



Key Service Features

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This Key Service Features document outlines the various fees and charges and other important commercial information relevant to the service that we provide to you. The Key Service Features forms part of our Agreement with you and should be read in conjunction with our General Terms and Supplemental Terms, which take precedence in the event of any conflict with this document. A full copy of these documents can be downloaded from our website. Unless separately defined in these Key Service Features, words and expressions herein shall have the meanings given to them in the General Terms.

Information about individual Markets (for instance: maximum/minimum trade Quantities, Margin Factors, rates for Guaranteed Stop Loss Orders and the basis of settlement for expiring markets) is available on our Trading Platform or by contacting Client Management. Please review the information found in the relevant Market Information before placing a Trade.

1 Contact Details and Hours

<http://www.cityindex.co.uk/>

| Client Management: |
|----------------------------------|
| 0845 355 0801 |
| International: +44 20 7550 8580 |
| Sunday: 21.00 – Friday 21.15 GMT |

You have access to continuous trading 24 hours a day, from Sunday night through to Friday night on the leading stock indices, commodities and currencies therefore allowing you to quickly respond to market developments even when the underlying markets are closed.

2 Your Base Currency

Unless we have agreed otherwise, we will automatically convert any Cash, Realised Profits and Losses, adjustments, fees and charges that are denominated in another currency to your Base Currency before applying them to your Account. We shall perform any currency conversion or valuation at commercially reasonable rates (typically no greater than +/- 0.5% away from our quoted rate at the time of the conversion).

3 Your Margin Close Out Level

The Margin Close Out Level for your Account is **50%**. If your Margin Level is at or below the Margin Close Out Level, we may close all or any of your Open Positions without notice at Our Price prevailing at the time when your positions are closed.

4 Our Charges

The commissions, fees, charges and/or other charge arrangements stated below (together the "Charge Arrangements") apply to the operation of your Account. If we agree with you in writing (or have agreed with you in writing prior to the publication of this Key Service Features) to Charge Arrangements which are different to the arrangements stated below, the different Charge Arrangements will apply (or continue to apply) to the operation of your Account. If you are in any doubt as to the Charge Arrangements that apply, please contact Client Management.

a) Commission

We charge a commission for each opening and closing Trade. Commission Rates are published for each Market in the Market Information on the Trading Platform.

We calculate our commission as a percentage of the total contract value (i.e. Quantity x Our Price).

b) Daily Financing Fee

Markets with Underlying Instruments of Shares, Indices or Commodities

If you hold an Open Position overnight we will normally charge you a Daily Financing Fee on Long Positions and we will pay you the Daily Financing Fee on Short Positions.

The Daily Financing Fee applies to the full value of your Open Position. We calculate the Daily Financing Fee as follows:

$$\text{Short Positions } F = V \times I / b$$

$$\text{Long Positions } F = V \times I / b, \text{ where:}$$

F = Daily Financing Fee

V = value of equivalent (quantity x end of day closing price)

I = applicable Financing Rate

b = day basis for currency (365 for GBP, HKD and AUD, 360 for all other currencies)

There may be instances when a Daily Financing Fee is charged to you on Short Positions, rather than paid to you. This may occur for instance, if LIBOR (or **RBA IOCR** for Australia) is at an exceptionally low rate.

The daily financing fee will be applied to your account each day that you hold an open position (including weekend days).

The Financing Rates used are outlined in the table below.

| Country of the Underlying Instrument | Long Financing | Short Financing |
|--------------------------------------|---------------------------|------------------------|
| UK | LIBOR + 2.5% | LIBOR – 2.5% |
| US | LIBOR + 2.5% | LIBOR – 2.5% |
| EU | LIBOR + 2.5% | LIBOR – 2.5% |
| Australia | RBA IOCR + 2.5% | RBA IOCR – 2.5% |
| Other International | Contact Client Management | |

Financing Rate information for Underlying Instruments located in other jurisdictions can be obtained by contacting Client Management.

Underlying Instruments of Currencies

For Currency trades that are held overnight, and not closed intraday, the Financing Amount is calculated by using a premium or discount for rolling the position from the Spot date to the Spot Next date. The premium or discount is derived from the market and incorporates a spread reflecting "Our Charge". "Our charge"

has a minimum and maximum amount. The derivation is based on deposit rate differentials for the two currencies.

There may be instances where a Financing Amount is charged, rather than paid, on Open Positions when you hold a Long Position in the higher yielding currency. This may occur when underlying interest rate markets exhibit exceptionally wide bid/ask spreads.

The Financing Amount will be made in the second currency of the currency pair (sometimes referred to as the 'Quote' or 'Counter' currency). For example, in the case of EUR/USD, the Financing Amount would be made in USD, then immediately converted back to the Base Currency for your Account. Financing calculations are on a T + 2 (working days) basis for all currency pairs except those that trade on a T+1 basis*.

The days that Financing Amount is charged and the number of days that the charge is accrued for are dependent of market standard conventions for dealing with Spot and Spot Next dates for each currency pair. Typically, for currency pairs that trade on a T+2 basis, on each Wednesday, (in the absence of holidays affecting the Spot and Spot Next dates) we will apply a fee equivalent to the Daily Financing Fee for the period Friday – Monday.

Holiday financing adjustments are typically made two days before the holiday. For all Trades, the Daily Financing Fee will be adjusted to include non-business days which affect either currency in a Trade.

* For currency pairs that trade on a T+1 basis, such as USD/CAD, USD/TRY and USD/RUB, each Thursday (in the absence of holidays affecting the Spot and Spot Next dates) we will apply a fee equivalent to the Financing Amount for the period Friday – Monday.

c) Special/Short Borrowing Charge

If you have a Short Position with an Underlying Instrument that is a share, we may hedge your Open Position by taking a short position in the share in external markets or directly with another financial institution. There may be instances where the amount of stock available to borrow will be limited or otherwise in short supply. As a result, we may incur a special borrowing charge and we reserve the right to pass this on to you. This charge is at the discretion of our hedging partners and is subject to fluctuation. We will notify you as soon as practicable if we seek to pass any such charge on to you.

The basis of the special borrowing charge is an annual percentage rate based on the total value of our hedge trade in external markets and is applied on a daily basis. For example a 10% charge on a £10,000 value Open Position would incur an annual charge of £1,000 levied at £2.74 per day.

d) Guaranteed Stop Loss Order Premium

We will charge an additional spread or premium when you place a Guaranteed Stop Loss Order. You can find details of this charge for a Market in the relevant Market Information, which is available on the Trading Platform or by calling Client Management.

e) Fee and Commission Sharing Arrangements

We may pay to third parties (for example Introducers, Appointed Representatives (as defined by FCA Rules), etc.) a portion of any dealing commission, Spread, Daily Financing Fee, and/or any other charge you may pay. Typically this will be a percentage of the

amount we receive from you. Further details of fee and commission sharing arrangements will be provided on request.

f) Withdrawal and Deposit Fees

Credit card transactions may incur a fee of 1.5%. Wire transfers & CHAPS transfers, if required or requested may incur a \$25 USD fee. You may incur additional charges and fees by your Bank. We recommend you investigate and familiarise yourself with these.

g) Inactivity Fees

Where no activity has occurred on your Account(s) for a period of twelve (12) months or more, your Account(s) will be deemed inactive and we reserve the right to charge a monthly inactivity fee of GBP25 (or equivalent in your Base Currency) to inactive Account(s), along with any additional applicable fees. Activity is defined as placing a Trade and/or applying an Order on your Account(s) or maintaining an Open Position during the period.

h) Clearing House Fees

The table below sets out the fees and charges that will apply to your Account in respect to Centrally Cleared Trades cleared through LCH.CLEARNET LIMITED:

| Account Type | Initial set up fee | Maintenance fee (monthly) |
|---|--------------------|---------------------------|
| General (individual, joint) | Zero | Zero |
| General (corporate, partnership, trust) | Zero | Zero |
| ISCA (individual)* | GBP 13,000 | GBP 2,000 |
| ISCA (corporate, partnership, trust,) | GBP 200,000 | GBP 5,000 |

* ISCA's are not available to joint account holders.

(i) Financial Transaction Tax

Where, as a result of your trading, we incur a tax charge under the Financial Transaction Tax regime in any jurisdiction, we reserve the right to pass this on to you. You can find details of this charge for a Market in the relevant Market Information, which is available on the Trading Platform or by calling Client Management.