

# Terms and Conditions

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## 2. SERVICES OFFERED TO THE CUSTOMER

We will provide investment advisory and dealing services in the following investments, together with related research and valuation facilities:

- I) Futures on any commodity, security, interest rate instrument, stock or other indices, currency (including US Dollars) or any precious metal.
- II) Options to acquire or dispose of any of the above instruments, any securities, any currency (including US Dollars) or any precious metal and including options on any option.
- III) Contracts for differences e.g. contracts based on the FT-SE 100 or S&P 500 stock indices.
- IV) Currencies (including US Dollars) for spot or forward delivery.
- V) Securities where the transaction in question is ancillary to a transaction in any of the foregoing.
- VI) Contracts for foreign exchange, bullion or other commodities.
- VII) Unit trusts, mutual funds and similar schemes;

In respect of all investments, we will enter into transactions with you as a principal and not act on your behalf as agent. We will act as principal in all dealings in respect of this account and a statement to this effect will be included on the contract note. I/We understand that while there will inevitably be an element of discretion in some of the services which you offer, they will not include or consist of discretionary business unless specifically agreed with me/us upon separate terms.

### **3. EXECUTION-ONLY ARRANGEMENTS**

Please note that we will not advise you about the merits of a particular transaction if we reasonably believe that when you give the order for that transaction, you are not expecting such advice and are dealing on an execution-only basis. In such circumstances if you are not designated as an execution-only customer we will inform you at the time that we will execute your order on that basis.

### **4. YOUR INVESTMENT OBJECTIVES**

We are proceeding on the basis that:

- I) Your current investment objectives are primarily to speculate on market movements;
- II) You are prepared to accept a high level of risk in respect of your investment. If this is incorrect or you would like to discuss your investment objectives with us, it is important that you should contact us as soon as possible. We will confirm in writing any amendments to the above objectives.

### **5. RESTRICTIONS ON TYPES OF INVESTMENT**

If you do not inform us of any investments or type of investments which you do not wish us to recommend to or purchase for you, we may recommend to you any investment which falls within any of the categories set out in (2) above.

### **6. CHARGES**

Our charges will be in accordance with those detailed in a letter to be sent to you once your requirements have been established and before we conduct any investment business on your behalf. Any alterations to these charges will be notified to you at or before the time of the change. We may share dealing charges with our associated companies or other third parties, or receive remuneration from them in respect of transactions carried out on your behalf. Details of any such remuneration or sharing arrangements can be made available to you on request but will not be set out in the relevant contract note or confirmation note.

### **7. CONFLICTS OF INTEREST**

Your attention is drawn to the fact that when we give you investment advice, we, an associated company or some other person connected with us, may have an interest, relationship or arrangement that is material in relation to the investment, transaction or service concerned. However our employees are required to comply with a policy of independence and disregard any such interest when making recommendations to you. When we recommend a transaction to you or enter into a transaction for you, we (or one of our associated companies) could be buying or selling units in a collective investment scheme where we are (or an associated company is) the operator (or an advisor of the trustee or operator) of the scheme.

### **8. AGGREGATING ORDERS**

We may combine your order with orders of other customers. By combining your orders with those of other customers we must reasonably believe that we will obtain a more favorable price than if your order had been executed separately. However, on occasions aggregation may result in you obtaining a less favorable price.

### **9. DEFAULT REMEDIES**

- 1. A. The customer is warned that, if at any time:

I. the customer has not provided any deposit, margin or other payment due in respect of any customer contract by the close of business on the business day following the demand, or has failed to comply with a request made by Gold Investments of the customer for instructions in respect of any customer contract or proposed customer contract, within one business day of such request; or

II. the customer has failed:

(a) to make or take delivery of any property in respect of any customer contract at or by the time such delivery is due under the terms of the customer contract;

(b) to pay any price due under the customer contract at or by the time such payment is due;

(c) to observe or perform any of the other provisions of the customer contract; or

III. the customer has not within one business day of Gold Investments requesting that the customer do so, liquidated any debit balance on any of the customer's accounts with Gold Investments; or

IV. the customer dies or a bankruptcy petition is presented in respect of him or, if a partnership, in respect of one or more of the partners, or if a company, a receiver, trustee administrative receiver or similar officer is appointed of its undertaking or respect to the customer (or any act analogous to any of those events occurs in any of the jurisdictions in which the customer is incorporated or resident); or

V. a petition is presented for the winding up of the customer; or

VI. an order is made or a resolution is passed for the winding up of the customer (other than for the purposes of a bona fide reconstruction or amalgamation); or

VII. the customer convenes a meeting for the purpose of making or proposing or entering into any arrangement or composition for the benefit of its creditors (other than for the purposes of a bona fide reconstruction or amalgamation); or

VIII. any distress, execution or other process is levied against any property of the customer and is not removed, discharged or paid out within seven days; or

IX. any security created by any mortgage or charge created by the customer becomes enforceable and the mortgagee or the chargee takes steps to enforce the security; or

X. any indebtedness of the customer or any of its subsidiaries becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of default on the part of any person, or the customer (or any of its subsidiaries) fails to discharge any indebtedness on its due date whether with Gold Investments or not other than a liability which the customer (or any of its subsidiaries) is then contesting in good faith; or

XI. the customer commits any breach of any representation or warranty made to, or any covenant entered into by the customer with Gold Investments for the purposes of entering into a customer contract; or

XII. the customer commits any breach of any of these Terms or the Customer Agreement; or

XII. Gold Investments considers it necessary or desirable for its own protection, then Gold Investments may, without prejudicing any other rights it might have, take any one or more of the steps set out in Terms 9.2 to 9.4 except that in the case of an event of a kind specified in subparagraph vi. above the effect will be that all open customer contracts (other than customer contracts in respect of non-traded options) will be automatically settled under Term 9.4.A.II.

B. Any act effected in connection with or pursuant to a customer contract by Gold Investments at a time at which any of the events specified in paragraphs 9.1.A.I. to 9.1.A.IX. inclusive above has occurred (whether or not Gold Investments has knowledge thereof) shall be entirely without prejudice to Gold Investments right to refuse any further performance thereafter, and shall not in any circumstances be considered as a waiver of that right or as a waiver of any other rights of Gold Investments should any such event have occurred.

C. The customer is further warned that it will normally be mandatory, in the absence of formal arrangements to the contrary, for Gold Investments to close out the customer's positions in the event that a margin call remains unsatisfied after a period of five business days.

2. A. If an Exchange takes action against the customer under its default rules, whether declaring the customer a defaulter or otherwise, all customer contracts to which such default rules apply shall be settled under such default rules provided that :

I. if the Exchange does not take steps under its default rules to achieve the settlement of a customer contract; or

II. to the extent that the default rules (or actions taken under them) do not extend to rights and liabilities of or in respect of margin; or

III. to the extent that the default rules (or actions taken under them) do not apply to rights and liabilities arising out of a failure to perform a customer contract in accordance with its terms; then such customer contracts or such rights and liabilities as remain shall be settled in accordance with these Terms.

B. Subject to Term 9.2.A. if any of the event of default specified in Term 9.1 (except for the event of default specified in sub-paragraph vi of that Term) occurs Gold Investments shall be entitled in its discretion and with or without prior notice to the customer to do any of the following:

I. to close out in accordance with Term 9.3.A. all or any unperformed customer contracts of the customer with Gold Investments notwithstanding that any date fixed for performance of all or any of the customer contracts to be closed out may not have arrived; or

II. to invoice back in accordance with Terms 9.3.B. all or part of any property standing to the credit or debit of the customer in any account with Gold Investments; or

III. to realize in accordance with Term 9.3.C. or to sub-pledge any securities or other assets of the customer held by Gold Investments; or

IV. to exercise or, if possible, abandon any option the subject of an open customer contract; or

V. to call any guarantee or indemnity provided by or on behalf of the customer. Gold Investments shall not lose any of its rights under this Term by reason of any delay on its part in the exercise thereof, but in no circumstances shall Gold Investments be under any obligation under these Terms to exercise any such right or, if it does exercise any such right, to do so at a time or in a manner beneficial to the customer. Gold Investments may at its absolute discretion close out customer contracts either on a single or collective basis.

3. A. Where Gold Investments exercises its right under Term 9.2.I. to close out an unperformed customer contract the closing out shall be effected by Gold Investments making a matching but opposite customer contract with the customer for an amount of property equal to the amount being bought or sold under the customer contract being closed out. The amounts payable under the customer contract being closed out and the matching customer contract shall then be netted off and the only obligation thereafter of either Gold Investments or the customer in respect of the closed out customer contract and the matching customer contract shall be the obligation of Gold

Investments or the obligation of the customer, as the case may be immediately to pay the net amount, together always in the customer's case with any commissions and charges due. The price of the matching customer contract shall be the price obtained or which could have been obtained by Gold Investments on the relevant Exchange for delivery of the property at the same time as delivery is due under the unperformed customer contract on the day when Gold Investments chooses to effect the relevant closing out. Gold Investments shall be entitled to choose the time of closing out at its absolute discretion.

B. Where Gold Investments exercises its right under Term 9.2.II. to invoice back property due to be delivered or transferred by or to the customer or standing to the debit or credit of the customer in the books of Gold Investments, Gold Investments may commute the obligation of Gold Investments or the customer (as the case may be) to make delivery of or transfer property, into an obligation to pay (subject to Gold Investments rights under Term 9.5 an amount in the currency in which payment is due from the customer to Gold Investments or vice versa, equal to the market value (as determined by Gold Investments in its absolute discretion) expressed in such currency of the relevant amount of property as at the date when Gold Investments chooses to effect the relevant invoicing back. Gold Investments shall be entitled to choose the time of the invoicing back at its absolute discretion.

C. Where Gold Investments exercises its right under Terms 9.2.III. to realize any securities or other assets of the customer held by Gold Investments, Gold Investments shall be entitled to sell or purchase those securities or assets at the market price (as determined by Gold Investments in its absolute discretion) at the time the sale or purchase takes place, to convert any currency realised on such sale or purchase in accordance with Term 20 of our Standard Terms and Conditions of Business and to use the proceeds in accordance with Term 9.5. Gold Investments shall have the right to choose the time, place and method of such sale or purchase at its absolute discretion. Any costs of sale shall be borne by the customer.

4. A. I. If any of the events of default specified in sub-paragraph iv or v of Term 9.1 occurs, Gold Investments may by notice in writing to the customer require settlement of all open customer contracts (other than customer contracts in respect of non traded options) to take place in accordance with paragraph b. below on the settlement date which for this purpose shall be the date on which such notice is given;

II. if the event of default specified in sub-paragraph VI. of Term 9.1 occurs, Gold Investments and the customer shall automatically become obliged to settle all open customer contracts (other than customer contracts in respect of non traded options) in accordance with paragraph B. below on the settlement date which for this purpose shall be the first business day after the date of the order or resolution referred to in that sub-paragraph VI.

B. Where settlement of all customer contracts is to be made under subparagraphs I or II. above, no further payments or delivery shall be made in respect of any open customer contract maturing on or after the settlement date and each open customer contract shall immediately be settled by establishing the settlement amount in respect of that customer contract in accordance with paragraph c. below and by discharging the settlement amount through its conversion into US Dollars (if appropriate) and payment in the manner specified in paragraph D. below.

C. The settlement amount in respect of each open customer contract (other than an option under which the premium has been paid) shall be calculated by Gold Investments (whose calculation shall, in the absence of manifest error, be conclusive) as the difference between:

I. the value of the open customer contract at the contract price or, in the case of an option under which the premium has not been paid, at the premium; and

II. its value on the settlement date, as determined by Gold Investments in its discretion, having

due regard to, among other prices, official settlement prices set by the relevant Exchange or its clearing house (if any). In the case of an open customer contract being an option under which the premium has been paid, the settlement amount shall be the value of the customer contract on the settlement date, calculated as aforesaid. In the case of an open customer contract under which the customer is a buyer, the settlement amount calculated as above shall be positive if the value under sub-paragraph I. is lower than the value under sub-paragraph II. and negative if it is higher than the value under sub-paragraph II. In the case of an open customer contract under which the customer is a seller, the settlement amount shall be negative if the value under sub-paragraph I. is lower than the value under sub-paragraph II. and positive if it is higher than the value under sub-paragraph II. In the case of an open customer contract being an option under which the premium has been paid, the settlement amount calculated under Term 9.4.C. shall be positive if the customer is the taker of the option and negative if the customer is the grantor.

D. I. If the settlement amount calculated under paragraph c. above is positive, the customer shall be entitled to receive the settlement amount (subject to Gold Investments rights under Term 9.5). If the settlement amount is negative, the customer shall pay the settlement amount to Gold Investments on demand.

II. Gold Investments and the customer agree that the settlement amount payable under this paragraph represents a reasonable pre-estimate of the loss which would have been suffered as a result of the occurrence of events specified in sub-paragraph iv, v, of Term 9.1 and is not a penalty. No proof of evidence of actual loss may be required in respect of the settlement amount.

E. The customer shall give Gold Investments notice of an event specified in paragraph IV, V or VI of Term 9.1 as soon as it becomes aware of its occurrence.

5. Without prejudice to any other right Gold Investments may have, whether at law or otherwise, it shall be entitled to set off any amount at any time owing to Gold Investments from the customer under or in respect of any customer contract or otherwise against any amount owing by Gold Investments to the customer under the same or any other customer contract or otherwise or against all monies at any time standing to the credit of the customer on any current or other account with Gold Investments and any security, guarantee or indemnity given to Gold Investments by the customer for any purpose shall extend to any amount owing from the customer after exercise of such right of set-off.

## **10. NON-READILY REALISABLE INVESTMENTS**

We may enter into transactions on your behalf in non-readily realizable investments. These are investments in which the market is limited or could become so; they can be difficult to deal in and it can be difficult to assess what would be a proper market price for them. Please inform us if you do not wish to be advised in respect of such investments.

## **11. OFF-EXCHANGE TRANSACTIONS**

We may deal for you in circumstances in which the relevant deal is not regulated by the rules of any stock exchange or investment exchange. Please inform us if you do not wish us to enter into such transactions for you.

## **12. CUSTODY OF YOUR INVESTMENTS**

Safe custody facilities are available subject to the completion of an addendum to these standard terms and conditions of business.

## **13. UNSOLICITED CALLS**

You authorise us to visit or telephone you to discuss investments without prior invitation from you to do so and it is agreed that :

A) We will not call you before 8am or after 10pm unless expressly requested to do so.

B) We will comply with any restriction as regards such calls as may be imposed by you.

#### **14. TELEPHONE RECORDING**

Please note that telephone calls may be recorded.

#### **15. CUSTOMER BORROWING**

We do not extend credit to customers, we may, however, allow debit balances arising to remain on your account as long as these are covered by credit balances held on your account in other currencies when converted at current exchange rates. Please note that you may be charged interest on such debit balances.

#### **16. MARGINING ARRANGEMENTS**

You undertake only to use money that you can comfortably afford to lose when trading in these markets and agree that the whole of your account may be invested in contingent liability transactions such as options, futures and contracts for differences which may result in you having to make margin payments. Providing margin payments means that you will be required to make further variable payments against the purchase price of the investment, instead of paying (or receiving) the whole purchase (or sale) price immediately. The movement in the market price of your investment will affect the amount of margin payment you will be required to make. Margin may be provided in the form of cash, or acceptable collateral. We shall not be obliged to conduct any transactions until the full amount of any deposit required has been received in full by us. The value of such deposit, and deposit requirements for existing contracts may be altered at our discretion. If you fail to meet a call for margin payments made on you by the close of banking hours on the day in question, or we are unable to obtain instructions from you, we will be entitled, but not obliged to close out the position and use any collateral or cash held by us for that purpose, including investments held on your behalf. Gold Investments will in any event close out the position if you fail to meet a call for margin payment on five consecutive business days. We shall also be entitled but not obliged to close out your position a day prior to First Notice Day or on the Last Trading Day at our discretion in the absence of instructions from you. Please set out any limits or restrictions which you wish to apply as regards providing margin.

#### **17. MONEY HELD ON YOUR BEHALF**

Gold Investments will hold your money in a segregated client account at our bank. Gold Investments reserve the right to pass on your money to intermediate brokers, settlement agents or OTC counterparties.

##### **OVERSEAS BANKS**

We may hold money on your behalf in a client bank account outside the Bahamas. In such circumstances, the legal and regulatory regime applying to the bank with which the client money is held will be different from that of the Bahamas and in the event of default of the bank, your money may be treated differently from the position which would apply if the money was held by a bank in the Bahamas.

##### **OVERSEAS INTERMEDIATE BROKERS AND OTC COUNTERPARTIES**

Transactions which we undertake for you may involve your money being passed to an intermediate broker, settlement agent or OTC counterparty located in a jurisdiction outside the Bahamas. In such circumstances, the legal and regulatory regime applying to such intermediate

brokers, settlement agent or OTC counterparties will be different from that of the Bahamas and in the event of default of the intermediate broker, settlement agent or OTC counterparty your money may be treated differently from the position which would apply if the money was held by an intermediate broker, settlement agent or OTC counterparty in the Bahamas Gold Investments does not accept liability for any default of an intermediate broker (whether an associate of Gold Investments or not), settlement agent, OTC counterparty or a Clearing House in respect of money or investments belonging to the customer and held by the intermediate broker, settlement agent, OTC counterparty or Clearing House. Where Gold Investments is relying upon performance by an intermediate broker, settlement agent, OTC counterparty or Clearing House to enable it to perform its obligations to the customer (whether under a Customer Agreement or otherwise), Gold Investments shall not be liable to perform those obligations to the customer if the intermediate broker, settlement agent, OTC counterparty or Clearing House does not perform its obligations to Gold Investments

#### **INTEREST PAYABLE BY/TO CLIENTS**

Gold Investments reserves the right to charge interest on any sum due from the customer from the date payment due, until cleared funds are received, at a reasonable rate determined by Gold Investments This may include interest charged in respect of individual currency debit balances where these may be offset by credit balances in other currencies. Interest will not be paid to you on credit balances held in your account.

#### **18. LENDING OR PLEDGING COLLATERAL**

We may pledge or charge to a third party collateral deposited with us (other than for safe custody) for the third party to use as collateral for its own obligations. Such collateral registered with a third party will not be in the customer's name. You agree to collateral being returned to you which is equivalent but not identical to collateral originally deposited with the firm.

#### **19. INSTRUCTIONS**

A) You or any person notified to us as being authorised by you may give us oral or written instructions concerning any transaction or proposed transaction or any other matter (including terminating our authority to act for you in accordance with paragraph 23 of this agreement).

B) Oral instructions will be acknowledged by the representative to whom they are given. They will be accepted by the same representative if it is within the authority conferred by us upon that representative to accept such instructions.

C) We may at our absolute discretion refuse any instruction given in accordance with this paragraph.

D) We shall not be responsible for any delay or inaccuracies in the transmission of orders or other information or the execution of orders due to any cause whatsoever beyond our reasonable control.

E) If we transact any business in a name different to that of the customer, on the customer's instruction, the customer accepts total liability with regard to any transaction made.

#### **20. FOREIGN EXCHANGE**

We shall be entitled, without prior notice to the customer, to make any foreign exchange conversions we deem to be necessary or desirable. Any fluctuations in the value of accounts as a result of exchange rate movements shall be at the risk of the customer. You should be aware that trading in investments denominated in currencies other than that in which your account is held will subject it to fluctuations in value in accordance with exchange rate movements.



## **21. RESEARCH/ADVICE/INFORMATION**

We cannot guarantee the accuracy of any recommendations, opinions or information regarding price movements and we shall not be liable for any trading losses incurred by the customer. Any advice to be given to you pursuant to the Customer Agreement may be made orally or in writing. All reasonable endeavours will be made to ensure that advice or information is accurate but you acknowledge that advice and market information provided to you may be based upon information which is incomplete and unverified. Gold Investments or a company associated with us, may have acted upon advice or made use of information on which it is based before such advice is given to you. We shall not be liable for any costs, claims liabilities, expenses or losses which you may suffer as a result of relying on any advice or information given or provided by Gold Investments We shall be under no duty to disclose to you any information which comes to our notice in the ordinary course of our business except information which comes to our express notice in the course of our supplying you the services under the Customer Agreement. Information will only be disclosed, however, to the extent that it does not constitute the breach of any duty of confidence which may be owed to any other person.

## **22. CHANGES**

We may change these arrangements by sending you a written notice describing the relevant changes, in which case they will become effective on date to be specified in the notice which must be at least one week after the notice is sent to you.

## **23. TERMINATION**

These arrangements may be terminated by either of giving immediate written notice to the other. If these arrangements are terminated, that will not affect any outstanding order or transaction or any legal rights or obligations which may already have arisen. These terms and conditions of business shall in all respects be governed by the laws of the Bahamas and the parties agree to submit to the jurisdiction of the Bahamas Courts.