**

**15.1 General exclusion:** We assume no greater responsibility than that imposed by the FCA Rules or the express terms of the Terms. Neither we nor our Affiliates nor our or their Staff, nor any of our or their agents, shall be liable for any losses, damages, costs or expenses unless caused by our or our Affiliates'

gross negligence, breach of contract or misrepresentation and unless such loss is a reasonably foreseeable consequence or is caused directly from our or their respective gross negligence, breach of contract or misrepresentation.

**15.2 Exclusion for loss of profit:** Further, neither we nor our Affiliates nor our or their Staff, nor any of our or their agents shall in any circumstances whatsoever be liable for any loss of profit, business, revenue or opportunity (direct or indirect) or any special, indirect or consequential losses arising under or in connection with the Terms or in relation to any services provided hereunder or Transactions executed hereunder and whether arising out of negligence, breach of contract, misrepresentation or otherwise (and such exclusion shall apply to any third party including your customers). Nothing in the Terms will limit our liability for fraud or for death or personal injury resulting from our negligence.

**15.3 Changes in the market:** Without limitation, we do not accept any liability by reason of any delay or change in market conditions before any particular Transaction is effected.

**15.4 Force majeure:** If we are prevented from performing any of our obligations under the Terms by Force Majeure, we shall serve notice in writing on you specifying the nature and extent of the circumstances. There will no obligation to perform any of our obligations under the Terms on the occurrence of a Force Majeure event or while a Force Majeure event is continuing. We shall use all reasonable endeavours to bring the Force Majeure event to a close or to find a solution by which the Terms may be performed despite the continuance of a Force Majeure event and/or we shall take all reasonable steps to resume performance as soon as is reasonably possible following the cessation of a Force Majeure event. In any event we shall not be liable to you for any delayed, partial or non-performance of our obligations hereunder by reason of Force Majeure.

**15.5 Indemnity:** You shall pay to us and our Affiliates such sums as we may from time to time require in or towards satisfaction of any debit balance on any of your accounts or Transactions with us and, on a full indemnity basis, any losses, liabilities, costs or expenses (including legal fees), taxes, imposts and levies which we may incur or be subjected to with respect to any of your accounts or any Transaction or any matching Transaction on a Market or with an Affiliate or an intermediate broker or as a result of any misrepresentation by you or any violation by you of your obligations under the Terms (including any Transaction) or by the enforcement of our rights.

## **16. MISCELLANEOUS**

**16.1 Amendments:** We may amend the Terms by written notice to you. Amendments will become effective on the date specified by us. Unless otherwise stated by us when making amendments, the amendments will be binding upon you from the date of such amendment. Unless otherwise agreed, an amendment will not affect any outstanding order or Transaction or any legal rights or obligations which may already have arisen.

**16.2 Law:** The Terms and any non-contractual obligations arising out of or in connection with them are governed by, and are to be construed in accordance with the laws of England. It is agreed that the courts of England shall have exclusive jurisdiction in relation to any claim or dispute under the Terms or in relation to any non-contractual obligations arising out of or in connection with them.

**16.3 Investor protection schemes:** We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and circumstances of the claim. Currently the Financial Services Compensation Scheme

covers eligible complainants (as defined by the FCA) for 100% of the first £50,000 in respect of investments and £85,000 in respect of deposits, per person per firm. The monetary limit of compensation under the Scheme may vary from time to time. Further, information concerning the conditions governing compensation and the formalities which must be completed to obtain compensation is available from us on request.

**16.4 Complaints procedure:** In the unlikely event that you have a complaint, we have internal procedures for handling complaints fairly and promptly. You may submit a complaint to the Compliance Department, for example by letter, telephone, e-mail, or in person. We will send you a written acknowledgement of your complaint enclosing details of our complaints procedure. Please contact our Compliance department if you would like further details regarding our complaints procedures.

If you are not satisfied with the way that we deal with your complaint you may refer the matter to the Financial Ombudsman Service who may be contacted via their website at: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

**16.5 Recording of calls:** We may record telephone conversations without use of a warning tone to ensure that the material terms of the Transaction, and any other material information relating to the Transaction is promptly and accurately recorded. Such records will be our sole property and accepted by you as evidence of the orders or instructions given. In the event you request records from us we reserve the right to charge you for any records we may provide in response to such request.

**16.6 Investment strategies and investments:** We intend that we will only deal with you in cash equities. You should be aware that all investments involve risks.

These include:

- Liquidity risk – it may be difficult or impossible to sell your shares or to sell them at prevailing prices in the market;
- Currency risk – you will be exposed to a currency risk if you undertake transactions in financial instruments denominated in currencies other than sterling;
- Market risk – you may experience losses due to factors that affect the overall performance of financial markets;
- Other events – trading in certain securities may be suspended from time to time or there may be other events such as stabilization in newly issued financial instruments that may affect their price or liquidity.

In addition to the above risks there are certain risks affecting specific types of financial instruments. The main risks affecting cash equities products are as follows:

**Equities** – holders of equities own part of the company and have certain rights arising therefrom including benefitting from any capital appreciation (via sale of their holding) and the right under certain circumstances to a dividend. Share prices can be volatile depending upon factors including the liquidity of the market(s) in which the shares trade, the issuer's business activities, competition, changes in the issuer's management and other factors. While you may make a profit on share you hold you may also make losses. Share trading on the Alternative Investment Market (especially penny shares) is particularly volatile and there is an enhanced risk that you might lose money on such an investment. Dividend payments to shareholder may vary from year to year and in the event of the company doing badly a company may not pay dividends. If

an issuer becomes insolvent ordinary shareholders are paid last after the government, creditors and preference shareholders.

**Warrants** – a warrant is a right to subscribe to financial instrument such as shares, debentures, loan stock or government securities over a particular time horizon at a prescribed exercise price. The right is exercisable against the original issuer of the underlying financial instrument. Prices of warrants are extremely volatile since they are highly geared to the price of the underlying financial instrument (i.e. a small price movement in the underlying financial instrument may lead to a large movement in the warrant price.) You may not be able to exercise the warrant profitably during its life and in that event you would lose the money you paid for the warrant.

**Exchange Traded Funds (“ETF”)** – these are investment funds traded on stock exchanges, which hold shares, commodities, bonds or other assets. Most ETF’s track an index, for example a stock index or a bond index. The ETF owns the underlying assets (e.g. shares, bonds, commodities, currencies.) There are a number of risks in investing in ETF’s which include tracking error against the target index, the assets or indices in which they invest may fall in value, lack of transparency in some funds and complexity of investment techniques. The return on ETF’s is not therefore guaranteed. Your investment is subject to loss and income from ETF’s will fluctuate.

**Global Depository Receipts (“GDRs”) and American Depository Receipts (“ADRs”)** – are certificates issued by a depository bank and represent ownership of a foreign company’s shares with each certificate representing a specific number of shares. In addition to the risks pertaining to the underlying shares, there are also risks in relation to the solvency of the depository bank and the custodian with which the foreign shares are deposited. There are also political risks due to the foreign company being in an overseas jurisdiction and foreign exchange exposure. Depository receipts may also be illiquid due to a lack of buyers in the market. The return on GDR’s and ADR’s will therefore vary and is not guaranteed. Your investment is subject to loss and income from these instruments will fluctuate.

**16.7 Languages and communication with you:** These Terms are available only in English and all communications in connection with the services we provide shall be in English unless we notify you otherwise. You agree to communicate with us in English. Where we need to contact you we will do so in English and we will use the most recent contact details that you have provided to us: address, email, telephone number etc. It is your responsibility to ensure that you have provided us with your most up to date contact details.

**16.8 Notices:** Unless otherwise agreed in writing or otherwise stated herein, all notices to be given by us to you under the Terms shall be given to your last known address or fax number in writing by us. All notices to be given by you to Cantor Fitzgerald Europe shall be sent to One Churchill Place, London, E14 5RB. They should be addressed: (i) for the attention of the office of General Counsel if the notice is a legal or contractual notice; (ii) for the attention of the Head of Compliance if the notice is a regulatory notice; and (iii) the business or other relevant department for any other notices. Further:

**16.8.1:** Any notice, instruction or other communication shall be deemed to take effect in the case of fax, on dispatch and, in the case of airmail or first class pre-paid post, five Business Days after dispatch. Notices, instructions and other communications made pursuant to the Terms or any Transaction shall be effective if given by electronic mail;

**16.8.2:** Each notice, instruction or other communication to you (except confirmations of trade or statements of account) shall be conclusive unless written notice of objection is received by us within five Business Days of the date on which such document was deemed to have been received; and

**16.8.3:** Unless otherwise specified, any notice, instruction or other communication sent by you to us shall be deemed to take effect upon receipt by us.

**16.9 Reporting to you:** Pilling will send you contract notes as set out in their terms of business with you.

**16.10 Assignment:** The Terms shall be for the benefit of and binding upon us both and our respective successors and assigns. You shall not assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer your rights or obligations under the Terms or any interest in the Terms, without our prior written consent, and any purported assignment, charge or transfer in violation of this clause shall be void. We shall be entitled to assign or transfer all or part of our rights and obligations under the Terms as we may, in our sole discretion, determine.

**16.11 Third party rights:** A person who is not a party to the Terms has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any of the Terms, except that our Affiliates shall be entitled to invoke any of the provisions of the Terms.

**16.12 Communication with you via our website:** We may communicate information to you including updates of these Terms and of our Best Execution Policy via our website. Our website address is included in Clause 17.

We will only do so where such communication is:

- appropriate to the business being conducted between us; and
- you have specifically consented to the provision of information in this form; and
- you have been notified electronically (normally via email) of the address of the website and of the place on the website where the information may be accessed. An email will be sent to you separately for this purpose.

You consent to the provision of information via email, pdf document or by any other durable medium that is not paper.

You also consent to the provision of information not personally addressed to you via our website <http://cantor.com/global/europe/> (or such other website as we may notify you from time to time).

Please consent to the provision of information on our website by completing and returning the Consent Form at Appendix II of these Terms.

**16.13 Set off:** Without prejudice to any other rights to which we and our Affiliates may be entitled we and/or our Affiliates may at any time and without notice to you set off any amount which we and/or any of our Affiliates owe to you against any amounts (whether actual or contingent, present or future) you owe to us and /or any of our Affiliates.

## **17. INTERPRETATION**

**“Affiliates”** means in relation to (i): Cantor Fitzgerald Europe, Cantor Fitzgerald, L.P. and any person, company, partnership or entity controlled by Cantor Fitzgerald, L.P. (excluding BGC Partners, Inc. and its Subsidiaries other than those which provide support services to Cantor Fitzgerald Europe), (ii) you, any person, company, fund, partnership or entity controlled by, controlling or in common control with the you. A person, company, partnership or entity shall be deemed to control another person, company, partnership

or entity if the former person, company, partnership or entity possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other person, company, partnership or entity whether through ownership of voting securities or partnership interests, representation on its board of directors or similar governing body, by contract or otherwise.

**“Applicable Regulations”** means:

- (i) FCA Rules or any other rules of a relevant regulatory authority;
- (ii) the rules of the relevant Market; and
- (iii) all other applicable laws, rules and regulations as in force from time to time (including in relation to taxation), as applicable to the Terms.

**“Benefits”** has the meaning given to it in clause 4.4.

**“Business Days”** means a day (other than a Saturday or Sunday) on which:

- (i) in relation to a date for the payment of any sum denominated in:
  - a) any Currency (other than euro), banks generally are open for business in the principal financial centre of the country of such Currency; or
  - b) Euros, settlement of payments denominated in Euros is generally possible in London or any other financial centre in Europe selected by us; and
- (ii) in relation to a date for the delivery of any property, property of such type is capable of being delivered in satisfaction of obligations incurred in the market in which the obligation to deliver such first property was incurred; and
- (iii) for all other purposes, is not a bank holiday or public holiday in London.

**“Client Money”** has the meaning set out in the FCA Rules.

**“Eligible Counterparty”** means clients defined as eligible counterparties by Article 24 of the Market in Financial Instruments Directive (Directive 2004/39/EC.)

**“FCA”** means Financial Conduct Authority, whose address is 25 The North Colonnade, London E14 5HS.

**“FCA Client Money Rules”** means the rules set out in the FCA’s Client Asset Sourcebook.

**“FCA Rules”** means rules, regulations, guidance and procedures, as in force from time to time of the FCA.

**“Financial Products”** means such securities, equities, commodities, investments or other financial instruments howsoever described as we may agree shall be the subject of the services we provide to you under the Terms.

**“Financial Services Compensation Scheme”** or **“FSCS”** means the UK's statutory fund of last resort for customers of financial services firms. The FSCS can pay compensation to consumers if a financial services firm is unable, or likely to be unable, to pay claims against it. The FSCS is an independent body, set up under the Financial Services and Markets Act 2000.

**“Force Majeure”** shall mean any cause preventing either party from performing any or all of its obligations which arise from or are attributable to either acts, events or omissions or accidents beyond the reasonable control of the party so prevented, including but without limitation any breakdown, malfunction or failure of transmission, act of God, war, terrorism, malicious damage, civil commotion, communication or computer facilities, industrial action, acts and regulations of any governmental or supra national bodies or

authorities or the failure of any relevant intermediate broker, agent or principal of ourselves, custodian, sub-custodian, dealer, exchange, multilateral trading facility, clearing house or regulatory or self-regulatory organisation.

**“Market”** means, any and all exchanges, markets, ECNs (electronic trading networks), ATs (alternative trading systems), MTFs (multilateral trading facilities), SEFs (swap execution facilities), DCMs (designated contract markets) or order matching system.

**“MTF”** means a multilateral trading facility.

**“Pilling”** means Pilling & Co Stockbrokers Ltd, a firm authorised and regulated in the United Kingdom by the FCA, which acts as settlement agent in respect of Transactions executed under these Terms.

**“Professional Client”** has the meaning set out in Annex II of the Market in Financial Instruments Directive (Directive 2004/39/EC.)

**“Retail client”** means a client who is not a Professional Client or an Eligible Counterparty.

**“Staff”** means all directors, officers, partners, employees, consultants, contractors and sub-contractors of you or us or any of our respective Affiliates, as the case may be.

**“Subsidiaries”** means, as of the relevant date of determination, with respect to any person, any other person of which 50% or more of the voting power of the outstanding voting equity securities (which, for the avoidance of doubt, shall include a general partner interest) or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such person.

**“The Policy”** means Cantor Fitzgerald Europe Best Execution Policy, as amended from time to time.

**“Transaction”** means: a contract in an investment within article 76 to 80 or 83 to 85 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 or any other contractual arrangement entered into between you and us.

**“Website”** means the website available at:

[http://www.cantor.com/a\\_global\\_platform/cantor\\_fitzgerald\\_europe](http://www.cantor.com/a_global_platform/cantor_fitzgerald_europe)

**Appendix I**  
**Commissions & charges for Retail Clients**

**(Executing through Cantor Fitzgerald Europe)**

**1. CFE Dealing commission per deal, UK Equities, Preference Shares, Convertibles, Investment Trusts, Overseas Transactions, UK Gilts, Debentures, Loan Stocks and Unit Trusts/OEICS**

0.5% on all contracts (Minimum £50)

UK purchases add 0.5% Stamp Duty

Although most overseas transactions can be accommodated within these rates, please enquire at time of dealing as additional charges may be applicable.

**2. Pilling Nominee Administration**

Transfer-in stock	Free
Income distribution	Free
Rights issues, takeovers, open offers	Free
Half yearly statement & valuation	Free
Consolidated tax voucher	Free
Transfer stock out of nominees	£24 (per security, per transfer)
Cash withdrawal via BACs to bank	nil
Cash withdrawal by cheque	£5 plus VAT
CHAPS payments	£25 plus VAT
Probate/Certified Valuations	£10 plus VAT per stock (min £30)
Transfer of beneficial ownership	£20 plus VAT per stock plus stamp duty
Returned cheques	£20 plus VAT
Safe Custody of Foreign Stocks	TBA - enquire at time of deal

**3. Custody Fee**

Custody Fees payable to Pilling are absorbed by CFE within the commission charged for order execution (see 1 above).



## Costs Disclosure

This section provides you with appropriate information about all costs and associated charges when executing through Cantor Fitzgerald Europe. The information is required by law to help you understand the overall cost and, consequently, to take investment decisions on an informed basis.

The example below is based upon a client investing £100,000 in a cash equity product

Cost Category	Amount	% of investment
Investment and/or ancillary Service costs	£500	0.5%
Third Party Payment received	£0.00	0.00%
Financial Instrument Costs	£0.00	0.00%
<b>Total Costs</b>	<b>£500</b>	<b>0.5%</b>

## Itemised Breakdown of Costs and Charges

This schedule has been provided in accordance with the MiFID II . An illustration of the cumulative effect of costs on the return is not applicable for this service.

Charge Type	Financial Instrument Costs	Investment Service Cost	Amount	Percentage
One-off charges	€ 0.00	€ 0.00	€ 0.00	0%
Ongoing Charges	€ 0.00	€ 0.00	€ 0.00	0%
Transaction Costs	€ 0.00	€ 500	€ 500	0.5%
Incidental Costs	€ 0.00	€ 0.00	€ 0.00	0%
<b>Total Costs and Charges</b>	<b>€ 0.00</b>	<b>€ 500</b>	<b>€ 500</b>	<b>0.5%</b>

One-off charges	All costs and charges paid at the beginning or at the end of the provided investment service(s).
Ongoing charges	All on-going costs and charges paid for services provided.
All costs related to transactions initiated in the course of the provision of an investment service	All costs and charges that are related to transactions performed by the investment firm or other parties.
Any charges that are related to ancillary services	Any costs and charges that are related to ancillary services that are not included in the costs mentioned above.
Incidental costs	The incidental costs include performance fees

## Appendix II

### Client Acknowledgement and Consent

We hereby consent to the Terms with which this Client Acknowledgement and Consent was dispatched.

We also hereby consent to the CFE Best Execution Policy including:

- Executing orders outside a regulated market or MTF;
- Consent to non-publication of limit orders; and
- Provision of information on the Best Execution Policy by means of CFE's website.

My email address is: \_\_\_\_\_

Signed: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

For and on behalf of (where applicable): \_\_\_\_\_

Please return this acknowledgement and consent form either:

1. By mail to –

Cantor Client Due Diligence Team

One Churchill Place

Canary Wharf

London

E14 5RD

or

2. By email to -

CDDTEAMUK@cantor.co.uk