

NOTICE OF NYSE Liffe

This notice refers to the Article II of the Futures Trading Consignment Agreement.

1. Notice no:399

CLIENT AGREEMENTS

Rules of LIFFE and our capacity

All contracts in the terms of an Exchange Contract made on LIFFE shall be subject to the Rules of LIFFE as from time to time in force. As a member of LIFFE, we contract only as a principal in respect of contracts in the terms of an Exchange Contract. In the event of a conflict between the Rules of LIFFE and the terms of this Agreement, the Rules of LIFFE as from time to time in force, shall prevail.

Matching contracts

In respect of every contract made between us subject to the Rules of LIFFE, we shall have made an equivalent contract on the floor of the market for execution by open outcry or in the market conducted on the Automated Pit Trading system, or shall have accepted the allocation of any such contract.

Allocation

In respect of every contract made between us for allocation to another member specified by you:

- (a) in the event that such other member accepts the allocation, we shall (without prejudice to any claim we may have for commission or other payment) upon such acceptance cease to be a party to the contract and shall have no obligation to you for its performance;
- (b) in the event that such other member declines to accept the allocation, we shall be entitled at our option either to confirm the contract with you or to liquidate it by such sale, purchase, disposal or other transaction or cancellation as we may in our discretion determine, whether on the market or by private contract or any other feasible method; and any balance resulting from such liquidation shall be promptly settled between us.

Margin

We will collect margin required by the NYSE Liffe and may collect additional margin depending on a customer's credit condition and the nature of the trade conducted by the customer.

When it is necessary, we will notify customer for additional margin from time to time, and customer shall deposit in the full amount immediately in accordance with the notice by us. If customer does not deposit in the amount of margin call within the time limit or to decrease the position by himself/herself (after the position decreased, the total asset value becomes higher than the initial margin requirement), Capital Futures may offset all or part of the position on the behalf of the customer.

Exclusion of Liability

Rule 1.4 of the LIFFE Rules states that the Exchange (as defined in the LIFFE Rules) shall not, unless otherwise agreed by it in writing, be liable to any member or client for any loss arising out of the circumstances described in Rule 1.4.2 (broadly, activities relating to the administration and operation of LIFFE) or from any act or omission on the part of the Exchange or any person connected with the Exchange as described in Rule 1.4.3. A copy of Rule 1.4 may be obtained from the member or from the Market Secretary at the Exchange.

Arbitration

Any dispute arising from or relating to this agreement, in so far as it relates to contracts made between us subject to the Rules of LIFFE, and any dispute arising from or relating to any such contract as aforesaid and made hereunder shall, unless resolved between us, be referred to arbitration under the arbitration rules of LIFFE, or to such other organisation as LIFFE may direct before either of us resort to the jurisdiction of the courts (other than to obtain an injunction or an order for security for a claim).

Governing law

This agreement and all contracts made under this agreement shall be subject to and construed in accordance with English law.

Jurisdiction

Subject to the arbitration clause [above/in this agreement], disputes arising from this agreement or from contracts made under this agreement shall (for our benefit) be subject to the exclusive jurisdiction of the English courts to which both parties hereby irrevocably submit, provided that this shall not prevent us bringing an action in the courts of any other jurisdiction.

Changes to agreement

Notwithstanding any previous agreement between us to the contrary, we now agree that a variation of the terms agreed between us from time to time does not require the written agreement of both of us. This notification shall take effect 12 days after despatch by us, provided that you do not object within 10 days of receipt

2. Notes 1188

ERROR CORRECTION AND OFFERING IMPROVEMENTS

In our and your interests, the Exchange may from time to time sanction the making of contracts by us outside the pit in order to satisfy your order, where there has been an error in the execution of your order in the pit. Where a better price (an improvement) can be obtained, we will seek to secure and offer that improvement to you. However, you should note that where, in response to your order,

we have bought or sold in accordance with the instruction in your order to buy or, as the case may be, to sell but have traded the wrong delivery/expiry month or wrong exercise price of the relevant contract, then we may in accordance with the Exchange's Rules offset any loss arising from that trade against any improvement achieved for you in the course of correctly satisfying your order, thus offering you only the net improvement, if any

3. Notes 1376

TRADING PROCEDURES FOR FINANCIAL FUTURES

The Exchange has a number of powers which, if exercised, may impact upon the ability of a member to submit an order on behalf of a client or which may lead to the cancellation of an order after submission to the LIFFE CONNECT[®] Trading Host prior to execution. In particular, in addition to the powers already available to the Exchange (including those in relation to investor protection and proper markets), clients should be aware that, in respect of LIFFE CONNECT[®] for Futures:

- (i) the Exchange has the power to suspend a member's access, or access via a particular ITM or ITMs, following a single warning, and to terminate a member's access under certain conditions;
- (ii) the Exchange will cancel all outstanding orders on the default of a member;
- (iii) orders outside the price limits will be rejected automatically by the Trading Host;
- (iv) all orders (with the exception of GTC orders) will be cancelled automatically at Market Close or when the ITM under which the order was submitted is logged out without being transferred to an alternative ITM;
- (v) all orders (including GTC orders) will be cancelled at close of business on the Last Trading Day of the expiry month to which they relate; and
- (vi) all orders (with the exception of GTC orders) will be cancelled automatically if the Trading Host fails.

4. Notes 99/66

ELECTRONIC TRADING AND ORDER ROUTING SYSTEMS FIA DISCLOSURE STATEMENT¹

Electronic trading and order routing systems differ from traditional open outcry pit trading and manual order routing methods. Transactions using an electronic system are subject to the rules and regulations of the exchange(s) offering the system and/or listing the contract. Before you engage in transactions using an electronic system, you should carefully review the rules and regulations of the exchange(s) offering the system and/or listing contracts you intend to trade.

DIFFERENCES AMONG ELECTRONIC TRADING SYSTEMS

Trading or routing orders through electronic systems varies widely among the different electronic systems. You should consult the rules and regulations of the exchange offering the electronic system and/or listing the contract traded or order routed to understand, among other things, in the case of trading systems, the system's order matching procedure, opening and closing procedures and prices, error trade policies, and trading limitations or requirements; and in the case of all systems, qualifications for access and grounds for termination and limitations on the types of orders that may be entered into the system. Each of these matters may present different risk factors with respect to trading on or using a particular system. Each system may also present risks related to system access, varying response times, and security. In the case of internet-based systems, there may be additional types of risks related to system access, varying response times and security, as well as risks related to service providers and the receipt and monitoring of electronic mail.

RISKS ASSOCIATED WITH SYSTEM FAILURE

Trading through an electronic trading or order routing system exposes you to risks associated with system or component failure. In the event of system or component failure, it is possible that, for a certain time period, you may not be able to enter new orders, execute existing orders, or modify or cancel orders that were previously entered. System or component failure may also result in loss of orders or order priority.

SIMULTANEOUS OPEN OUTCRY PIT AND ELECTRONIC TRADING

Some contracts offered on an electronic trading system may be traded electronically and through open outcry during the same trading hours. You should review the rules and regulations of the exchange offering the system and/or listing the contract to determine how orders that do not designate a particular process will be executed.

LIMITATION OF LIABILITY

Exchanges offering an electronic trading or order routing system and/or listing the contract may have adopted rules to limit their liability, the liability of FCMs, and software and communication system vendors and the amount of damages you may collect for system failure and delays. These limitations of liability provisions vary among the exchanges. You should consult the rules and regulations of the relevant exchange(s) in order to understand these liability limitations.

¹ Each exchange's relevant rules are available upon request from the industry professional with whom you have an account. Some relevant rules also are available on the exchange's internet home page.