



City Place House
55 Basinghall Street
London EC2V 5DU
+44 (0) 20 7997 2200 tel
www.kcg.com

CONFIDENTIAL

[6th October 2015]

Dear Client,

RE: Over-the-counter Securities

KCG Europe Limited (“**KCGE**” or “**we**” or “**our**”) has been involved in reviewing its clients’ trading in over-the-counter (“**OTC**”) securities and has decided to, in certain circumstances detailed below, restrict trading in specific OTC securities.

Background

The OTC market for securities is generally comprised of smaller companies often with a comparatively small amount of assets and low stock prices. Many of the OTC securities are not quoted on a large recognized stock exchange but instead on an inter-dealer quotation system operated by OTC Markets Group, Inc. (formerly known as Pink Sheets). Often there is limited information that is publically available with regard to some of these companies.

Some of the companies in question issue shares privately which can lead to abuse taking place in connection with the distribution of these securities into the market. Selected OTC securities have been found to frequently change their names, business plans and / or effect corporate actions to artificially increase or decrease the number of shares outstanding. At times, persons engaged in trading these securities take advantage of the lack of public information to engage in forms of market abuse.

The US Securities and Exchange Commission (“**SEC**”) has identified certain accounts held in the names of foreign financial institutions such as offshore banks and/or broker-dealers as frequently being associated with problematic activity in these markets.

Why are we making the change?

Following the background indicated above, we have decided to more effectively manage our regulatory risk in relation to trading in certain securities in the OTC market place by restricting such trading.



How are we addressing this?

We will seek to identify issuers whose securities are not associated with problematic activities and expect to continue to allow trading in such securities. Generally, KCGE will continue to accept orders in securities categorized by OTC Markets Group, Inc. as follows:

OTCQX Tier, GDRs, ADRs, and reorg stocks. This amounts to around 7000 securities.

What action do you need to take?

Please do not transmit any orders to buy or sell in securities that have been privately issued without our prior express permission and only after we have conducted a review of the proposed transaction(s). We recommend that you contact your usual sales individual at KCGE should you need guidance on trading in a specific OTC security.

Please be reminded that we and our affiliates have a regulatory obligation to report suspicious activity. We may need to request certain information relating to your trading activities and expect that you will cooperate with us and provide information to help us evaluate circumstances that may require such reporting.

Yours sincerely,

KCG Europe Limited