



PART 1 – GENERAL INFORMATION

Before deciding whether to trade with us in the products we offer, you should consider this PDS and whether dealing in contracts for differences and any other margin trading products offered by us (together referred to in this PDS as “CFDs”) is a suitable investment for you. We recommend you obtain independent financial and taxation advice concerning this PDS, the Contract Details and the Customer Agreement before you apply to open an account with us.

CFDs are speculative products, the geared nature of which places a significantly greater risk on your initial investment than non-geared investment strategies such as conventional share trading. The risk factors associated with trading CFDs are set out further in section 5.

The Contract Details are available on our website, or by email at your request, and contain technical information on the market details for our CFDs, the associated costs for the CFDS and any amounts that we may require you to pay or amounts that we will pay you in respect of your account with us.

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1. ABOUT US AND HOW TO CONTACT US

1.1 ABOUT US

IG Markets Limited is a company incorporated in England and registered in Australia as a foreign company (ABN 84 099 019 851). We hold an Australian Financial Services Licence (no. 220440) and are regulated by the Australian Securities and Investment Commission.

1.2 HOW TO CONTACT US

Name:	IG Markets Limited
Address:	Level 7 417 St Kilda Road Melbourne VIC 3004
Telephone:	Dealing: (03) 9860 1733
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2. REGULATORY BENCHMARK DISCLOSURE

2.1 BENCHMARKS FOR OTC CFDs

ASIC has developed seven disclosure benchmarks for OTC CFDs that can help retail investors understand the risks associated with CFDs, assess their potential benefits and decide whether investment in CFDs is suitable for them.

More information about the disclosure benchmarks can be found in Regulatory Guide 227.

This table sets out which benchmarks we meet and refers to related disclosure information which describes how we meet the benchmarks.

DISCLOSURE BENCHMARK	MEET BENCHMARK?	RELATED INFORMATION
Client qualification Addresses the issuers policy on investors qualification for CFD trading	Yes	IG Markets will assess client qualification when you apply to open an account. Further information can be found in section 6.1 of this PDS
Opening collateral Addresses the issuers policy on the types of assets accepted from investors as opening collateral	No	It is suggested that a limit of \$1,000 be accepted for opening payments made by credit card. IG Markets accept credit card payments for more than \$1,000 as initial funding in order to provide flexible payment options to clients. Further information can be found in section 6.7 of this PDS.
Counterparty risk – hedging Addresses the issuers practices in hedging its risk from client positions and the quality of this hedging	Yes	IG Markets maintains and applies a written Counterparty Credit & Hedging Policy which is available at www.igmarkets.com.au Further information can be found in section 5.5 of this PDS.
Counterparty risk – financial resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements	Yes	IG Markets maintains and applies policies to ensure it meets all financial regulatory obligations including the requirements of an Australian Financial Services Licensee. Further information can be found in section 5.6 of this, our Financial Statements available at www.iggroup.com.au and our Pillar 3 Disclosures available at www.iggroup.com
Client money Addresses the issuers policy on client money	Yes	IG Markets has a detailed Client Money policy and does not use client money for hedging with counterparties. Further information can be found in section 5.3 of this PDS and on our website at www.igmarkets.com.au
Suspended or halted underlying assets – Addresses the issuers practices in relation to investor trading when trading in the underlying asset is suspended or halted	Yes	IG Markets does not allow new positions to be opened when the underlying market is halted or suspended. Further information can be found in section 4.4 of this PDS.
Margin calls Addresses the issuers practices in the event of client accounts entering into margin call	Yes	IG Markets maintains and applies a written policy in relation to margin call practices and our discretions relating to close outs. Further information can be found in section 4.1 of our PDS

3. SIGNIFICANT FEATURES OF CFDs

3.1 TYPES OF CFD

Contracts for Differences (CFDs) are an agreement between two parties which allow you to make a profit or loss by reference to fluctuations in the price of an underlying share or other instrument, without actually owning the underlying product. The amount of the profit or loss will be the difference between the price when the CFD is opened and the price when it is closed, adjusted to reflect notional dividends and interest payments, where applicable.

You do not own or have any rights to the underlying asset. Adjustments to your CFD contract may be made by reference to the underlying instrument in accordance with section 3.5 or in other circumstances we might separately notify you of.

We offer CFDs to our Australian resident customers on individual shares, stock indices, stock options, currencies, futures contracts and such other CFDs as may be notified to you from time to time. Most CFDs will be traded in Australian dollars, however, some CFDs may be denominated in a 'home' currency, such as a CFD on IBM stock in US dollars.

3.2 HOW TO OPEN A CFD

A position is opened by 'buying' or 'selling' a CFD:

BUYING - If you expect an instrument (be it a share, currency, commodity, index price or other) to rise, you buy the CFD.

SELLING - If you expect an instrument (be it a share, currency, commodity, index price or other) to fall, you sell the CFD.

3.3 HOW TO CLOSE A CFD

To close a 'bought' or 'long' CFD you sell, and to close a 'short' or 'sold' CFD you buy. With CFDs you can go 'short' (i.e. sell) just as easily as you can go 'long'

(i.e. buy). With most CFDs you can hold the position for as long as you like. This may be for less than a day, or for months.

Some CFDs have a set expiry date, upon which the position will be closed automatically. These CFDs can be closed before the expiry date, provided you do so before the last time for dealing. Last times for dealing for all products are available in the Contract Details or upon request from our dealers. It is your responsibility to make yourself aware of the last time for dealing for any CFDs in which you deal. If a CFD with a set expiry date has not been closed prior to the last time for dealing, it will be closed by us once we have ascertained the closing level of the CFD. The Closing Level will be: the last traded price at or prior to the close or the applicable official closing quotation or value in the relevant underlying market as reported by the relevant exchange; minus any commission or spread which is applied to the CFD when it is closed.

3.4 PRICE IMPROVEMENT

When you offer to open or close a CFD with us and our quote moves to your advantage before we accept that offer, we may, at our discretion and only within certain limits, pass on such a price improvement to you. If we choose to pass on a price improvement to you, your offer to open or close the CFD in question will be altered to the more favourable price. We will not alter your offer price if this would result in a CFD at a less favourable price than your offer.

3.5 COMMISSION, FINANCING COSTS, INTEREST AND DIVIDEND ADJUSTMENTS

When you trade a share CFD with us you deal at the market bid or offer price. We will charge a commission based on the underlying transaction value, in much the same way as if you were buying shares. Details of maximum commission rates are in section 4.10 below, and the Contract Details contain full details of our current commission charges. There is no commission to pay on a stock index CFD, Foreign

Exchange CFD or CFD on stock index options; we quote an 'all-in' price, so the only charge is the dealing spread. Dealing spread means the difference between our 'buy' and 'sell' quote.

Where you have an open share CFD position, your account will be debited or credited to reflect interest and dividend adjustments as if you had bought or sold the underlying instrument. The direction of interest and dividend adjustments depends on whether the share CFD is used to create a long or short position. With a long position, your account is debited to reflect interest adjustments and credited to reflect any declared cash dividends. The effect of these adjustments is to mirror the effect of buying shares in the normal way, where you would fund the position daily and receive declared cash dividends.

With a short position, your account is adjusted for interest in accordance with the formula set out in section 4.11 and debited to reflect any declared cash dividends. These adjustments mirror the effect of selling shares, where interest may accrue on the proceeds of the sale, but you would cease to receive dividends. Details of applicable interest charges are contained in section 4.11 below and in the Contract Details.

Adjustments will be made to stock index CFDs to reflect dividends paid on constituent shares of a particular index (see section 3.13 below).

3.6 CFDS ON INDIVIDUAL SHARES

Trading individual shares on margin using a CFD allows you to take a position in a share without putting up the full contract value.

'Buying' a share CFD replicates the economic effect of buying a share position where you receive the benefit of all rises in the share price (and bear the cost of all falls in the share price). If a cash dividend is paid on the underlying share a positive adjustment is made to your account as a notional representation of that dividend. A negative adjustment is made to your account as a notional representation of the cost of funding an equivalent share position.

Buying or selling a share CFD is similar to normal share dealing in at least two important respects:

- you deal at the 'buy' or 'sell' price of the underlying share on the stock market; and
- you pay a commission (calculated as a percentage of the value of the transaction).

Unlike normal share dealing however, instead of paying the full value of the transaction you make a payment of margin which will be a percentage of the underlying contract value. In the case of leading Australian shares, margins start from 5% of the value of the underlying share (see section 4.1 below). Details of the margin percentage requirements for different types of CFD are set out in the Contract Details.

Your profit or loss will be made on the difference between when you open the CFD and when you close it and the sum of any notional adjustments representing dividends and interest, less our commission.

We will not allow new CFD positions to be opened when there is a trading halt over the underlying asset or trading in the underlying asset has otherwise been suspended, in accordance with market rules. Our reference to suspended markets is therefore limited to circumstances other than these, which are commonly out of hour's markets or when an exchange is not operating for technical or other related reasons.

Please refer to section 24 of the Customer Agreement for information relating to our approach to trading when underlying assets are suspended or halted, including our discretions.

3.7 EXAMPLE OF OPENING AND CLOSING A 'BUY' CFD ON AN INDIVIDUAL SHARE

OPENING THE POSITION

ABC Example Limited shares are quoted at \$2.85/\$2.86 in the market, and you decide that they are going to rise. You decide to 'buy' 10,000 shares as a CFD at \$2.86, the offer price. While your ABC Example Limited position remains open, your account will be debited to reflect interest adjustments and credited to reflect any dividends.

Please note that if the size of your deal is such that it attracts our minimum charge on opening, you will be required to also pay minimum charge for that deal on closing even if you close the deal in a bundle with other deals where the aggregate size is above our minimum size.

CLOSING THE POSITION

Some weeks later, ABC Example Limited has risen to \$3.20/\$3.21 in the market and you decide to take your profit. You sell 10,000 shares at \$3.20, the bid price. Your profit on the trade is calculated as follows:

Closing level:	\$3.20
Opening level:	\$2.86
Difference:	\$0.34
Gross profit on trade:	$\$0.34 \times 10,000 = \3400

INITIAL MARGIN

The initial margin required to open your position is $10\% \times \$2.86 \times 10,000 = \2860 . Applicable margin rates are detailed in the Contract Details.

INTEREST ADJUSTMENTS

Interest costs are calculated daily on your overnight positions by applying the applicable interest rate to the daily closing value of the position. The daily closing value is the number of shares multiplied by the closing price. For example, the applicable interest charge (as calculated in accordance with section 4.11) might be 8.00% and the closing price of the shares on a particular day might be \$2.90. The closing value of a 10,000 share position would be \$29,000 (i.e. 10,000 shares \times \$2.90). So the interest cost for the position for this particular day would be \$6.44 (i.e. $\$29,000 \times 8.00\%/360$). Interest adjustments are calculated in accordance with the formula set out in section 4.11 and posted to your account on a daily basis.

COMMISSION

For share CFDs commission is payable on the opening and closing transaction value. In the above example (and using a commission rate of 0.1%) the commission payable would be: Opening $10,000 \times 2.86 \times 0.1\% = \28.60 ; Closing $10,000 \times \$3.20 \times 0.1\% = \32.00 . There is no GST payable (see section 7.5 below).

CALCULATING THE OVERALL RESULT

To calculate the overall or net profit on the CFD you also have to take account of the commission you have paid and the interest and dividend adjustments that have been credited or debited. In the above example, you might have held the position for 21 days, at a total interest cost of, say, \$162. During this time if ABC Example Limited declared a cash dividend of, for example, 6 cents per share you would receive a positive dividend adjustment of \$600 (10,000 \times \$0.06) to your account.

Gross profit on trade:	\$3400
Total commission:	(\$60.60)
Interest adjustment:	(\$162)
Dividend adjustment:	\$600
Net profit on trade:	\$3777.40

3.8 EXAMPLE OF OPENING AND CLOSING A 'SHORT' OR 'SOLD' CFD ON AN INDIVIDUAL SHARE

CFD ON AN INDIVIDUAL SHARE

Selling a share CFD is the opposite: you replicate a short position in the underlying share where you benefit from all falls in the underlying share price (and conversely bear the cost of all rises in the underlying share price). A negative adjustment will be made to your account representing a notional dividend if any cash dividends are paid on the underlying share and a positive adjustment will be made to your account representing the interest that you could have earned if the proceeds of the underlying share sale were placed on deposit. This example shows how you can use a CFD to achieve the same economic effect as selling a share short.

OPENING THE POSITION

It is July and you think XYZ Limited is about to fall. The share is quoted in the market at \$3.71/\$3.72. You sell 10,000 shares as a CFD at \$3.71, which is the bid price at the time. Commission (using a commission rate of 0.1% would be \$37.10 (10,000 shares \times \$3.71 \times 0.1%). Your margin percentage requirement for this trade is \$3710 (10,000 \times 3.71 \times 10%). Your account balance of \$5000 comfortably exceeds this. (For a full explanation of margin percentage requirements see section 4.1).

Because you have taken a short position, in this example your account is credited to reflect interest adjustments and debited to reflect any dividends. Interest adjustments are either credited or debited to your account using the formula explained in section 4.11.

INTEREST ADJUSTMENTS

The interest credit on your position is calculated daily, by applying the applicable interest rate to the daily closing value of the position. In this example, the applicable interest charge (as calculated in accordance with section 4.11) might be 3.00% and the closing price of the shares on a particular day might be \$3.70, giving a closing value of \$37,000 (i.e. 10,000 shares \times \$3.70). So the interest credit for the position for this particular day would be \$3.08 (i.e. $\$37,000 \times 3.00\%/360$).

DIVIDEND ADJUSTMENT

At the end of August your position is still open at the time of the XYZ Limited exdividend date. The amount of the declared cash dividend is 10c per share and this is debited from your account. The adjustment is calculated as follows: 10,000 shares \times \$0.10 = \$1000

CLOSING THE POSITION

By early September, XYZ Limited has risen to \$3.97/\$3.98 in the market and you decide to cut your loss and close the position. You buy 10,000 shares at \$3.98, the offer price. The commission on the transaction is 0.1% or \$39.80 (10,000 shares \times \$3.98 \times 0.1%). Your gross loss on the trade is calculated as follows:

Closing level:	\$3.98
Opening level:	\$3.71
Difference:	\$0.27
Gross loss on trade:	$\$0.27 \times 10,000 = \2700

CALCULATING THE OVERALL RESULT

To calculate the overall or total loss on the CFD you also have to take account of the commission you have paid and the interest and dividend adjustments. In this example, you might have held the position for 65 days, earning a total interest credit of, say, \$219. You have been debited a dividend adjustment of \$1000. The overall or total result of the trade is a loss, calculated as follows:

Gross loss on trade:	(\$2700)
Total commission:	(\$76.90)
Interest adjustment:	\$219
Dividend adjustment:	(\$1000)
Overall or total loss:	(\$3557.90)

You should also take into consideration the impact of any borrowing charges, as discussed in section 4.9.

3.9 LIMITED RISK PROTECTION

We offer a guaranteed Limited Risk facility, which allows you to trade CFDs on a wide range of shares, indices and currencies without assuming a potentially open-ended liability in the event of a violent stock-market movement. When you trade on a Limited Risk basis you specify a Stop Order level at which your position will be closed should the market move against you. We guarantee that, when our bid (in the case of Sell CFDs) or offer (in the case of Buy CFDs) reaches or goes beyond the level specified by you, we will close a Limited Risk CFD at exactly the agreed stop level. However, in determining whether our quote has gone beyond the agreed level, we will be entitled (but not obliged), at our discretion, to disregard any prices quoted by us during periods in the relevant Underlying Market that in our reasonable opinion may give rise to short-term price spikes or other distortions (e.g. pre and post-market auction periods).

In the event that a Guaranteed Stop on a long position is triggered as a result of a stock going ex-dividend (and any consequent price adjustment made by us pursuant to the Product Module or otherwise), where the notional dividend is credited to your account we reserve the right to deduct part or all of that notional dividend credit from your account, or, in the event that a notional dividend credit has yet to be made, to reduce the notional dividend credit made to you.

There is an extra charge for this service, which is similar in effect to an insurance premium. For share CFDs the amount starts at 0.3% of the underlying transaction value (as defined in section 4.3 below) and for stock index CFDs it is normally charged as additional 'spread'. Further details of the charges for Limited Risk protection are set out in the Contract Details. Circumstances where the premium might vary include volatile market conditions. Limited Risk protection is not available on all CFDs and the size of the positions on which we are able to offer this facility may be limited. Details of availability and premium will be confirmed with you before you enter into a Limited Risk CFD with us.

3.10 EXAMPLE: BUYING A SHARE CFD WITH LIMITED RISK PROTECTION

OPENING THE POSITION

DEF Holdings Limited is quoted at \$8.67/8.69 in the market, and you buy 2000 shares as a CFD at \$8.69, the offer price, on a Limited Risk basis. You decide to put your Guaranteed Stop Order at \$8.00. Should the market move against you, your position would be closed at exactly \$8.00, even if, for example, the share opened at a substantially lower level after an overnight profit warning. So the most you can lose on the position (excluding our commission, Limited Risk premium, interest and dividend adjustments) is \$1380 (\$8.69, the opening level, minus \$8.00, the Stop Order level = \$0.69. $0.69 \times 2000 \text{ shares} = \1380).

The commission on the transaction (0.1%) is \$17.38 ($2000 \text{ shares} \times \$8.69 \times 0.1\%$). The Limited Risk premium is also charged when the position is opened. In this case it is 0.3% or \$52.14 ($2000 \text{ shares} \times \$8.69 \times 0.3\%$).

The margin percentage required for a Limited Risk trade of this type is equal to the maximum potential loss on the position plus an additional 10% to cover any interest or dividend adjustments. In this example the margin percentage requirement would be \$1518 ($\$1380 \text{ maximum potential loss} + \$138 (10\% \times \$1380)$).

Interest and Dividend adjustments are applied to Limited Risk positions in exactly the same way as to standard CFD positions, as described in section 3.5 above.

TRIGGERING THE GUARANTEED STOP ORDER

The following day, DEF Holdings Limited issues a trading statement that disappoints the market and the shares open sharply lower at \$7.25 before trading down as low as \$7.05. Your Guaranteed Stop Order is triggered, and your position is closed at \$8.00, even though the share opened well below this level. You sell 2000 shares as a CFD at \$8.00. The commission, using the same example rate, is 0.1% or \$16 ($2000 \text{ shares} \times \$8.00 \times 0.1\%$).

Your gross loss on the trade is calculated as follows:

Opening level:	\$8.69
Closing level:	\$8.00
Difference:	\$0.69
Gross loss on trade:	$\$0.69 \times 2000 = \1380

Without the Guaranteed Stop Order, you would have been lucky in this example to close your position at \$7.25 (the opening market price), representing a gross loss on the trade of \$2880. Instead you have limited your gross loss to \$1380 (excluding transaction costs).

CALCULATING THE OVERALL RESULT

To calculate the overall or total loss of the CFD you also have to take account of the commission and Limited Risk premium you have paid and the interest and dividend adjustments. In this example, you might have held the position for 1 day, at a total interest cost of \$3.86. There are no dividends to allow for.

Your total loss is calculated as follows:

Gross loss on trade:	(\$1380)
Total commission:	(\$33.38)
Limited Risk premium:	(\$52.14)
Interest adjustment:	(\$3.86)
Overall or total loss:	(\$1469.38)

The overall loss would be taken from the margin you placed with us (\$1518) leaving you with an account balance of \$47.62.

You should view our Limited Risk facility as a form of insurance, protecting your capital against unexpected sharp price moves or even a longer term price move against your position.

3.11 NON-GUARANTEED ORDERS: STOP ORDERS, LIMIT ORDERS AND BUFFER LIMITS

We also offer various Non-Guaranteed Orders such as Stop Orders (including conventional Stop Orders and Trailing Stops), Limit Orders and Buffer Limits, each called an "Order", that allow you to open or close a CFD when our quote for that instrument reaches or goes beyond the level of your Order.

These Non-Guaranteed Orders can apply for various periods which must be specified by you. What is known as a "Day Order" will apply until the next close of business for the relevant Underlying Market or earlier. On our website you may be able to specify the period for which the Order is valid up to a maximum of 24 hours from making the Order. Alternatively you can specify that the Order is to apply for an indefinite period (a "good till cancelled" or "GTC" Order). Whether you place your Order by telephone, internet, mobile dealing or any other method available to you, it is however very important that you make the duration of your Order clear.

If placing your Order by telephone please note that Day Orders are treated as expiring at the close of the day's trading on the Underlying Market itself, so it will not include any overnight trading sessions for that Underlying Market, even though these may trade during the Australian 'day'. This means that it is important that, at the time you place a Day Order, you specify whether you want that Day Order to apply for the official day's trading on the relevant Underlying Market (i.e. a true Day Order) or whether you want the order to apply to the trading during the Australian day. GTC Orders and other Orders that are for longer than the opening hours of the Underlying Market will be executed during overnight trading sessions on the relevant Underlying Market.

If we accept one of these Orders, then when our bid (in case of Sells) or our offer (in case of Buys) reaches or exceeds the level of your Order your instruction will be triggered and subsequently executed. Please note that in the case of Stop Orders placed in respect of CFDs on Order Book Shares, the Order Book Share the subject of the CFD must actually trade on the Underlying Market at or beyond the specified level in order for your Order to be triggered.

It is your responsibility to understand how an Order operates before you place any such Order with us. Examples are set out below at 3.12 and further information can be found on our website or by asking our dealers. By placing an Order with us you acknowledge that you understand the terms and conditions attached to such Order.

You should note that your Order may be executed irrespective of the length of time for which your Order is reached or exceeded. In volatile markets our quote might 'gap' through your Order level, so that the closing level (which still limits your loss) or the opening level may be beyond the exact level specified by you.

It is important to understand that when you place an Order, you are dealing with us as principal, you are not dealing on the Underlying Market. While we seek to execute your Order at the level that might have been achieved had a similar order been placed on the Underlying Market, it may not be possible to determine what such a level might have been. We do not guarantee your Order will be executed at any such level. We will exercise our reasonable discretion to determine when Non-Guaranteed Orders are triggered and the level at which they are executed.

You can cancel or amend the level of an Order with our agreement at any time before our quote or the relevant market reaches or exceeds your current specified level. We also reserve the right to aggregate and/or to work the instructions we receive from our clients to open or to close CFDs, including Stop Orders. Working the Order may mean that your Stop Order is executed in tranches at different bid prices (in the case of an Order to Sell) or offer prices (in the case of an Order to Buy), resulting in an aggregate opening or closing level for your CFDs that may differ both from your specified level and from the price that would have been attained if the Order had been executed in a single tranche. Aggregating an Order means that we may combine your Order with the Orders of other clients of ours for execution as a single Order. We may do so if we reasonably believe that this is in the overall best interests of our clients as a whole. However, on occasions, aggregation may result in you obtaining a less favourable price once your Order is executed.

Orders are available free of charge on most CFDs.

3.12 EXAMPLES OF NON-GUARANTEED ORDERS

EXAMPLE 1: SELLING A SHARE CFD WITH A CONVENTIONAL STOP ORDER

OPENING THE POSITION

XYZ International Limited is quoted at \$5.45/5.46 in the market, and you sell 5000 shares as a CFD at \$5.45, the bid price. You decide to put your Non-Guaranteed Stop Order at \$5.70. There is no cost or fee charged for placing a Non-Guaranteed Stop Order. Should the market move against you, your position would be closed at \$5.70, however, should the market gap straight through your Non-Guaranteed Stop Order, your position would be closed at the next available level that we consider representative, fair and reasonable. In this example, we will assume that XYZ International Limited shares gap straight through the Stop Order level of \$5.70 and the position is closed at \$5.75, resulting in a loss of \$1500 (excluding our commission, interest and dividend adjustments). This loss is calculated as $(\$5.45, \text{ the opening level, minus } \$5.75, \text{ the Stop Order level} + \text{ market slippage of } \$0.05 = \$0.30. \$0.30 \times 5000 \text{ shares} = \$1500)$.

Placing a Non-Guaranteed Stop Order on a particular position can result in a substantial reduction in the margin requirement. The margin requirement is calculated as the difference between the current level of the position, \$5.45, and the Stop Order level, \$5.70, and adding a factor for market slippage. The market slippage factor is no more than 100% of the normal margin requirement. In this example, the margin required would equal $\$2067.50 (\$5.70 \text{ Stop Order level} - \$5.45 \text{ opening level} = \$0.25. \$0.25 \times 5000 \text{ shares} = \$1250 \text{ plus additional } \$817.50 \text{ required for market slippage calculated as } 10\% \text{ normal margin requirement} \times \$5.45, \text{ opening level} \times 5000 \text{ shares} \times 30\% \text{ slippage factor} = \$817.50)$. Margin requirements for positions with Non-Guaranteed Stop Orders will not exceed the normal margin percentage requirement based on the current share.

Interest and dividend adjustments are applied to positions in exactly the same way as to standard CFD positions, as described in section 3.5 above.

TRIGGERING THE STOP ORDER

After you have held the position for a few weeks, XYZ International Limited releases some positive news which results in XYZ International Limited shares opening significantly higher. XYZ International Limited closed the previous day at \$5.05, but it opens at \$5.80/5.81. Your Non-Guaranteed Stop Order is triggered, and your position is closed at \$5.81, where it would be possible to buy 5000 shares back to close the position.

Your Gross loss on the trade is calculated as follows:

Opening level:	\$5.45
Closing level:	\$5.81
Difference:	\$0.36
Gross loss on trade:	$\$0.36 \times 5000 = \1800

To calculate the total loss on the trade, you must also include commission, interest and any dividends that might be paid during the period the position was held.

Your total loss is calculated as follows:

Gross loss on trade:	(\$1800)
Total commission:	(\$56.30)
Interest adjustment:	\$50
Overall or total loss:	(\$1806.30)

EXAMPLE 2: BUYING A SHARE CFD WITH A TRAILING STOP

Trailing Stops are a type of Stop Order that track your profitable positions automatically – and close your trade should the market move against you. Trailing Stops prevent you having to monitor and move your stops constantly.

When you open your position you specify two numbers for your Trailing Stop:

- Stop distance** – how far away from the opening level your Stop is placed
- Step size** – the size of the increments by which the Stop can move

For example, say EFG Limited is quoted at \$28.20/28.24 in the market. You buy 5000 shares as a CFD at \$28.24, and you set a Trailing Stop with a Stop distance of 30 points and a Step size of 10 points.

The Stop initially sits at \$27.94, i.e. 30 points behind your opening price. Immediately EFG Limited starts to rise. Very soon our sell price has risen to \$28.34 (10 points above your opening price) and your Stop 'steps' up by 10 points to \$28.04 to re-establish a 30-point distance from the new market level.

The rally continues and by late-afternoon EFG Limited is trading at \$28.89/28.93. Your Stop has therefore moved automatically five more times, so you are now sitting on a healthy potential profit with your Stop waiting 35 points behind at \$28.54.

A surprise news announcement suddenly sends EFG Limited share prices plummeting and within minutes trading is back down at \$28.30/\$28.34. Your Trailing Stop has been triggered and your position is closed 35 points below the recent high – at \$28.54, still well above your opening price of \$28.24.

With a conventional Stop Order you would still be in the market because your Stop Order would have remained at its initial level of \$27.94. By contrast, a Trailing Stop follows the market in a profitable direction.

The only difference between a Trailing Stop and a conventional Stop Order is that the level of a Trailing Stop moves positively with the market whereas the level of a conventional Stop Order remains fixed. Once a Trailing Stop is triggered, it is treated in exactly the same manner as a conventional Stop Order.

EXAMPLE 3: BUYING A SHARE CFD WITH A LIMIT ORDER

A Limit Order is an instruction to deal if our price moves to a more favourable level (e.g. to 'buy' if our price goes down to a specified level or to 'sell' if our price goes up to a specified level).

For example, if we were quoting shares in ABC Co Ltd at \$23.46/23.54 you might give a Limit Order to 'buy' at a limit of \$23.30. Your Limit Order will be triggered if at any time, inside or outside market hours, our offer quote moves through the level of the Limit Order (in this case \$23.30). We will normally accept a Limit Order on any open position except positions on options.

EXAMPLE 4: BUYING A SHARE CFD WITH A BUFFER LIMIT

A Buffer Limit is a special type of order that will be filled to the maximum extent possible at the time it is placed, up to and including your specified price level. This is ideal for situations where you are unable to deal at your desired size due to illiquidity of the underlying market.

For instance, say you want to buy a minor Australian share. The market price is \$25.50/25.75 and you try to buy 50,000 shares as a CFD at the offer price of \$25.75, but your deal is rejected on the grounds that the full size is not available in the market at that price.

In order to open this position you could open a Buffer Limit to buy 50,000 shares up to a limit of, say, \$26.25. Your order will now be filled to the maximum possible extent: for example you might be filled with 15,000 shares at \$25.75, 20,000 shares at \$26 and 15,000 shares at \$26.25. If a Buffer Limit is not filled right away it will remain good for the day.

Please note that when you place a Buffer Limit with us, you are allowing us to open your position at a price worse than our quoted bid/offer price at the time you place your order, and/or in a size smaller than the size of the order.

3.13 STOCK INDEX CFDs

Trading on Stock Index CFDs allows you to gain exposure to a large number of different shares in one single transaction. They can be used to take positions on the direction of a whole market without taking a view on the prospects for any particular company's shares. A short position can be used as a rough, low-cost, hedge to protect a diversified share portfolio against market falls. A Stock Index CFD works in the same way as a CFD on an individual share in that they allow you to make a profit or loss by reference to fluctuations in the value of the underlying index, such as the S&P/ASX 200 Index. There is no commission payable on opening or closing a Stock Index CFDs however in the case of Cash Stock Index CFDs both interest and dividend adjustments may be applicable. When trading Stock Index Forward CFDs there is no adjustments for interest or dividends.

Stock Index CFDs are opened in the same way as individual share CFDs (see section 3.2 above). You will be required to pay margin. Details of how this will be calculated are set out in section 4.1. There are two basic types of Stock Index CFDs these are Cash Stock Index CFDs and Forward Stock Index CFDs.

IG offers a wide range of European, US and Asian forwards, several of which we quote 24 hours a day even when the underlying forwards market is closed. For the main indices we offer cash and forward markets.

When trading Stock Index forwards, it is important to remember that the current price of the future will not normally be the same as the price of the underlying index. There are, broadly speaking, two reasons for this:

Forwards contracts usually trade at prices which reflect the interest advantage, and the disadvantage of foregone dividends, which is obtained by taking a long position in a forwards contract rather than buying actual shares for cash. Interest rates are generally higher than dividend yields, so the future will usually have a natural premium, called a fair value premium, to the underlying index. Forwards prices can respond to news or a change of sentiment more quickly than indices, which are not fully up to date until every individual share which they contain has traded. In a volatile market, forwards contracts can trade at very substantial premiums or discounts to their underlying index. IG's quotes for Cash Stock Index CFD's take account of these phenomena.

EXPIRIES & ROLL OVERS

All Stock Index forward CFDs expire at the appropriate market level and date as detailed in the specific Contract Details at market level adjusted for IG spread. Australia 200 Forwards for example expires at the special opening quotation on the appropriate expiration calculation date plus or minus IG spread. (Please check contact details for appropriate expiry details).

Clients can ask for their trade to be rolled over to a later date provided the request is made prior to the last rollover time for that trade. (Again as specified in the Contract Details).

When rolling over clients pay half IG spread to close and are given 40% spread concession on the opening leg of the rollover trade. Controlled risk clients pay the Controlled Risk premium in addition to normal spread on the opening leg of the roll over trade.

For example, The June ASX expires on the 18th June. So on the evening of the 17th after the market closes at 1630 AEDST/AEST, we would roll positions to September (the next quarter) basis the 17th June settlements.

Assuming the following settlements:

June	4000
Sep	4050

The Normal IG Spread is 3 points with a 3 point Controlled risk premium (Note: Spread and CR Premium may be subject to change).

A client with a short position would buy to close their June position at 4001.5 and sell Sep at 4049.1 (1.5 points to close, 0.9 points to open).

A client with a long controlled risk position would sell to close their June position at 3998.5 and buy to open a Sep position at 4053.9 (1.5 points to close, 3.9 to open).

EXAMPLE OF A CASH STOCK INDEX CFDs DIVIDEND ADJUSTMENT

As explained earlier, Forwards contracts trade at prices which reflect the dividends companies are due to pay. When dividends are paid, these need to be adjusted for in the price of our cash Index CFDs contracts.

The ASX can pay dividends on any day of the week we will reflect this in our price at 16:00 AEST the night before the ex dividend date.

For example, BHP announces a dividend of 35 cents per share and is the only company in the S&P/ASX 200 Index that day to pay a dividend. BHP's share price closes on the night before the exdate at \$35.00. All things being equal a company's share price will fall by the price of the dividend being paid so when the share's trade ex-dividend, they should open up 35 cents lower at \$34.65 on the morning of the exdate.

If BHP constitutes 10% of the S&P/ASX 200 Index and that the S&P/ASX 200 Index is trading at 4000 then BHP represents 400 points of the value of the S&P/ASX 200 Index. With BHP priced at \$35.00, a 1 point movement in its own share price equates to 0.11 ASX points. Therefore, a 35 cent movement in BHP's share price should equate to a 4 point movement in the S&P/ASX 200 Index.

At 16:00 on the night before the exdate, we would adjust our fair value take 4 points off the price of our cash ASX. IG would then charge or credit clients the dividend amount depending on their respective holdings at 1600 on the night before the applicable shares exdate. For further details see section 4.11.

INTEREST

Interest adjustments on Cash Stock Index CFD's are calculated and charged on a daily basis at an annual rate of interest for specifics on this calculation see section 4.11.

3.14 CFDs ON OPTIONS

We also offer a range of CFDs on the price of traded options on various products including leading stock indices, equities and forex. Details of these markets and products are listed in the Contract Details. There is no commission to pay on CFDs on index options, currency options and commodity options; we quote an 'all-in' price, so the only charge is the dealing spread – the difference between our 'buy' and 'sell' quotes. For share options you pay a commission and this is set out in the Contract Details. The margin requirements are also set out in the Contract Details.

As an example, we offer stock index option CFDs on two types of traded options, puts and calls. A traded put option is the right to sell a market (the underlying market) at a fixed level, on or before a particular date. For example, a September 4500 FTSE 100 Index put is the right to sell the FTSE 100 Index at a level of 4500 on or before a specified date in September. A traded call option is the right to buy a particular market at a fixed level on or before a fixed date. For example, a December S&P 500 Index 1200 call option is the right to buy the December S&P 500 Index at 1200 on or before a specified date in December.

With traded options, the holder (or 'buyer') of the put or call has the right but not the obligation to exercise the option – they need only do so if it suits them. The writer (or 'seller') of the put or call has the obligation, if the option is exercised, to buy or to sell at the specified price (the 'strike price').

Profits or losses on option CFDs are made by reference to the movement of an option price. You are not buying or selling the option itself. It cannot be exercised by or against you and it cannot result in the acquisition or disposal of the underlying security, index or its constituents. You are able to close an option CFD at any time before expiry but at expiry, the difference between the closing price level and the price level at which you opened your CFD will determine your profits or losses. Clients should note that the options prices quoted are calculated by us using the Black Scholes formula. This is available on request from us or is printed in most standard options texts.

Your risk in dealing on 'long' options positions is limited because the maximum loss you can sustain is the cost of the option premium (it can only fall to zero). An option 'seller' sells an option believing that the underlying market will not move above or below the relevant strike price. If he is right, the option will expire worthless and he will receive the total price of the option. It is very important to note that the seller of an option faces an open ended risk, as there is no upper limit on the price of an option, and there is no limit to the level at which the 'seller' may be obliged to 'buy' the option to close out a losing position.

As the risks associated with buying and selling options are different from other

CFDs we offer, margin requirements are calculated differently. The margin you will be required to pay for placing a 'buy' CFD on an option is the price at which you 'buy' the option multiplied by the deal size. This is the total amount that you can lose on your CFD. The margin requirement for 'selling' an option is variable. If the option has intrinsic value it is said to be 'in the money' and its value moves one-for-one with the underlying market; therefore, at worst, an option seller can be charged margin equal to what he would have paid had he taken a position in the underlying market. The margin percentage is never less than half the margin percentage for the underlying future, because there is always the possibility that the option may come into the money. So the margin percentage lies between a half and one times the equivalent for the underlying future, and is often equal to the price of the option sold.

3.15 FOREIGN EXCHANGE ("FOREX") CFDs

Forex CFDs allow you to gain exposure to movements in currency rates. Forex CFDs are opened in the same way as other CFDs. We will quote a bid and offer price for an exchange rate. For example we might quote the A\$ against the US\$ as 0.8048/0.8050. If you thought the A\$ was going to rise against the US\$ you would 'buy' the CFD at 0.8050. If you thought the A\$ was going to fall against the US\$ you would 'sell' the CFD at 0.8048. You can close your position in the same way. If the CFD is a buy, the closing level will be the lower figure quoted by us, if the CFD is a sell it will be the higher figure.

While holding a position overnight, your account is debited or credited using the applicable overnight Tom-Next rate (see Section 4.11). Details of currency trading sizes and margin requirements are set out in the Contract Details.

LIMITED RISK PROTECTION

As with the other CFDs that we offer, you can also take Limited Risk protection on your Forex CFDs to limit your losses at the level you select. The Limited Risk protection premiums payable on Forex CFDs are listed in section 4.10 below and may be found in the Contract Details.

3.16 EXAMPLES OF FOREX CFDs

EXAMPLE 1: BUYING \$US/YEN

OPENING THE POSITION

You decide to go long of the US dollar against the yen, and ask for a quote for 5 contracts, the equivalent of US\$500,000 (contract sizes are set out in the Contract Details). We quote you 118.00/118.03 and you buy 5 contracts at 118.03. There is no commission to pay on Forex CFD trades.

INTEREST ADJUSTMENTS

While the position remains open, an overnight adjustment is debited or credited to your account using the applicable Tom-Next rate.

In this example, the credit for one day might be ¥5025 (see Section 4.11 for a detailed example of overnight Tom-Next).

CLOSING THE POSITION

Three weeks later, US\$/yen has risen to 121.41/121.44, and you take your profit by selling 5 contracts at 121.41. Your gross profit on the trade is calculated as follows:

Closing transaction:	US\$500,000 (5 contracts) x 121.41 = ¥60,705,000
Opening transaction:	US\$500,000 (5 contracts) x 118.03 = ¥59,015,000
Gross profit on trade:	= ¥1,690,000

CALCULATING THE OVERALL RESULT

To calculate the overall or net profit, you also have to take account of the interest credit. In this example, you might have held the position for 20 days, earning a total interest credit of ¥98,500:

Gross profit on trade:	¥1,690,000
Interest credit:	¥98,500
Net profit:	¥1,788,500 = US\$14,731 equivalent

You can choose which currency you wish to hold your account balance in. Conversions will be at a rate no less favourable to you than 0.5% below or above (as the case may be) the interbank spot exchange rate at the time of conversion. Exchange rates are subject to fluctuations and clients should always be aware of the effect that exchange rates will have on their positions.

EXAMPLE 2: SELLING A\$/US\$ WITH LIMITED RISK PROTECTION

OPENING THE POSITION

You decide to go short of the Australian dollar against the US dollar, and ask for a quote for 2 contracts, the equivalent of A\$200,000. We quote you 0.7956/0.7958 and you sell 2 contracts on a Limited Risk basis. The Limited Risk premium of 3 points is subtracted when the position is opened. This means the position is opened at 0.7953, the bid price minus 3 points.

You decide to put your Guaranteed Stop Order at 0.8150. This means that, should the market move against you, your position will be closed at exactly 0.8150, even if, for example, the market 'gaps' from 0.8140 to 0.8170 on unexpected news. So the most you can lose on the position is:

Stop Order level: A\$200,000 (2 contracts) x 0.8150 = US\$163,000
 Opening level: A\$200,000 (2 contracts) x 0.7953 = US\$159,060
 Maximum possible loss (ignoring interest adjustment which will increase your loss): = US\$3940

INTEREST ADJUSTMENTS

Interest adjustments are applied to Limited Risk positions in exactly the same way as to standard Forex CFD positions.

CLOSING THE POSITION

A week later, our quote for A\$/US\$ has risen to 0.8114/0.8116. You think the Australian dollar may now go higher and close your position by buying two contracts at 0.8116, the offer price. Your loss on the trade is calculated as follows:

Closing transaction: A\$200,000 (2 contracts) x 0.8116 = US\$162,320
 Opening transaction: A\$200,000 (2 contracts) x 0.7953 = US\$159,060
 Gross loss on trade: = US\$3260

CALCULATING THE TOTAL LOSS

To calculate the total loss, you also have to take account of the interest debit. In this example, you might have held the position for 7 days, incurring a total interest debit of US\$40.60.

Gross loss on trade: US\$3260
 Interest debit: US\$40.60
 Total loss: US\$3219.40 = A\$3966 equivalent

3.17 COMMODITIES AND MONEY MARKET CFDS

We also offer a range of CFDs on the price of various commodity, interest rate and bond futures. These are often generically referred to by us as Future CFDs. Details of these products are listed in the Contract Details. There is no commission to pay on these types of CFDs; we quote an 'all-in' price, so the only charge is the dealing spread – the difference between our 'buy' and 'sell' quotes. The margin requirements are set out in the Contract Details. These types of CFDs have set expiry dates, upon or after which the position will be closed automatically, as described in section 3.3.

3.18 EXAMPLE: BUYING THE T-BOND (DECIMALISED)

OPENING THE POSITION

You believe long-term interest rates in the US will fall and therefore the price of Treasury Bonds will rise. You check the real-time price for our June Decimalised T-Bond on-line; the price is showing 10917/10925 and you decide to buy three contracts at 10925.

The Decimalised T-Bond is quoted in hundredths of a full Treasury Bond point (in the underlying market, T-Bonds are quoting in fractions of 1/32 of a full point). So 10925 is equivalent to 109-08 in the underlying, as 109-08 means 109 and 8/32, or 109 and 0.25 of a point. One contract is the equivalent of \$10 per hundredth of a full point.

CLOSING THE POSITION

As you predicted, interest rates do fall and the price of Bonds rises accordingly. You check our current quote, and we are quoting the price 11000/11008. You close your position by selling three contracts at 11000. Had you left your position open up until the expiry date, the position would have closed at the closing price on that date, minus the closing spread.

Calculating the overall result

Closing level: 11000
 Opening level: (10925)
 Difference: 75

So the net profit on this trade would be 75 points x 3 contracts x \$10 per point = \$2250

3.19 BINARY OPTIONS

A Binary Option is a special type of CFD with an 'all or nothing' payment profile. Binary Options allow you to trade on discrete financial events, such as the closing level of a stock index on a particular day. All Binary Options have only two possible results. For example, the Binary Option for the Wall Street Index to finish up on the day: Wall Street will either finish up or it will not. If you thought it was going to finish up, you would 'buy' our Binary Option on Wall Street. If you thought it was going to finish down, then you would 'sell' the Binary Option.

For a Binary Option, there are just two possible settlement prices. Using the above example:

- if Wall Street closes up, then the Binary Option settles at 100;
- if Wall Street closes down (even if it is only a fraction of one point down), then the Binary Option settles at 0.

You can go long or short of any price that we quote. Binary Option prices are extremely sensitive to market fluctuations, particularly in the period immediately before expiry; however your level of risk is always certain. The deposit requirement for all Binary Options is an amount equal to your maximum loss on that Binary Option or, if you make a series of trades, your maximum possible loss on all of those trades.

We quote continuous two-way prices for every Binary Option, so you can take a profit on an open position or cut a loss at any time.

We offer two basic types of Binary Option, with different types of trigger condition:

1. Binary Options where the trigger condition is either a price barrier (e.g. DAX 30 Index to close up on the day) or a price range (e.g. FTSE 100 Index to close between down-20 points and down-30 points on the day).
2. American-style OneTouch Binary Options where the trigger condition is that a price level is reached or exceeded before expiry. If the trigger condition is achieved, this type of Binary Option settles immediately at 100.

BASIS OF QUOTATION

A range of possible Binary Options may be offered on the daily move/official settlement of each market. The price quotation for each Binary Option is expressed in points. If the outcome described by the Binary Option occurs, that Binary Option will settle at 100. If it does not occur, the Binary Option will settle at zero (see Contract Details for settlement rules)

Spot Forex Binary Options are offered on various currency pairs. Quotations are based on the achievement of specified price levels in the spot rate concerned at 20.00 London time (see Contract Details for settlement rules).

Our spread will vary according to the level of the price quotation and the time to expiry. Further details can be found in the Contract Details.

BINARY OPTION SETTLEMENT

If the event described occurs the Binary Option will settle with a value of 100. Trades on all other Binary Options will settle at zero. For the purpose of settling Binary Options, the Australian Stock Index price in question will be rounded to one decimal place, the Wall Street price will be rounded to two decimal places, and the \$A/\$US spot rate will be rounded to the nearest pip. If a market settles exactly on a Binary barrier after such rounding, that market will be taken to have settled above the barrier for the purposes of trade settlement. For instance, if the FTSE 100 Index closes exactly 20 points down, the FTSE Binary -10/-20 will settle at 100 and the FTSE Binary -20/-30 will settle at 0.

Further details on the types of Binary Options, the basis of our quotations, charges and any other rules are set out in the Contract Details. There is no commission on Binary Options; the only charge is the dealing spread.

3.20 EXAMPLES OF HOW BINARY OPTIONS WORK

EXAMPLE 1: BUYING A WALL STREET 0/+20 BINARY OPTION

It is half an hour before the close of Wall Street, and the index is standing 15.5 points below the previous day's official settlement price. You think the market will rally before the close and end up on the day.

We quote a range of Binary Options on the daily settlement price of Wall Street. Our price for the market to finish between unchanged and up 20 points (0/+20) is 6.8 - 9.5.

You decide to buy 5 contracts at 9.5, the offer price. Each contract is worth \$10 per point. So you are risking 9.5 x 5 contracts x \$10 = \$475. You also know that, should the underlying market indeed finish up on the day, your position will be worth 100 x 5 contracts x \$10 = \$5000. This represents a potential return of over 1000%, decided in the next thirty minutes.

Ten minutes later, Wall Street has rallied and is up 2.5 points on the day. Our quote for the 0/+20 Binary Option is now 53.2 - 56.2. You decide to take your profit rather than risk waiting for the settlement price. You close the position at our bid price of 53.2.

Closing level: 53.2
 Opening level: 9.5
 Difference: 43.7
 Net Profit on trade: 43.7 x 5 x \$10 = \$2185.

EXAMPLE 2: SELLING A E/\$ UP BINARY OPTION

The euro against the US dollar is standing 20 points below the previous day's settlement price (a spot rate derived from the price of EUR/USD at 20.00 London time). You think the market is not likely to recover by the next settlement.

Our price for the euro/dollar to finish up is 38 - 41.5.

You decide to sell 10 contracts at 38, the bid price. Each contract is worth \$10 per point. The worst outcome for you would be for the euro/dollar to finish up and therefore for the Binary Option to expire at 100. So you are risking (100 - 38) x 10 contracts x \$10 = \$6200. Should the underlying market not finish up on the day, however, the option would be worthless, meaning that you would make 38 x 10 contracts x \$10 = \$3800.

Several hours later, the exchange rate has recovered slightly but is still 10 points down on the day. Our quote for the EUR/USD Up Binary Option is now 11.8 - 15.3. You could take your profit here, but decide to hold on to the expiry.

At 20.00 London time, the EUR/USD finishes just 4 points lower than the previous day's settlement price. It is close, but the EUR/USD has finished down and therefore the EUR/USD Up Binary Option expires at 0.

Opening level:	38.0
Closing level:	0.0
Difference:	38.0
Net Profit on trade:	$38.0 \times \$100 = \3800

3.21 IMPORTANT INFORMATION ABOUT THE EXAMPLES IN THIS SECTION

The examples in this section of the PDS are solely intended to illustrate how our products operate. They are not intended to give any representation about the performance of particular shares or other underlying products. Nor are they intended to give any representation about the volatility of particular shares or the Australian market in general.

The companies used in the examples are completely fictional. The data used in the examples has been gathered in the 12 months prior to the publication of this PDS.

4. PRODUCT COSTS AND OTHER CONSIDERATIONS

4.1 MARGIN

Upon opening a CFD, you will be immediately required to lodge margin with us, which will either be a set value; or a percentage of the value of the underlying transaction. The initial margin requirement must be placed on your account before a position is opened. For example, you buy a CFD of 10,000 HIJ Limited shares priced \$2.50. For this deal, you are required to pay margin of 10% to us. The initial margin payment you make is therefore \$2500 (10,000 x \$2.50 x 10%).

INITIAL MARGIN REQUIREMENTS

For share, forex and some commodity CFDs the initial margin requirement is calculated as a percentage of the value of the opening CFD. Margin percentages for particular shares vary according to volatility and market conditions, and are normally between 5% and 75% (see below and section 5.14 for circumstances in which margin might be greater than this). All other CFDs require a fixed amount per contract and these are available in the Contract Details. The margin requirement for a Limited Risk CFD is equal to the amount which would be lost if the Stop Order were triggered.

The margin requirement for buying an option CFD is the opening price (or premium) multiplied by the contract value (per index point). This is the maximum possible loss on the position. The margin requirement for selling an option contract is variable and will be quoted to you on request immediately prior to opening the CFD. In general, it will be related to the opening level of the transaction, but will never be less than half the margin requirement for the underlying contract or greater than the full margin or deposit that would be required for the underlying contract.

MARGIN USING NON-GUARANTEED STOPS

Attaching a stop loss to a position can result in a substantial reduction to the deposit requirement. Sometimes it may not be possible for the stop order to be transacted at the price you have selected and you may incur "slippage". This can happen overnight or when the market moves very quickly. For this reason a slippage factor is added to the required deposit.

For a position with an attached non-guaranteed stop loss order, the deposit requirement is calculated using the distance between the opening level of the position and the stop level and adding a factor for 'slippage'. The 'slippage factor' is a percentage of the underlying margin requirement (see Contract Details). The deposit requirement for positions with non-guaranteed stops will not exceed the deposit required for positions without a stop loss.

FURTHER MARGIN PAYMENTS

For as long as a CFD is open, you are required to keep sufficient money on your account to meet the margin value requirement. Where margin is a floating amount rather than a fixed amount, we will dynamically recalculate the amount of margin that you are required to pay. For example, if one week after you open your HIJ Limited CFD, the price of HIJ Limited has risen to \$2.60, then you will be required to maintain a margin amount of \$2600, i.e. an extra \$100. Equally, if the price of HIJ Limited drops, so does the amount of margin you are required to maintain.

We will specify the margin value required on your CFD at the time that you open the CFD. However, we reserve the right to alter that value at any time during which the CFD remains open (including, for example but not by way of limitation, under volatile market conditions; see section 6.14). In extreme conditions or situations value or per-contract margin requirements higher than those shown in the Contract Details may apply. This happened in the market crash of October 1987, the Kobe earthquake of 1995 and the aftermath of 11 September 2001. It could also occur if, for example, the company to which a share CFD relates goes into receivership or insolvency. If any such event should occur, and we increase the required margin levels as a result, we will take steps to notify you if you already have an open CFD, or, if you wish to open a new CFD. We will notify you if we change the margin value on an open CFD, and the further amount of money required from you to keep the CFD open.

MAKING MARGIN PAYMENTS

It is your responsibility to constantly monitor your open positions to ensure that you retain the correct margin value on open positions. To assess whether you are due to pay margin, you must add up the margin requirements for all open positions on your account. If the cash on your account and the value of your open positions is less than the margin requirement on your account, you will be required to fund the shortfall. The amount for which you will be liable to pay will be sufficient to ensure that you have completely covered the margin requirement for all open positions

on your account. Your current margin position (and any deficit) will be displayed on your secure section of our internet dealing site, or can be obtained from our dealers by telephone.

We may call you to inform you that you are liable to make an additional margin payment (a 'margin call'), however our failure to make a margin call in no way negates your obligation to monitor your margin position and pay any shortfall. If you do not pay us any shortfall immediately, the Customer Agreement gives us significant rights against you that you should be fully aware of. These rights include, but are not limited to, closing your open positions without prior notice to you. We have these rights as soon as you have a margin shortfall – however large or small.

Payments of margin are not a cost, per se, but you should be aware that we will not pay interest on margin payments (see 4.8 below).

Margin payments are required in the form of cleared funds in our bank account. We may agree to accept other assets as collateral in fulfilment of your margin requirements but, if we agree to do this, the holding of these assets will be subject to a further written agreement between you and us. This agreement will set out how your assets will be held by us and the circumstances in which they may be realised.

MARGIN CALL PRACTICES AND OUR DISCRETIONS

Client accounts are monitored by an automated close out process which highlights accounts entering into a margin call. The close out process is designed with the objective to minimise client losses and allows us to be proactive, identify accounts that breach the deposit ratio level and endeavour to take action (as deemed appropriate by us) before the market moves further against open trades. In all events, the close out process does not guarantee to prevent an account from running into negative equity. Trading leveraged products carry a risk of incurring losses in excess of the deposited funds.

In normal circumstances we endeavour to notify you of margin call by automated email which is generated and sent to your registered email address as soon as your account enters into margin call. This email serves as a notice that your account has breached the minimum required level of funds and any open trades are at risk of being closed out. You are responsible for monitoring your own account and ensuring adequate funds are maintained at all times. We have no obligation to provide notification and this service is provided to you on a best endeavours basis.

We do not provide notification when an account is approaching a margin call and you are responsible for monitoring your account at all times.

While being on margin call if your deposit ratio goes below 50% (your surplus is less than 50% of the deposit requirement), the automated close out system or the dealing desk may at their discretion, cut back or close all trades to bring the deposit ratio back above 100%. These levels are indicative only, they are not guaranteed and may differ based on market conditions for the traded instrument. Any open positions are deemed to be at risk of being closed out as soon as the account enters into a margin call.

Automated close out and/or the dealing desk follow a best endeavours First In First Out (FIFO) policy for closing trades when the 50% deposit ratio level is breached. The FIFO method is date and time based, where we close out positions starting with the oldest first. The only exception applies to accounts with multiple positions that are held with and without stop orders, and here the following order for close out is applied:

- Position with no stops
- Positions with non-guaranteed stops
- Positions with guaranteed stops (each part following FIFO protocol)
- Positions with no live price (at the time) / illiquid/suspended stocks. Positions with live prices would be closed before positions that cannot be traded out of in these circumstances

TRANSACTION VALUE

All CFDs have an underlying transaction value and some deposits and margins are based on this. By way of example, a "buy" CFD on 10,000 HIJ Limited shares at \$2.85 has a transaction value of \$28,500 ($\$2.85 \times 10,000$). If the relevant deposit rate is 10% the required deposit would equal \$2850.

A stock index CFD worth \$25 per point and opened at our quote of 3000 would have a value of \$75,000 (3000 x 25). The margin requirements for stock index CFDs may be found in the Contract Details.

4.2 COMMISSION ON INDIVIDUAL SHARE CFDs

Commission charges for Share CFDs are calculated as a percentage of the transaction value and/or as an amount per equivalent security or securities in the underlying market. Commissions are charged either on a percentage basis or on a cents per share basis and are subject to a minimum charge. You may be informed of the commission rates and financing rates which apply when you open your account, and from time to time at our discretion. In the absence of such information from us, commission on individual shares will be charged according to the standard schedule as outlined in the Contract Details. Further details of commission rates are given in section 4.10 of this PDS and in the Contract Details.

4.3 LIMITED RISK PREMIUMS

Limited Risk CFDs are available on certain CFDs at our discretion. Limited Risk CFDs carry a Limited Risk premium, which is paid on the opening of the position. The Limited Risk premium is calculated as a percentage of the underlying transaction value, and may vary according to the volatility of the stock. Further details are set out in the information table at section 4.10 and in the Contract Details.

4.4 COMMISSION ON STOCK INDEX CFDs, STOCK INDEX OPTION CFDs, FOREX CFDs

No commission is payable on these CFDs. The only charge you pay is our dealing spread. Dealing spread is the difference between our quotes (the level at which you open a 'buy' or 'sell' a CFD). Dealing spreads vary according to the market concerned and are subject to variation, especially in volatile market conditions, and we may change our dealing spreads at any time. Wider spreads for stock indices apply when they are quoted outside normal market hours. The maximum spreads are detailed in section 4.10 of this PDS and further details are provided in the Contract Details. Because dealing spreads depend upon activity in an underlying market the dealing spread when you close a CFD may be different to the dealing spread when you opened it.

In extreme conditions we will, where possible, continue to quote prices even where the underlying markets are suspended. In these unusual circumstances, spreads may be quoted which are significantly wider than those shown in the Information Table at section 4.10.

4.5 BALANCE ON YOUR ACCOUNT

The balance on your account will fluctuate according to the money you have deposited in your account, the trading conducted on your account and positions held. During the day your account balance(s), including all open positions, are valued against our current quote. Therefore your balance is constantly calculated

4.10 INFORMATION TABLE

The table below outlines the maximum costs and initial margin requirements that may apply to you under this PDS. The amounts in the table are to normal market conditions. Please see section 4.1 above and 6.14 below for a description of when volatile market conditions may impact on the rates set out above.

in line with market movements. The balance is calculated at the end of the day using our current price to close your open CFDs. This balance is used to assess your available funds for use as margin requirement against current positions and to meet margin requirements on any new positions you may wish to take. The balance is used to establish if there is a requirement for additional margin. It is your responsibility to ensure that your account is sufficiently funded at all times, especially during volatile periods. If the balance on your account falls below the required deposit limit, you will only be allowed to close or reduce open positions, until the balance on your account is back in excess of the required margin percentage for all open positions.

If any of your positions are denominated in a currency other than the base currency of your account, they will be continually valued at the applicable interbank mid-market spot exchange rate (this may be found on information services such as Bloomberg or Reuters). Your statement will then value all your positions in your chosen base currency, which may be either Australian dollars, US dollars or Sterling (see also section 5.4).

4.6 PROFITS/LOSSES ON YOUR ACCOUNT

Profits made on your trading activities increase the balance on your account. Any surplus funds may be withdrawn from your account, on request. Losses made on your trading activities decrease the balance on your account, and therefore the margin available for opening new positions or keeping existing positions open.

4.7 PAYMENTS TO THIRD PARTIES

An amount, which may be calculated by reference to the commission or spread on CFDs opened by you, may be paid to third parties. Any such amount will be paid by us and not by you. We will provide you with details of such payments on written request.

We do not pay interest to clients on money held by us in a separate account or on money paid to us as margin. This may be regarded as a cost, as you will have lost the opportunity to obtain interest (or some other return) on that money elsewhere.

4.9 COST OF BORROWING – 'SELLING' SHARE CFDs

Where you are short a share CFD position, you may incur a "borrowing charge". You will only incur a borrowing charge if we too incur such a charge when we open a hedging trade in respect of the same share in the underlying market; and we will pass the charge onto you with no mark up. To determine whether a charge applies, you should call our dealers in advance of trading. The borrowing charge (if applicable) will be calculated and posted to your account daily. The borrowing charge, and the ability to go short, can be changed at short notice.

You may be informed of the actual costs for commissions, interest rate charges, Limited Risk premiums, spread (on commission free indices and currencies) and any other fees which apply to you at the time your account is opened. In the absence of such information from us, these costs are detailed in the current Contract Details. The Contract Details are updated from time to time and are available to you on our website or in writing by request.

MARKET	MAXIMUM COMMISSION	ACTUAL COMMISSION	MAXIMUM LIMITED RISK PREMIUM	ACTUAL LIMITED RISK PREMIUM	MAXIMUM MARGIN REQUIREMENT	ACTUAL MARGIN REQUIREMENT
SHARES	2%	See Contract Details	5%	See Contract Details	100%	See Contract Details
SHARE OPTIONS	AUD\$100/lot (or equivalent)	See Contract Details	n/a	See Contract Details	100%	See Contract Details
MARKET	MAXIMUM 'SPREAD'	ACTUAL 'SPREAD' IN/(OUT) HOURS	MAXIMUM LIMITED RISK PREMIUM	ACTUAL LIMITED RISK PREMIUM	MAXIMUM MARGIN REQUIREMENT	ACTUAL MARGIN REQUIREMENT
INDICES	200(400)	See Contract Details	200	See Contract Details	100%	See Contract Details
INDEX OPTIONS	200	See Contract Details	n/a	See Contract Details	100%	See Contract Details
CURRENCIES	3000	See Contract Details	300	See Contract Details	100%	See Contract Details
CURRENCY OPTIONS	100	See Contract Details	n/a	See Contract Details	100%	See Contract Details
COMMODITIES	500	See Contract Details	500	See Contract Details	100%	See Contract Details
COMMODITY OPTIONS	200	See Contract Details	n/a	See Contract Details	100%	See Contract Details
INTEREST RATES	100	See Contract Details	100	See Contract Details	100%	See Contract Details
INTEREST RATE OPTIONS	20	See Contract Details	n/a	See Contract Details	100%	See Contract Details

4.11 INTEREST AND DIVIDEND ADJUSTMENTS

For CFDs on shares, stock indices, and forex, adjustments to reflect the effect of interest are calculated and posted to your account daily:

For Australian Dollar denominated positions excluding forex and spot metals – a posting will take place for positions held at 4.50pm Sydney time.

For all other denominated positions excluding forex – a posting will take place for positions held at 10.00pm London time.

For CFDs on forex and spot metals – adjustments to reflect the effects of interest are calculated and posted based on positions held at 10.00pm London time.

The exception to this is a weekend posting which takes place as follows:

For Australian Dollar denominated positions excluding forex – a posting will take place for a three day weekend interest adjustment based on positions held on Friday at 4.50pm Sydney time.

For all other denominated positions excluding forex – a posting will take place for a three day weekend interest adjustment based on positions held on Friday at 10.00pm London time.

For CFDs on forex - a three day weekend interest adjustment is posted based on positions held on Wednesday at 10.00pm London time.

Interest adjustments for shares are calculated according to the formula $D = n \times C \times i / 360$.

Interest adjustments for stock indices are calculated according to the formula $D = n \times L \times C \times i / 360$.

Interest adjustments for Forex CFDs, which reflect the relative interest rates of the currencies concerned, are calculated according to the formula $D = V \times R$; in each case where:

- D** = daily interest adjustment
- n** = number of shares or lots
- C** = current share or index price
- L** = lot size
- i** = applicable interest rate
- V** = the current value of the position in the second currency (equal to number of contracts x contract size x spot exchange rate)
- R** = Tom-Next pips required to borrow overnight the currency that is being notionally sold less any interest earned from depositing overnight the currency that is being notionally bought (including an administrative charge not exceeding 0.3% per annum).

The formulas use a 360-day divisor for Australian, US and European shares and indices, and a 365 divisor for UK, Singapore and South African shares and indices. Interest in respect of long positions is debited from your account and interest in respect of short positions may be debited or credited from your account. The applicable interest rate is dependent on the currency in which you are dealing.

In the case of Forex CFDs, interest in respect of long or short positions may be debited or credited from your account depending on the overnight Tom-Next.

A dividend adjustment is applied when a share (or a component share in the case of stock indices) passes its ex-dividend date (including the ex-date of any special dividend) in the underlying market. In the case of long positions, the dividend adjustment is credited to your account, in the case of short positions it is debited from your account. The dividend adjustment for shares (Australian or otherwise) varies depending on local tax arrangements which may vary from time to time. An adjustment will also be made to your account to reflect the effect of a bonus share issue, scrip or rights issue affecting the underlying share if you have an open CFD position.

The maximum interest rate that may be levied under this PDS is the relevant interbank or central bank cash rate target +3% (for long positions) or -3% (for short positions). The relevant interbank or central bank cash rates used are available on request.

For CFDs on shares, adjustments to reflect the effect of interest and dividends are calculated and posted to your account daily. The exception to this is a weekend posting which takes place as follows:

For Australian denominated positions excluding forex – a posting will take place at 4.30pm AEST on Friday for a three day weekend adjustment.

For all other denominated positions excluding forex – a posting will take place at 10.00pm GMT on Friday for a three day weekend adjustment.

For CFDs on forex, adjustments to reflect the effect of interest are calculated and posted to your account daily, with the exception of the three day weekend adjustment which is calculated and posted on Wednesday at 10.00pm GMT.

Interest adjustments on shares are calculated according to the formula $D = n \times C \times i / 360$. Interest adjustments for stock indices and stock index options are calculated according to the formula $D = n \times L \times C \times i / 360$. Interest adjustments for Forex CFDs, which reflect the relative interest rates of the currencies concerned, are calculated according to the formula $D = V \times R / 360$; in each case where:

- D** = daily interest adjustment
- n** = number of shares or lots
- C** = current share or index price
- L** = lot size
- i** = applicable interest rate
- V** = the current value of the position in the second currency (equal to number of contracts x contract size x spot exchange rate)
- R** = a percentage rate which reflects the overnight interest differential between the two currencies, in each case the individual interest rates used to calculate R will be a maximum of one percentage point above or below (at our discretion) the local interbank offered rate for the currency concerned

The formulas use a 360-day divisor for Australian, US and European shares and indices, and a 365 divisor for UK, Singapore and South African shares and indices.

A dividend adjustment is applied when a share (or a component share in the case of stock indices) passes its ex-dividend date (including the ex-date of any special dividend) in the underlying market. In the case of long positions, the dividend adjustment is credited to your account, in the case of short positions

EXAMPLE EUR/USD IS 13960 AND TOM/NEXT RATE IS -0.2/-0.05 EUR LIBOR IS 0.85% AND USD LIBOR IS 0.31%

You take a short position on one lot (\$10 per point) of EUR/USD

You take a long position on one lot (\$10 per point) of EUR/USD

NEW METHOD		NEW METHOD	
Tom/Next bid rate:	-0.2	Tom/Next offer rate:	-0.05
Deal size:	x -\$10	Deal size:	x \$10
Total:	\$2.00	Total*:	-\$0.50
TOTAL CHARGE: \$2.00		TOTAL CREDIT: \$0.50	
OLD METHOD		OLD METHOD	
EUR LIBOR:	0.85%	USD LIBOR:	0.31%
USD LIBOR:	-0.31%	EUR LIBOR:	-0.85%
LIBOR differential:	0.54%	LIBOR differential:	-0.54%
LIBOR differential:	0.54%	LIBOR differential:	-0.54%
Administrative charge:	+ 0.3%	Administrative charge:	+ 0.3%
Annual charge:	0.84%	Annual credit:	-0.24%
Daily charge (0.84 ÷ 365):	0.0023%	Daily credit (-0.24 ÷ 365):	0.00066%
EUR/USD rate:	x 13960	EUR/USD rate:	x 13960
Deal size:	x \$10	Deal size:	x \$10
Total:	\$3.21	Total*:	-\$0.91
TOTAL CHARGE: \$3.21		TOTAL CREDIT: \$0.91	

* A negative charge is equivalent to a credit. Please also note that a positive Tom/Next offer rate on a long position would result in a charge, and a positive Tom/Next bid rate on a short position would result in a credit.

it is debited from your account. The dividend adjustment for shares (Australian or otherwise) varies depending on local tax arrangements which may vary from time to time. An adjustment will also be made to your account to reflect the effect of a bonus share issue, scrip or rights issue affecting the underlying share if you have an open CFD position.

The maximum interest rate that may be levied under this PDS is the relevant interbank or central bank cash rate target +3% (for long positions) or -3% (for short positions). The relevant interbank or central bank cash rates used are listed in the Contract Details on our website or are available on request.

4.12 EXCHANGE FEES

With us, you trade CFDs on individual shares at market prices. To enable this, our dealing interface features share feed prices direct from the relevant stock exchange.

The prices we publish for equity CFDs on shares are supplied to our trading platform from the relevant exchange. Charges are incurred whenever we distribute data in this manner.

For clients who subscribe, the applicable exchange fees may be charged to your account in accordance with the terms set out in the Contract Details published on our website. We reserve the right to remove your access to exchange prices if you do not have sufficient funds in your account to cover the data fees, and/or that your account may be left with a debit balance as a result of ongoing data fees.

Alternatively, we offer a "delayed data" service which provides you with a delayed price stream free of charge. The delayed data service provides a real-time quote on request.

5. SIGNIFICANT RISKS ASSOCIATED WITH CFDs

5.1 THE RISKS OF TRADING WITH US

Before you apply to begin trading with us, you must carefully consider whether using CFDs is appropriate for you in the light of your circumstances and financial position. You should be aware that margin trading is a high risk geared investment strategy and we do not consider it suitable for many members of the public. You should not deal in CFDs unless you understand the nature of the contract you are entering into and the extent of your exposure to risk from that contract.

- CFDs involve different levels of exposure to risk and, in deciding whether to trade in such instruments, you should be aware of the following points.
- Trading in CFDs carries a high degree of risk. The "gearing" or "leverage" involved in trading CFDs means that a small initial margin payment can potentially lead to large losses. The geared nature of CFDs also means that CFD trading can carry greater risks than conventional share trading, which is generally not geared.
- A relatively small market movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you.
- Most CFDs are off-exchange derivatives. This might be considered to involve greater risk than an on-exchange derivative as there is no exchange market on which to close out an open position – you are only able to open and close your positions with us.
- Foreign markets will involve different risks to Australian markets. The potential for profit or loss from CFDs relating to a foreign market or denominated in a foreign currency will be affected by fluctuations in foreign exchange rates. It is possible to incur a loss if exchange rates change to your detriment, even if the price of the instrument to which the CFD relates remains unchanged.
- CFDs are contingent liability transactions which are margined and require you to make a series of payments against the purchase price, instead of paying the whole purchase price immediately, and they may only be settled in cash.
- You may sustain a total loss of the margin that you deposit with us to establish or maintain a position. If the market moves against you, you may be called upon to pay substantial additional margin at short notice. If you fail to do so within the required time, your position may be liquidated at a loss and you will be liable for any resulting deficit. You will be deemed to have received a notice requiring the payment of such funds, even if you are not at home or do not receive the messages we leave for you, if the notices are delivered to your nominated contact points.
- Even if a CFD is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when you entered into the contract.
- Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the underlying market is suspended or restricted.
- A Limited Risk CFD limits the extent of your liability, but you may sustain the loss in a relatively short time. Placing a Non-Guaranteed Stop Order will not necessarily limit your losses to the intended amounts, because market conditions may make it impossible to execute such an Order if the underlying market moves straight through the stipulated price.
- We will not provide you with personal financial product advice relating to CFDs and we will not make CFD recommendations of any kind. The only advice we will give you will be as to how CFDs work.

- There is no clearing house for CFDs, and the performance of a CFD by IG MARKETS LIMITED is not 'guaranteed' by an exchange or clearing house.
- Our insolvency or default may lead to your positions being liquidated or closed out without your consent. As all deposits lodged with us are held on trust for you in a regulated trust account, in such circumstances those deposits would attract all the legal protections afforded to trust money. Net unrealised running profits are also held in trust by us (in excess of our regulatory requirements) and would normally be similarly protected for your benefit as beneficial owner, unless a Court were not to uphold the trust in relation to the net unrealised profits, in which event you would rank as an unsecured creditor of ours in relation to such net unrealised profits.
- Although by dealing with us you will not be dealing in securities, you need to be aware that you may still be subject to the Corporations Act 2001 and, in particular, the market manipulation and insider trading provisions of the Act.
- The obligations to you under the Customer Agreement and the CFDs are unsecured obligations, meaning that you are an unsecured creditor of ours.

5.2 DERIVATIVE MARKETS ARE SPECULATIVE AND VOLATILE

Derivative markets can be highly volatile. The prices of CFDs and the underlying securities, currencies, commodities, financial instruments or indices may fluctuate rapidly and over wide ranges and in reflection of unforeseen events or changes in conditions, none of which can be controlled by you. The prices of CFDs will be influenced by unpredictable events including, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the relevant marketplace.

5.3 YOUR MONEY IS DEPOSITED IN A SEPARATE TRUST ACCOUNT

Any money that you deposit with us, including your net running profits, will be held separately from our money, in a trust account, and held and dealt with in accordance with the Governing Legislation and the Customer Agreement. As permitted under Governing Legislation, your money may be co-mingled into one or more trust accounts with our other customers' money, which is also held on trust. We will not be liable for the solvency or any act or omission of any bank holding the trust accounts.

We do not use client money for the purpose of meeting obligations incurred by us when hedging with other counterparties. Any obligations incurred by us in connection with such transactions are funded by us from our own money. In addition, client money is not used to meet the trading obligations of other Customers.

Withdrawals from client money will only be made to you (or a third party where compliant with regulations) on your instruction, into your bank account, or to us where it is due and payable or where it is an excess to the Client Money Trust account.

In practice, this means your money is held on trust and not used by us, and is only withdrawn to be paid to you on request or by instruction, or to us when due and payable.

By way of example, client money is calculated for each client as:

Your free cash meaning money that is not currently being used by you for any purposes

plus

Margin paid by you on open positions, because this money forms part of your equity balance, because the company is required to repay it to you when you close your position

plus

Your running profits

less

Your running losses

less

Any amounts owed by you which are due and payable to the company

provided that, if the calculation above results in a negative number, zero must be used in the client money requirement calculation

5.4 CURRENCY RISK

Balances in currencies other than Australian dollars may be maintained by you on your account and, when requested by you and/or necessitated by your trading, conversions between currencies will be made at an exchange rate no more than 0.5% less favourable to you than the prevailing interbank mid-market spot rate at the time of the conversion.

A crystallised profit or loss that is realised in a currency other than your base account currency will be converted on close unless requested otherwise by you. Different frequency options are available when opening an account and can be modified by you using the self service function on our Electronic Trading Service or by request to us.

For example, if you open a CFD on the movement in price of IBM stock, it will be priced in US dollars. The deposit requirement for the CFD will be calculated in US dollars and you will be required to maintain the AUD equivalent as margin (assuming your account is denominated in AUD). Any variation in the AUD/USD exchange rate or the underlying CFD deposit calculation may alter the amount of Australian Dollars required to maintain the margin requirement. Any crystallised profit or loss on the CFD will be calculated and posted in US dollars. Conversion of this profit or loss to AUD is subject to your preferences.

You may choose to maintain your account in Australian dollars, US dollars or Sterling.

5.5 COUNTERPARTY RISK – CREDIT RISK & HEDGING

Credit risk is the risk that counterparty to us fails to perform its obligations which results in financial loss. Our management of credit risk is intended to protect the company and clients from any sudden changes in the liquidity, credit quality or solvency of our banks or brokers.

We primarily take on market risk to facilitate instant execution of client trades, and therefore market risk limits are generally very conservative. Our revenue model is flow-based, whereby revenue streams are derived from commission, finance and spread capture on client trading transactions, and not from taking on market risk.

Banks and brokers used for hedging are selected on the basis of a risk assessment using set criteria, and the most significant counterparties are required to have an investment grade rating from S&P (or be a subsidiary of an entity holding such a rating).

Our current broker counterparties are listed in public disclosure documents such as the Counterparty Credit Risk policy and IG Group Pillar 3 Disclosures.

These policies can be found at www.igmarkets.com.au and www.iggroup.com

5.6 COUNTERPARTY RISK – FINANCIAL RESOURCES

Our Financial Requirements Policy details the specific financial requirements of our Australian Financial Services Licence (AFSL) and other regulatory financial obligations, the procedures we have in place and the oversight we conduct in order to comply with those obligations.

In addition, the policy describes our Corporate Governance Framework and Risk Management Framework as it relates to our financial requirements obligations and disclosures, as well as stress testing, which considers the effect of various scenarios on liquidity and the credit risk of a severe market fall.

In practice, financial resources requirements are monitored and reported internally on a daily basis and reported formally on a monthly basis. Further compliance oversight is conducted quarterly and an internal or external audit will also be conducted from time to time.

In the event that a financial resources obligation is not met, an internal escalation process will be adopted along with any regulatory breach reporting obligations.

Further information about IG Markets financial results can be found in our annual Financial Statements which are publicly available at www.igmarkets.com.au, or free by request. Information about IG Group financial results can be found at www.iggroup.com.

5.7 ADVICE

We will not give you any personal financial product advice. Any general financial product advice that we may give you will have been prepared without taking into account your personal objectives, financial situation or needs. Accordingly, you should consider carefully trading with us and the appropriateness of any general advice having regard to your personal objectives, financial situation and needs, and obtain financial and legal advice before you open an account and trade with us.

Nothing in this PDS should be taken to be a recommendation to trade in CFDs or trade in any particular share, stock, index, commodity or currency by way of CFDs, and any reference to a particular share, stock, index, commodity or currency is for illustration only.

The Customer Agreement contains a provision by which you agree that you enter into all CFDs in reliance on your own judgement, and that we will not be liable for any losses, costs, expenses or damages suffered by you arising from any inaccuracy or mistake in any information we give to you in the absence of fraud, wilful default or gross negligence or as required by legislation.

5.8 TAX

Our understanding of the tax treatment of CFDs is set out in section 8. There is a risk that our understanding may be incorrect and/or that the tax treatment of these products may change. In the event that we are obliged to pay any tax in respect of your personal liability for CFDs undertaken with us, the Customer Agreement contains an indemnity that would allow us to recover such payments from you.

5.9 ACKNOWLEDGMENTS

By signing the Application Form you acknowledge to us that you:

- have given consideration to your objectives, financial situation and needs and
- the risks of loss which accompany the prospects of profit associated with dealing in CFDs and have formed the opinion that dealing in CFDs is suitable for your purposes;
- were advised by us to obtain independent tax and financial advice concerning this PDS, including the Customer Agreement;
- received and considered this PDS, including the Customer Agreement.

5.10 CORPORATE EVENTS

We do not aim to make a profit from our clients from the outcome of corporate events such as rights issues, takeovers and mergers, share distributions or consolidations, and open offers. We aim to reflect the treatment we receive, or would receive if we were hedging our exposure to you in the underlying market. However:

- the treatment you receive may be less advantageous than if you owned the underlying instrument;
- we may have to ask you to make a decision on a corporate event earlier than if you owned the underlying instrument;
- the options we make available to you might be more restricted and less advantageous to you than if you owned the underlying instrument; and/or
- where you have a stop attached to your open share CFD position, the treatment that you will receive from us will always, to the greatest extent possible, aim to preserve the economic equivalent of the rights and obligations attached to your CFD position with us immediately prior to the corporate event taking place.

6. OTHER TERMS AND CONDITIONS OF CFDS

THE CUSTOMER AGREEMENT (INCLUDING ITS SCHEDULES AND PRODUCT MODULES) FORMS PART OF THIS PDS AND THE TERMS AND CONDITIONS SET OUT BELOW ARE NOT A SUBSTITUTE FOR UNDERSTANDING THE CUSTOMER AGREEMENT, WHICH YOU SHOULD READ CAREFULLY.

6.1 APPLYING TO OPEN AN ACCOUNT

Trading CFDs is a high risk geared investment strategy and we do not consider it suitable for everyone. Investors applying for a CFD trading account must qualify through a set of assessment criteria which are set out in detail in our Client Qualification Policy. The assessment is required to be completed as part of the account opening process when applying for an account, and will be determined according to our Client Qualification Policy. The assessment may be conducted on-line or by telephone depending on the application channel, type and other relevant factors.

A CFD Trading account will be opened for applicants who pass the assessment however those applicants who fail the assessment will not have an account opened; both will be notified accordingly. In addition, those applicants who fail the assessment may be offered education to assist with understanding our CFD Trading account. Applicants who initially fail the assessment may re-apply for an account and re-sit the assessment.

Before you begin dealing with us you must complete an Application Form either on-line or by hard copy and be approved by us. Before completing the Application Form you should read this PDS, including the Customer Agreement. The Application Form requires you to disclose personal information. You should refer to the Customer Agreement and the privacy notice on our website which explains how we collect personal information and then maintain, use and disclose that information between our Associated Companies, and privacy issues specific to your use of our website.

You warrant that the information (including financial information about yourself) provided to us in your Application Form (and at any time thereafter) is true and accurate in all respects. You acknowledge that we will rely upon the information you so provide to us in making a judgement about you as a potential client.

We will only deal with you, if in our sole judgement, we consider that you have sufficient experience, knowledge and understanding of CFDs, share and other financial markets and trading. If in our sole judgement we consider that you have such sufficient experience, knowledge and understanding to deal with you (having regard to the information in your Application Form) and we deal with you, we will not be liable in any way to you or have any dealings or transactions between us set aside modified or varied if such experience, knowledge and understanding is found to be insufficient or that we were in error in making our judgement.

Under the terms of the Governing Legislation you will be classified as a retail client unless your CFD transactions are of a value as would bring you within the category of wholesale client. The Governing Legislation also contemplates certain categories of clients as satisfying certain criteria being categorised as wholesale clients (irrespective of the value of your CFD transactions) by applying to us to be so categorised.

If you download and sign an electronic Application Form from our website, you should note that you will be deemed by us to have acknowledged that you have either downloaded and read the electronic versions of this PDS and the Customer Agreement or received personally and read the paper copies of those documents.

The distribution of this PDS may be restricted in certain jurisdictions outside Australia. Persons into whose possession this PDS comes are required to inform themselves of, and to observe, such restrictions. This PDS does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

TYPES OF ACCOUNT

We offer three types of accounts; Limited Risk, Trader and Select.

The Limited Risk Account only allows Limited Risk CFD positions. Assuming an AUD account, all positions require the equivalent AUD margin equal to the maximum potential loss of the CFD before you open the position. This account type is still subject to currency risk (see section 4.4).

If you have a Trader Account, you must place margin with us for each CFD. If your position moves against you or your margin requirement increases, you will be required to provide further margin to bring your account balance back up to the required margin level on an immediate basis.

If you have a Select Account, you must also place margin with us for each CFD. If your position moves against you, we may contact you to provide further margin to bring your account balance back up to the required margin level.

6.2 REPRESENTATIONS

The CFDs that we offer to enter into are offered solely on the basis of the information and representations contained in this PDS, including the Customer Agreement and no other information or representation is authorised and you should not rely on any such information or representation.

6.3 MARGIN TRADING DOCUMENTATION

CFDs that you enter into with us will be dealt with in accordance with this PDS. We may, in addition, provide you with further documentation such as a brochure. In the event of any conflict between the contents of this PDS and the contents of such further documentation, the PDS will prevail.

6.4 TRADING AS PRINCIPAL

We will enter into all CFDs with you as principal, not as an agent. We will treat you as our client for all purposes and you will be directly responsible for performing your obligations under each CFD.

6.5 MINIMUM TRADE SIZES

Minimum trade sizes for some CFDs are set out in the Contract Details. These may be varied and you should check the current Contract Details for up to date information.

6.6 CONFIRMATIONS AND STATEMENTS

CFDs opened or closed by telephone will be confirmed during your conversation with our dealer. CFDs opened or closed via the internet will be confirmed on-screen. We will provide you with information about your CFDs by providing you with a statement. Statements will be posted to our on line trading platform (and emailed or posted if requested). If you elect to receive statements by post we reserve the right to levy an administration charge. Confirmations will give the details of any CFDs that you open or close with us. Your statements will include a summary of the financial position of your account and details of all transactions on your account for the statement period. We make every effort to ensure that all details are correct. However, it is very important that you read your statements and contact us if you disagree with the contents or if you do not receive your statements.

You need to be aware of your account balance, your margin requirements for open positions, and whether you are approaching your margin call level. Your statement will also show whether your account has any excess funds available.

When we send you a confirmation or a statement you must review it and advise us of any mistakes or inaccuracies within the following time limits or you will be deemed to have accepted them, and they will be binding on you:

- if you receive your confirmations and statements by email, within 1 day of receiving your confirmation or statement or no later than 2 business days after the date on which your confirmation or statement was emailed to you; or
- if you receive your confirmation and statements by post, within 1 day of receiving your confirmation or statement or 5 business days after the date on which your confirmation or statement should have been received by you.

Any queries about your confirmations and statements should be made to our Customer Services Department. Any failure to advise of a mistake or inaccuracy will not preclude your right to make a complaint in accordance with our dispute resolution procedures (see section 6) but we reserve the right to rely upon the Terms of the Customer Agreement.

6.7 MAKING PAYMENTS TO US

Customers may deposit funds, as opening and ongoing collateral, through BPay®, electronic or telegraphic transfer, by cheque or by credit card. Unless agreed otherwise by us, payments will be required in Australian dollars. All funds must be cleared funds in our bank account before they will be counted towards the balance on your account.

Credit cards may be regarded as non-cash assets; however we do not accept any other form of non-cash assets as collateral. Please be aware that using a credit card to fund your account may pose the risk of double leverage from the combined effect of utilising a credit facility to fund a leveraged trading account.

A fee or charge may apply for certain payment types and further information about these can be found on our website at www.igmarkets.com.au.

Customers should note that, other than in highly exceptional circumstances, we will only accept payments into an account from the account holder and not from any third party. Money on your account with us may be set off against losses that you incur to other Associated Companies of ours.

6.8 PAYMENTS MADE BY US

You may request that money standing to the credit of your account be remitted to you. Payment of any such amounts will be subject to your leaving enough funds in your account to cover any margin requirements or any other charges that might arise for any reason. You should note that, other than in highly exceptional circumstances, all payments out of an account held with us must go directly to the account holder.

6.9 TRADING HOURS

Our general trading hours are as follows (they are subject to change):

Australian shares:	10.00 – 16.00 Australian Eastern Standard time (AEST)
UK shares:	08.00 – 16.30 London time
American shares:	9.30 – 16.00 New York time
European shares:	Market hours for the relevant Exchange
HK, Japanese shares:	Market hours for the relevant Exchange
Currencies:	24 hours a day (from Monday morning to Saturday morning AEST)
Stock Indices:	Market hours for the relevant exchange or 24 hours a day (from Monday morning to Saturday morning AEST)

In some cases shorter opening hours may apply on days which are either Australian gazetted public holidays, UK Bank Holidays or US Public Holidays.

Please check our website or ask our dealing desk for current details and information on any restrictions on these hours.

6.10 MONITORING YOUR POSITIONS

You are responsible for monitoring your positions and maintaining the required margin percentage at all times. You may be required to make margin payments to cover your open positions at short notice, and you must be able to meet those obligations at all times.

For this reason, you must be contactable at all times. If you are going away on holiday and have positions open, you must make arrangements to keep in touch with us. This is so we can contact you if your margin has fallen into deficit.

6.11 ACCOUNT DEFICIT

You will not be allowed to deal in CFDs (other than to close or reduce your open positions) when there is a shortfall in the balance on your Account until such time as the balance is in excess of your margin requirements.

6.12 SECURITY OF YOUR ACCOUNT

We are unable to verify your voice on the telephone or your person via the internet or email. For this reason, we will use your Account number and password to identify you when you contact us. You are responsible for maintaining the security of your Account details, including your Account number and password. It is extremely important that you keep your Account number and password confidential. If you are aware or suspect that these details are no longer confidential then you should contact us as soon as practicable so that they may be changed. We will deem any CFD opened or closed by any person using your Account number and password to be binding upon you.

6.13 KEY DATES AND EVENTS

It is your responsibility to be aware of key dates and events, such as the expiry dates for particular CFDs.

6.14 OUR ABILITY TO CLOSE OUT YOUR CFD(S)

In the case of an emergency or exceptional market conditions, the Customer Agreement allows us to declare a 'force majeure' event. This might include the interruption of our power supplies or communications equipment, or the closure or suspension of any stock or futures market upon which we base our prices (such as the closure of many US exchanges following September 11 2001). In such circumstances we may increase the margin percentage required on your open CFDs and or close out some or all of your open CFDs. We will take all reasonable steps to inform you if we determine that any such 'force majeure' events exist. You should note that the Customer Agreement details certain other circumstances in which your CFDs may be closed.

6.15 SUPPLEMENTAL PRODUCT DISCLOSURE STATEMENT

If any of the information set out in this PDS becomes inaccurate or out of date, or if there is a material change in (or a significant event that affects) any of the matters referred to, we will issue a Supplemental Product Disclosure Statement ("SPDS") or, alternatively, a new PDS. In the Customer Agreement we reserve the right to do so by publishing the SPDS or new PDS on our website, and that Term constitutes your agreement to our doing so, and your acceptance of the responsibility to check our website for any such document prior to entering a CFD with us. In doing so you waive your right to any more positive notification of such changes, e.g. by email or post.

6.16 OTHER MATTERS YOU SHOULD CONSIDER

NO INTEREST IN UNDERLYING INSTRUMENT

Neither you nor we acquire any interest in or right to acquire, and neither party is obliged to sell, purchase, hold or deliver or receive, the underlying instrument of any CFDs that you and we deal in.

PUBLIC HOLIDAYS

We are not obliged to quote prices or accept orders or instructions in respect of any markets on which we offer CFDs on a public holiday in any jurisdiction which, in our reasonable opinion, affects the relevant underlying markets.

OUT OF HOURS TRADING

Although we are open 24 hours a day, we are not obliged to quote prices or accept orders or instructions in respect of any markets on which we offer CFDs to which Out of Hours Trading applies during any time when the relevant exchange is closed for business. We will designate from time to time the markets on which we offer CFDs to which Out of Hours Trading applies on our website.

JOINT CUSTOMERS

If you have opened a joint account:

- the liabilities of each of you will be joint and several;
- we may act upon instructions received from any person who appears to be an account holder; and
- any notice or other communication given by us to one account holder will be deemed to have been given to all account holders.

SPECIALIST LANGUAGE SERVICES

If you have been dealing with us in a language that is not English, for example using some of our specialist Chinese or other foreign language speakers, then please note that these foreign language services may not be available at all times. English is the primary language in which our services are provided and the binding language of all our contractual documents. There may be occasions where you must take action in relation to your account and a representative who is fluent in that foreign language is not available. It is your responsibility to be able to monitor your positions and your account at all times.

7. DISPUTE RESOLUTION

7.1 COMPLAINTS PROCEDURE

Any complaints will first be investigated by our Customer Services Department and, if they are unable to resolve the dispute to your satisfaction by our Compliance Department.

If the Compliance Department is unable to resolve the matter and you are a retail client and by reason of the provisions of the Governing Legislation you are not or are not deemed to be a wholesale client in respect of the CFD transaction the subject of the Complaint, you may after 45 days have elapsed since the Complaint was made, then refer the matter to our independent external dispute resolution scheme, the Financial Ombudsman Service Limited (FOS).

If you would like more information on how complaints are handled, please contact our Customer Services Department. FOS can be contacted at – GPO Box 3, Melbourne Vic 3001; toll free on 1300 78 08 08; by email: info@fos.org.au or at www.fos.org.au

8. TAXATION CONSIDERATIONS

8.1 INTRODUCTION

The following is a summary of the Australian taxation implications of dealing in a Margin Trading Product known as Contracts for Differences (CFDs), and is based on the taxation laws as at the date of this PDS, and in particular Public Ruling TR2005/15 issued by the ATO on 31 August 2005 under Part IVA of the Taxation Administration Act 1953.

It is important to note that the ultimate tax implications to you will depend on your personal circumstances and, as such, you should consult an independent taxation advisor. Further, this PDS represents our understanding of the current view of the taxation laws and our interpretation of Public Ruling TR2005/15. It is important to note that our views have not been endorsed by the ATO and that tax laws and their interpretation are always subject to change.

The following summary represents our view of the current taxation treatment of gains and losses arising from trading CFDs as an Australian Tax Resident as at the date of this PDS. Taxation treatment will depend on your circumstances, and we strongly recommend that you consult an independent taxation advisor before deciding to open an account to deal in CFDs.

8.2 PROFIT OR LOSS ON CFDs

INCOME TAX

An Australian resident taxpayer generally calculates their taxable income by including assessable income and after allowing for losses incurred in gaining or producing assessable income.

CFDs can be characterised as cash settled Over-the-Counter (OTC) derivative products, in that your dealings with us under the Customer Agreement do not provide for a party to make or accept delivery of the underlying instrument. The ATO takes the view that CFDs are in law categorised as contracts of gaming and wagering, however this alone is not determinative of the tax treatment of gains and losses.

GAINS

The ATO has taken the view that gains from trading CFDs will be assessable income-

- (i) where the CFD is entered into as an ordinary incident of carrying on a business;
- (ii) where the profit was obtained in a business operation;
- (iii) where the profit was obtained in a commercial transaction for the purpose of profit making; or
- (iv) where the profit is made in carrying on or out a profit making scheme.

Further, the ATO has taken the view that even an isolated CFD transaction can be considered to produce assessable income for the taxpayer. It should be noted that the ATO's interpretation of what would fall within these parameters is very broad and appears likely to include all CFD trading, whether frequent or not.

However the Ruling also contemplates that a gain from a CFD entered into for the purpose of recreation by gambling (and not for a profit-making purpose) will not be assessable as income (or capital gain). The Ruling acknowledges that a taxpayer who enters into a CFD only once, or very occasionally, who has no expertise in the price of the underlying by which the gain or loss of the CFD will be calculated, does not engage in any income producing activities of a character bearing some association or connection with the CFD or its underlying, and in particular who gambles in the ordinary recreational way and who has entered into the CFD in circumstances such that the CFD may be seen to be part of that recreation, may establish that the gain or loss is a product of recreational gambling (and not the result of a profit making endeavour).

LOSSES

The Ruling also concludes that a loss from a CFD transaction where the gain would have been assessable is an allowable deduction.

CAPITAL GAINS TAX

While gains or losses would most often be on revenue account because it is expected that the CFD is usually entered into for a profit-making purpose, where it can be said that there was never any such purpose, then in that event (unless it is for recreational gambling – see above), the gain or loss would be an assessable capital gain.

The ATO's view is that a CFD contract falls within the definition of a capital gains tax asset (a CGT asset) under section 108-5 ITAA 1997. However, pursuant to section 118-20 ITA 1997, to the extent a non-CGT provision includes an amount in the taxpayer's assessable income as a result of a CGT event, a capital gain arising from a CGT event is reduced. This means that, to the extent that profits made from trading CFDs are included in your assessable income, you will not be required to include the amount of the transaction in the calculation of any capital gains tax liability.

The ATO has also expressed the view that losses incurred in trading CFDs can be regarded as capital losses for the purposes of capital gains tax to the extent that they are not otherwise excluded by law. Accordingly, such losses can be set off against any capital gains tax liabilities. However pursuant to subsection 110-55(4) of the ITAA 1997, to the extent that a loss of a CFD is deductible under section 8-1 or section 25-40, the reduced cost base of the asset is reduced thereby reducing the amount of the capital loss.

Paragraph 118-37(1)(c) of the ITAA 1997 provides that capital gains and capital losses arising from "gambling, a game or a competition for prizes" are to be disregarded. The ATO's position is that capital gains and capital losses from trading CFDs do not qualify for this or any other exemption in the ITAA 1997.

8.3 NOTIONAL INTEREST AND DIVIDEND ADJUSTMENTS

A share CFD is an agreement between two parties where one party pays to the other party an amount equal to the notional financial performance of a share between the time the CFD is opened and the time the CFD is closed. Any dividends paid in respect of the underlying share are notionally credited or debited as the case may be to each party in determining the notional financial performance of the share. At no time will you have an interest in the underlying share. An adjustment is also made representing the notional interest on funding of the underlying share position.

Any interest and dividend adjustments are notional amounts, which are unlikely to be characterised as dividends or interest for tax purposes. Instead, these notional adjustments will be taken into account in determining the overall profit or loss on the CFD. The taxation of the overall profit or loss on the CFD is set out at 8.2 above.

8.4 COMMISSIONS AND OTHER CHARGES

As profits or losses are assessable or deductible by you, any commissions, interest or other fees that you pay to us will be deductible.

8.5 GST

According to the GST Determination GSTD2005/3 issued on 22 June 2005, the provision, acquisition or disposal of a CFD is a financial supply under the provisions of the A New Tax System (Goods and Services Tax) 1999 ("GST Act") and the GST Regulations and is input taxed, with no GST imposed. Further the supply of interests in CFDs does not constitute gambling supplies, as defined in section 126-35 of the GST Act. A CFD does not therefore in the view of the ATO represent a gambling event.

The commission paid to us at the time of entering the CFD would constitute additional consideration for an input taxed financial supply. This would also apply to any premium for Limited Risk Protection on the basis that this charge is additional consideration for a variation to the ordinary CFD and, therefore, no GST is imposed.

9. OTHER INFORMATION

9.1 UNDERLYING MARKETS AND COMPANIES

References in this PDS or in any other materials prepared by us to any share traded on any exchange or to any share, stock, index, commodity or currency on which a CFD is based are included solely for the purposes of identification of the underlying instruments to which those CFDs relate. Such references are not to be construed as an express or implied endorsement of such share, stock, index, commodity or currency. We do not, therefore, accept any liability or responsibility for, and makes no representation or warranty, express or implied, as to, the accuracy or completeness of such information. You should make your own enquiries.

We are not associated or affiliated with, nor endorsed or approved by, Australian Stock Exchange Limited, SFE Corporation Limited, or any party, market or market index referred to directly or indirectly in this PDS. References in this PDS to the names of any markets or market indices are references to markets or indices owned or operated by third parties who are not in any way associated with us. References in this PDS to trade marks associated with or used in relation to such markets or indices are references to names or trade marks owned or claimed by third parties who are not in any way associated with us.

9.2 FINANCIAL AMOUNTS

Throughout this PDS, the symbol '\$' has been used to denote Australian dollars. Where necessary, A\$, US\$ and NZ\$ have been used to differentiate between Australian, US and New Zealand dollars, respectively.

We do not take into account labour standards, environmental, social or ethical considerations for the purpose of offering to enter into CFDs with you, other than dealing with you in a fair and equitable manner.

9.3 INTERPRETATION

Below is a list of some words used in this PDS and their meanings. The Customer Agreement defines many terms and expressions and you should refer to them if in any doubt about the meaning of any term or expression. You should also refer to the Contract Details for specific information and on market terminology.

"Account" means an account of the Customer with us;

"Act" means the Corporations Act 2001;

"Application Form" means an application form to open an Account with us;

"ASIC" means the Australian Securities & Investments Commission;

"ATO" means the Australian Tax Office;

"Associated Company" means any holding company or subsidiary company from time to time of IG Markets Ltd and/or any subsidiary of such holding company or its subsidiaries;

"Authorised Person" means the Customer and/or any person authorised by the Customer to give instructions to us under the Customer Agreement;

"Buffer Limit" has the meaning given to it in Term 11(1) and 11(2) of the Customer Agreement and may be an order to open or to close a CFD;

"Business day" means any day other than a Saturday, Sunday and a gazetted public holiday in the State of Victoria, or designated as a holiday by the Australian Stock Exchange;

"Customer Agreement" means the Margin Trading Customer Agreement, as amended from time to time;

"Contract Details" means the section of the public pages of our website designated as the Contract Details as amended from time to time. If you do not have access to our website a copy of these is available upon request, however, please note that they may change without notice to you and it is your responsibility to make yourself aware of the current Contract Details, whether by telephone or otherwise, where they apply to any positions opened or closed by you;

"Contract for Difference" or "CFD" means a contract with us whose value fluctuates by reference to fluctuations in the price of an underlying instrument, offered by us to customers from time to time on the terms and conditions set out on the Customer Agreement;

"Daily stock index CFD" means a stock index CFD that expires automatically at that day's official market settlement price. See section 3.12 for further details;

"Day Order" means a type of Non-Guaranteed Stop or Limit Order as explained in section 3.10;

"FOS" means the Financial Ombudsman Service;

"FSA" means the Financial Services Authority of the United Kingdom;

"Good Till Cancelled (GTC)" means an instruction that the Order does not expire at the end of the trading day, although a GTC Order will usually terminate at the end of the contract period;

"Governing Legislation" means the Act and the regulations made under it and all applicable financial services laws (as defined by section 761A of the Act);

"Limit Order" means an order to buy or sell a specified amount of a security at a specified price or better;

"Limited Risk" means the protection offered by our Guaranteed Stop Orders. See sections 3.8 and 3.9 for further details;

"Margin and Margin Percentage" means the percentage of margin that you are required to have in your account to open a CFD and to maintain for the life of that CFD;

"Margin Call" means a demand for additional funds to be deposited in your account to meet margin percentage requirements because of adverse price movements;

"Non-Guaranteed Order" means a Stop Order, Limit Order or Buffer Limit, which we execute as soon as possible after our quote reaches or goes beyond the level of such Order. See sections 3.10 and 3.11 for further details;

"Order" includes a Limited Risk Stop Order and Non-Guaranteed Stop and Limit Orders and Buffer Limits as the context permits;

"Product Module" means a product specific module which forms part of this Agreement and sets out the terms and conditions that apply to specific types of CFDs and/or Services, and any amendments thereto. If, after your agreement to these Terms, you are sent a Product Module for a particular CFD type that you have not traded or been provided with before, then that Product Module will be effective and binding on you from the date that you first trade or open a CFD governed by that Product Module;

"Stop Order" means an order to buy or sell a specified amount of a security at a specified price or worse and includes both a conventional Stop Order (where the level of your stop is fixed) and a Trailing Stop (where the level of your stop automatically tracks moments in your position). See section 3.11 and 3.12 for further details;

"we", "us", "our" or "IG MARKETS LIMITED" means IG Markets Limited and any Associated Companies, as the context may require.

INFORMATION ABOUT IG MARKETS LIMITED

IG Markets Limited is a company incorporated in England and regulated by the UK Financial Services Authority and which holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission, number 220440. IG Markets Limited is registered in Australia as a foreign company (ABN 84 099 019 851).

IG Markets Limited is part of the IG Group, speciality finance and derivatives group offering off-exchange/over-the-counter (OTC) derivatives including CFDs. The IG Group was founded in 1974 and employs approximately 850 staff worldwide.

The Australian Securities and Investments Commission holds no responsibility for the contents of this PDS or any other materials provided to you by IG Markets Limited.

YOUR ATTENTION IS DRAWN, IN PARTICULAR, TO THOSE TERMS THAT ARE HIGHLIGHTED IN ITALICS AND TO TERM 14, WHICH DEALS WITH MARGIN AND TO TERMS 4(4), 8(3), 9, 10, 14(4), 16, 19(5), 20, 22, 23, 24 AND 25(7), WHICH SET OUT OUR RIGHTS TO VOID AND/OR CLOSE ONE OR MORE OF YOUR TRANSACTIONS IN THE SPECIFIC CIRCUMSTANCES SET OUT THEREIN.

1. INTRODUCTION

(1) IG Markets Limited (ABN 84 099 019 851) ("**we**", "**us**", "**our**", "**ours**" and "**ourselves**" as appropriate), is regulated by the Australian Securities and Investment Commission ("ASIC") in accordance with the Governing Legislation and is a holder of an Australian Financial Services Licence issued by ASIC numbered 220440 (the "AFS Licence") in respect of Transactions on financial markets. Our registered address is Level 7, 417 St Kilda Road, Melbourne VIC 3004.

(2) This Agreement will govern all Transactions entered into between us and the customer ("**you**", "**your**", "**yours**" and "**yourself**" as appropriate). You should read this Agreement carefully, including the Contract Details, the Financial Services Guide and ancillary documents, any applicable Product Module together with the Product Disclosure Statement and any other documents that we have supplied or in the future do supply to you. If this Agreement is provided to you in any language other than English, then please note that it is for information only and that the governing language of this Agreement and of any dispute arising hereunder is English. The English language version of this Agreement is available on our website and upon request. We may be able to offer you specialist language services from time to time in your dealings with us but please note that these are not guaranteed to be available at all times.

(3) Nothing in this Agreement will exclude or restrict any duty or liability owed by us to you under the Governing Legislation and if there is any conflict between this Agreement and the Governing Legislation, the Governing Legislation will prevail.

(4) This Agreement will come into effect on the date we open your account, and, for any new versions thereafter, on the date we notify you.

(5) In this Agreement certain words and expressions have the meanings set out in Term 30.

2. THE SERVICES WE WILL PROVIDE AND DEALINGS BETWEEN YOU AND US

(1) This Agreement sets out the basis on which we will enter into Transactions with you and governs each Transaction entered into or outstanding between you and us on or after this Agreement comes into effect. Our CFD trading service carries a high level of risk and can result in losses that exceed your initial deposit. Our trading service is not suitable for everyone. A full explanation of the risks associated with our CFD trading service is set out in section 5 of the Product Disclosure Statement and you should ensure you fully understand such risks before entering into this Agreement with us.

(2) Under the terms of the Governing Legislation you will be classified as a retail client unless your Transactions are of a value that would bring you within the category of wholesale client. The Governing Legislation also contemplates that certain clients who satisfy various criteria may be categorised as wholesale clients (irrespective of the value of their Transactions) by applying to us to be so categorised. If you meet these criteria and apply to be categorised as a wholesale client we will notify you of our decision and of your classification in writing.

(3) We will act as principal (and market maker) and not as agent on your behalf. You will open each Transaction with us as principal and not as agent for any undisclosed person. This means that unless we have otherwise agreed in writing, we will treat you as our client for all purposes and you will be directly and personally responsible for performing your obligations under each Transaction entered into by you, whether you are dealing with us directly or through an agent. If you act in connection with or on behalf of someone else, whether or not you identify that person to us, we will not accept that person as an indirect customer of ours and we will accept no obligation to them unless otherwise specifically agreed in writing.

(4) Dealings with you will be carried out by us on an execution-only basis unless agreed by us, in writing, as being on an advisory basis or a discretionary management basis. You agree that, unless otherwise provided in this Agreement, we are under no obligation:

- (a) to satisfy ourselves as to the suitability of any Transaction for you;
- (b) to monitor or advise you on the status of any Transaction;
- (c) to make Margin calls; or
- (d) (except in the case of Limited Risk Transactions or where the Applicable Regulations require) to close any Transaction that you have opened, notwithstanding that previously we may have given such advice or taken such action in relation to that Transaction or any other.

(5) Where dealings between you and us are on an execution-only basis you will not be entitled to ask us to provide you with investment advice relating to a Transaction or make any statement of opinion to encourage you to open a particular Transaction. We may, at our absolute discretion, provide information:

(a) in relation to any Transaction about which you or your agent have enquired, particularly regarding procedures and risks attaching to that Transaction and ways of minimising risk; and

(b) by way of factual market information

however, we will be under no obligation to disclose such information to you and in the event of us supplying such information it will not constitute financial product advice. If, notwithstanding the fact that dealings between you and us are on an execution-only basis, a dealer employed by us nevertheless makes a statement of opinion (whether in response to your request or otherwise) regarding any Instrument or Transaction, you agree that it is not reasonable for you to, nor will you be entitled to, rely on such statement and that it will not constitute financial product advice.

(6) Where we have agreed in writing that dealings between you and us are on an advisory basis, any investment or financial product advice we may provide to you will be subject to the Product Module for Advisory Services.

(7) If the information given to you pursuant to Term 2(5)(a) and/or 2(5)(b) above is deemed to be financial product advice, you acknowledge and agree that:

(a) this information constitutes general financial product advice only; and

(b) this information will have been prepared without taking into account your personal objectives, financial situation or needs;

(c) because of this, you should, before opening any Transactions, consider the appropriateness of the information, having regard to your personal objectives, financial situation and needs.

(8) Notwithstanding Term 2(6), you agree that in respect of execution-only dealing you rely on your own judgement in opening, closing, or refraining from opening or closing a Transaction with us and that in respect of both execution only and advisory dealing we will not, in the absence of fraud, wilful default or negligence be liable for any losses (including, without limitation, indirect or consequential losses or loss of opportunity or profits arising from any failure by you to make any anticipated profits), costs, expenses or damages suffered by you arising from any inaccuracy or mistake in any information or advice, or unsuitability of any advice, given to you, including without limitation, information or advice relating to any of your Transactions with us. You acknowledge and agree that if, in any given circumstance, we do not positively offer any advice or recommend that you take any action in relation to any Transaction, that does not imply that we are advising you not to take such action (or any action at all) in relation to that Transaction. Subject to our right to void or close any Transaction in the specific circumstances set out in this Agreement, any Transaction opened by you following such inaccuracy or mistake will nonetheless remain valid and binding in all respects on both you and us. Without detracting from any other limitation of our liability contained elsewhere in this Agreement, the maximum amount of our liability in respect of any losses that you may suffer in connection with any advice given by us regarding a Transaction will be limited to four times the amount of Commission or Spread payable in respect of that Transaction.

(9) You acknowledge that information contained in the Contract Details is indicative only and may, at the time when you open or close a Transaction, have become inaccurate. The current Contract Details will be the version then displayed on our website(s), which may be updated from time to time.

(10) In the event that any information contained in the Product Disclosure Statement becomes inaccurate or out of date or if there occurs a material change in any of the matters specified in the PDS or if there occurs any significant event that affects the matters so specified we will issue a Supplemental Product Disclosure Statement or a new Product Disclosure Statement in accordance with the Governing Legislation. You agree that, subject to the Governing Legislation, we may provide you with any such Supplemental Product Disclosure Statement or new Product Disclosure Statement by publishing it on our website(s) and that it is your responsibility to consult our website(s) prior to placing any Transaction with us. In addition we may, at our discretion, send any Supplemental Product Disclosure Statement or new Product Disclosure Statement to you by email or by post.

(11) Before you begin to trade with us, we will take all reasonable steps to provide you with a clear explanation of all commission, spreads, fees, funding and other charges for which you will be liable. These charges will affect your trading net profits (if any) or increase your losses. See Terms 4(1)(a), 4(1)(b), 5(5), 8(16), 12(5), 15(2) and 15(3) for further details.

(12) We reserve the right to require you to pay, or reimburse, us for stamp duty in the event of a change in the basis of stamp duty rates or law. We also reserve the right to charge you for the provision by us to you of market data (be that raw or derived market data).

(13) We offer different types of accounts with different characteristics and features (for example different Margining procedures, different Margin rates, different trading limits and different risk protection features). Depending on your knowledge and experience and the type of Transactions you generally place with us, some of these account types may not be available to you. We reserve the right to convert your account into a different account type if, acting reasonably, we determine that a different type of account is more appropriate for you. We also reserve the right to change the features and eligibility criteria of our accounts at any time and we will provide prior notification of such changes on our website, by email or on our Electronic Trading Service.

(14) From time to time, we may make additional services or specific types of Transactions available to you, for example, Rolling Spot Foreign Exchange. Such additional services or Transactions may be subject to special conditions, which will be set out in a Product Module. The terms of any such Product Module will supplement and modify these Terms. If you are sent a Product Module for a particular Transaction type or service that you have not traded or been provided with before, then that Product Module will be effective and binding on you from the date that you first trade a Transaction or use the service governed by that Product Module.

3. CONFLICTS OF INTEREST

(1) You acknowledge that we and our Associated Companies provide a diverse range of financial services to a broad range of clients and counterparties and circumstances may arise in which we, our Associated Companies, or a Relevant Person may have a material interest in a Transaction with or for you or where a conflict of interest may arise between your interests and those of other clients or counterparties or of ourselves.

(2) We are required by law to take all reasonable steps to identify conflicts of interests between ourselves, our Associated Companies and Relevant Persons and our clients, or between one client and another, that arise in the course of providing our financial service. The following are examples of such material interests and conflicts of interests:

(a) We may effect or arrange for the effecting of a Transaction with you or on your behalf in connection with which we, our Associated Companies, or a Relevant Person may have other direct or indirect material interests;

(b) We may execute hedging transactions prior to (i.e. in anticipation of) or following receipt from you of a request, or information concerning a contemplated request, to open or close a Transaction in order to manage our risk in relation to Transaction(s) you are entering into or contemplating, all of which may impact on the price you pay or receive in relation to such Transaction(s) and any profits generated by such hedging may be retained by us or an Associated Company without reference to you;

(c) We may match your Transaction with that of another client by acting on its behalf as well as yours;

(d) Subject to the Governing Legislation, we may pay to and accept from third parties (and not be liable to account to you) benefits, commissions or remunerations which are paid or received as a result of Transactions conducted by you;

(e) We may make a market in Transactions which you enter into under this Agreement;

(f) We may deal in the Underlying Market to which your Transactions relate as principal for own account or that of someone else;

(g) We, or an Associated Company, may give general investment advice or provide other services to another client about or concerning the Underlying Market in relation to which you enter a Transaction.

(3) We have in place organisational and administrative controls to manage the conflicts of interests identified above such that we can be reasonably confident that risks of damage to clients as a result of any conflict will be prevented.

(4) We are not under any obligation to account to you for any profit, commission or remuneration made or received from or by reason of Transactions or circumstances in which we, our Associated Companies or a Relevant Person has a material interest or where in particular circumstances a conflict of interest may exist.

(5) You acknowledge that you are aware of the possibility that the conflicts disclosed in this Term will arise and consent to us acting notwithstanding such conflict.

4. PROVIDING A QUOTE

(1) Upon your request, in accordance with Terms 4(2) and 4(3), we will quote a higher and lower figure for each Transaction ("our bid and offer prices"). Subject to Term 4(8), these figures will be either the bid/offer prices in the Underlying Market ("Commission Transaction") or our own bid/offer prices ("Spread Transaction") and details of which basis will apply may be found in the Contract Details or may be obtained from our dealers on request. We will charge you for opening and closing a Transaction as follows:

(a) For Commission Transactions, we will charge you commission in accordance with Terms 5(5) and 7(12) ("Commission"); and

(b) For Spread Transactions, the difference between our bid and offer price will comprise the Market Spread (where there is an Underlying Market) and our Spread (being our charge to you); and, unless we notify you in writing to the contrary, you will not be charged any additional Commission.

You acknowledge that both our Spreads and Market Spreads, can widen significantly in some circumstances, that they may not be the same size as the examples given in the Contract Details and that there is no limit on how large they may be. You acknowledge that when you close a Transaction, the Spread may be larger or smaller than the Spread when the Transaction was opened. For Transactions transacted when the Underlying Market is closed or in respect of which there is no Underlying Market, the figures that we quote will reflect what we believe the market price in an Instrument is at that time. You acknowledge that such figures will be set by us at our reasonable discretion. The Spread quoted by us will reflect our view of prevailing market conditions.

(2) You may request a quote to open a Transaction or to close all or any part of a Transaction at any time during our normal hours of trading for the Instrument in respect of which you wish to open or close the Transaction. Outside those hours, we will be under no obligation to but may, at our absolute discretion, provide a quote and accept and act on your offer to open or close a Transaction. We may notify you of certain Instruments in respect of which we will not quote, restrictions on the amount for which we will quote, or other conditions that may apply to our quote, but any such notification will not be binding on us.

(3) If we choose to provide a quote, we may provide a quote either orally by telephone or electronically via our Electronic Trading Services or by such other means as we may from time to time notify to you. Our quoting of a higher and lower figure for each Instrument (whether by telephone, Electronic Trading Service, or otherwise) does not constitute an offer to open or close a Transaction at those levels. A Transaction will be initiated by you offering to open or close a Transaction in respect of a specified Instrument at the level quoted by us. We may, acting reasonably, accept or reject your offer at any time until the Transaction has been executed or we have acknowledged that your offer has been withdrawn. A Transaction will be opened or, as the case may be, closed only when your offer has been received and accepted by us. Our acceptance of an offer to open or close a Transaction, and thus the execution of the Transaction, will be evidenced by our confirmation of its terms to you.

(4) If we become aware that any of the factors set out in Term 4(5) are not satisfied at the time you offer to open or close a Transaction, we reserve the right to reject your offer at the level quoted. If we have, nevertheless, already opened or closed a Transaction prior to becoming aware that a factor set out in Term 4(5) has not been met we may, at our discretion, either treat such a Transaction as void from the outset or close it at our then prevailing price. However, we may allow you to open or, as the case may be, close the Transaction in which case you will be bound by the opening or closure of such Transaction, notwithstanding that the factors in Term 4(5) were not satisfied.

(5) The factors referred to in Term 4(4) include, but are not limited to, the following:

(a) the quote must be obtained from us as set out in Term 4(3);

(b) the quote must not be expressed as being given on an "indicative only" or similar basis;

(c) if you obtain the quote by telephone, it must be given by a person who is a dealer employed by us and your offer to open or close the Transaction must be given during the same telephone conversation in which you obtained the quote and the dealer giving the quote must not have informed you before you make the offer to open or close the Transaction and that offer has been confirmed as accepted by us that the quote is no longer valid;

(d) if you obtain the quote electronically via our Electronic Trading Services, your offer to open or close the Transaction, and our acceptance of your offer, must be given while the quote is still valid;

(e) the quote must not be Manifestly Erroneous;

(f) when you offer to open a Transaction, the number of shares, contracts or other units in respect of which the Transaction is to be opened must be neither smaller than the Minimum Size nor larger than the Normal Market Size;

(g) when you offer to close part but not all of an open Transaction both the part of the Transaction that you offer to close and the part that would remain open if we accepted your offer must not be smaller than the Minimum Size;

(h) a Force Majeure event must not have occurred;

(i) when you offer to open a Transaction an Event of Default must not have occurred in respect of you, nor must you have acted in such a way as to trigger an Event of Default;

(j) the telephone or Electronic conversation in which you offer to open or close the Transaction must not be terminated before we have received and accepted your offer;

(k) when you offer to open or close any Transaction, the opening of the Transaction must not result in your exceeding any credit or other limit placed on your dealings.

(6) We reserve the right to refuse any offer to open or close a Transaction larger than the Normal Market Size. Our quotation for a Transaction equal to or greater than Normal Market Size is not guaranteed to be within any specific percentage of any Underlying Market or related market quotation and our acceptance of your offer may be subject to special conditions and requirements that we will advise to you at the time we accept your offer. We will inform you of the Normal Market Size for a particular Instrument on request.

(7) If, before your offer to open or close a Transaction is accepted by us, our quote moves to your advantage (for example, if the price goes down as you buy or the price goes up as you sell) you agree that we may (but do not have to) pass such price improvement on to you. The effect of such action being that the level at which you offer to open or close a Transaction will, upon acceptance by us, be altered to the more favourable price. You acknowledge that it is in your best interests for us to alter the level of your offer in the manner contemplated in this Term and you agree that any offer altered in accordance with this Term, once accepted by us, results in a fully binding agreement between us. It is at our complete discretion as to when we will pass on a price improvement to you, but you should note that we will generally only pass on a price improvement when the market you are trading is volatile. You should also note that we will only pass on a price improvement within allowable limits, and we reserve our right set out in Term 4(3) to reject any offer by you to open or close a Transaction. For the avoidance of doubt, this Term does not permit us to alter your offer price if to do so would result

in your opening or closing (as the case may be) a Transaction at a less favourable price than your offer.

(8) Where an Instrument trades on multiple Underlying Markets, one of which is the primary Underlying Market, you agree that we may but are not required to base our bid and offer prices on the aggregate bid/offer prices in the Underlying Markets.

5. OPENING A TRANSACTION

(1) You will open a Transaction by "buying" or "selling". In this Agreement a Transaction that is opened by "buying" is referred to as a "Buy" and may also, in our dealings with you, be referred to as "long" or "long position"; a Transaction that is opened by "selling" is referred to as a "Sell" and may also, in our dealings with you, be referred to as "short" or "short position".

(2) Subject to Term 4(7), when you open a Buy, the Opening Level will be the higher figure quoted by us for the Transaction and when you open a Sell, the Opening Level will be the lower figure quoted by us for the Transaction.

(3) A Transaction must always be made for a specified number of shares, contracts or other units that constitute the underlying Instrument.

(4) Each Transaction opened by you will be binding on you notwithstanding that by opening the Transaction you may have exceeded any credit or other limit applicable to you or in respect of your dealings with us.

(5) When you open and when you close a Commission Transaction, you will pay us a Commission that is calculated as a percentage of the value of the opening or closing Transaction (as applicable) or as an amount per equivalent Instrument or Instruments on the Underlying Market or on any other basis agreed between ourselves in writing. The Commission will be the amount set out in the Contract Details or otherwise notified to you, or, if no such rate is specified, it will be 0.2% of the value of the opening or closing Transaction (as applicable).

(6) Unless we agree otherwise, all sums payable by you pursuant to Term 5(5) upon opening are due and must be paid upon the Opening Level of your Transaction being determined by us.

6. MULTIPLE TRANSACTIONS

(1) Where you have opened a Buy in respect of a particular Instrument and you subsequently open a Sell in respect of the same Instrument, including by an Order, at a time when the Buy remains open, then unless you instruct us to the contrary (for example, by way of a Force Open, if accepted by us):

(a) if the size of the Sell order is less than the size of the Buy, we will treat the offer to sell as an offer to partly close the Buy to the extent of the size of the Sell order;

(b) if the size of the Sell order is the same as the size of the Buy, we will treat the offer to sell as an offer to close the Buy entirely;

(c) if the size of the Sell order exceeds the size of the Buy, we will treat the offer to sell as an offer to close the Buy entirely and open a Sell position equal to the amount of such excess.

(2) Where you have opened a Sell in respect of a particular Instrument and you subsequently open a Buy in respect of the same Instrument, including by an Order, at a time when the Sell remains open, then unless you instruct us to the contrary (for example, by way of a Force Open, if accepted by us):

(a) if the size of the Buy order is less than the size of the Sell we will treat the offer to buy as an offer to partly close the Sell to the extent of the size of the Buy order;

(b) if the size of the Buy order is the same as the size of the Sell we will treat the offer to buy as an offer to close the Sell entirely;

(c) if the size of the Buy order exceeds the size of the Sell we will treat the offer to buy as an offer to close the Sell entirely and open a Buy position equal to the amount of such excess.

(3) Terms 6(1) and 6(2) do not apply to Limited Risk CFDs.

(4) The Master Netting Agreement will apply to both you and us in relation to all Transactions entered into by you pursuant to this Agreement and any applicable Product Module.

7. CLOSING A TRANSACTION

UNDATED TRANSACTIONS

(1) Subject to this Agreement and any requirement we may specify in relation to Linked Transactions, you may close an open Undated Transaction or any part of such open Undated Transaction at any time.

(2) Subject to Term 4(7), when you close an Undated Transaction, the Closing Level will be, if you are closing an Undated Buy Transaction, the lower figure then quoted by us and, if you are closing an Undated Sell Transaction, the higher figure then quoted by us.

EXPIRY TRANSACTIONS

(3) Subject to this Agreement and any requirement we may specify in relation to Linked Transactions, you may close an open Expiry Transaction or any part of such open Expiry Transaction at any time prior to the Last Dealing Time for that Instrument.

(4) Details of the applicable Last Dealing Time for each Instrument will normally be available in the Contract Details and may be obtained from our dealers on request. It is your responsibility to make yourself aware of the Last Dealing Time or, as the case may be, the expiry time for a particular product.

(5) When you close an Expiry Transaction prior to the Last Dealing Time for the Instrument, the Closing Level will, if the Transaction is a Buy, be the lower figure then quoted by us and if the Transaction is a Sell, the higher figure then quoted by us.

(6) If you do not close an Expiry Transaction in respect of an Instrument on or before the Last Dealing Time then, subject to Term 7(8), we will close your Expiry Transaction as soon as we have ascertained the Closing Level of the Expiry Transaction. The Closing Level of the Expiry Transaction will be (a) the last traded price at or prior to the close or the applicable official closing quotation or value in the relevant Underlying Market as reported by the relevant exchange, errors and omissions excluded; plus or, as the case may be, minus (b) any Spread that we apply when such an Expiry Transaction is closed. Details of the Spread that we apply when a particular Expiry Transaction is closed are set out in the Contract Details and are available on request. You acknowledge that it is your responsibility to make yourself aware of the Last Dealing Time and of any Spread or Commission that we may apply when you close an Expiry Transaction.

(7) We may accept standing instructions from you to automatically roll over all of your Expiry Transaction(s) to the next contract period, so that they do not automatically expire. Alternatively, you may ask that we accept roll instructions in respect of a specific Expiry Transaction. You acknowledge that it is your responsibility to make yourself aware of the next applicable contract period for a Transaction and that effecting the rollover of a Transaction may result in you incurring losses on your account. Any agreement as to roll over is entirely at our discretion and we reserve the right to refuse to rollover a Transaction or Transactions, despite any instruction you have given us, if we determine, acting reasonably, that to effect a rollover would result in you exceeding any credit or other limit placed on your dealings with us. Where we do effect a rollover, the original Expiry Transaction will be closed at or just prior to the Last Dealing Time and become due for settlement and a new Expiry Transaction will be created; such closing and opening trades will be on our normal terms.

(8) Where an Expiry Transaction in respect of an Instrument is in excess of four times the Normal Market Size, or where any number of such Expiry Transactions are together in excess of four times the Normal Market Size, and where such Expiry Transaction(s) has not already been closed prior to the Last Dealing Time, we reserve the right to automatically roll over the Expiry Transaction(s) to the next contract period where we reasonably believe it is in your best interests and/or the best interests of our clients as a whole to do so. If we choose to roll over your Transaction(s), we will generally try to contact you ahead of the Last Dealing Time, but for the avoidance of doubt we may roll your Transaction(s) even if we have not contacted you.

GENERAL PROVISIONS

(9) Our additional rights to void and/or close one or more of your Transactions in specific circumstances are set out in Terms 4(4), 8(3), 9, 10, 14(4), 16, 19(5), 20, 22, 23, 24 and 25(2).

(10) We reserve the right to aggregate the instructions we receive from our clients to close Transactions. Aggregation means that we may combine your instruction with those of other clients of ours for execution as a single order. We may combine your instruction to close with those of other clients if we reasonably believe that this is in the overall best interests of our clients as a whole. However, on occasions, aggregation may result in you obtaining a less favourable price once your instruction to close has been executed. You acknowledge and agree that we shall not have any liability to you as a result of any such less favourable price being obtained.

(11) Upon closing a Transaction, and subject to any applicable adjustments for interest and dividends in accordance with this Agreement:

(a) you will pay us the difference between the Opening Level of the Transaction and Closing Level of the Transaction multiplied by the number of units of the Instrument that comprise the Transaction if the Transaction is:

(i) a Sell and the Closing Level of the Transaction is higher than the Opening Level of the Transaction; or

(ii) a Buy and the Closing Level of the Transaction is lower than the Opening Level of the Transaction.

(b) we will pay you the difference between the Opening Level of the Transaction and the Closing Level of the Transaction multiplied by the number of units of the Instrument that comprise the Transaction if the Transaction is:

(i) a Sell and the Closing Level of the Transaction is lower than the Opening Level of the Transaction; or

(ii) a Buy and the Closing Level of the Transaction is higher than the Opening Level of the Transaction.

(12) When you close a Transaction you will pay us Commission as set out in Term 5(5).

(13) Unless we agree otherwise, all sums payable by you pursuant to Term 7(11)(a) and Term 7(12) are due immediately upon the Closing Level of your Transaction being determined by us and will be paid in accordance with Term 15. Sums payable by us pursuant to Terms 7(11)(b) and 7(11)(c) will be settled in accordance with Term 15(4).

(14) We reserve the right to alter your Closing Level in accordance with Term 4(7).

(15) You acknowledge that when expressly and formally agreed in writing by you and us (any such agreement must be signed on our part by one of our Directors):

(a) in respect of a Buy, at the end of the contract period (for Expiry Transactions) or on the date you choose to close the Transaction (for Undated Transaction) you will take from us delivery of, and make to us payment for, the Instrument in respect of which you have opened the Buy;

(b) in respect of a Sell, at the end of the contract period (for Expiry Transactions) or on the date you choose to close the Transaction (for Undated Transaction) you will deliver to us the Instrument in respect of which you have opened the Sell.

8. ELECTRONIC TRANSACTIONS

(1) You represent and warrant that you are aware of all Applicable Regulations that apply to Electronic Trading Services that you use and that your use of the Electronic Trading Services will comply with all Applicable Regulations and this Agreement as amended from time to time.

(2) We have no obligation to accept, or to execute or cancel, all or any part of a Transaction that you seek to execute or cancel through an Electronic Trading Service. Without limitation of the foregoing, we have no responsibility for transmissions that are inaccurate or not received by us, and we may execute any Transaction on the terms actually received by us.

(3) You authorise us to act on any instruction given or appearing to be given by you using the Security Devices and received by us in relation to any Electronic Trading Service you use ("Instruction"). We are not obliged to act on any Instruction, or to execute or otherwise enter into any particular Transaction, and need not give any reasons for declining to do so. Unless we agree otherwise with you, you will have no right to amend or revoke an Instruction once received by us. You will be responsible for the genuineness and accuracy, both as to content and form, of any Instruction received by us. You acknowledge that in the event of Manifestly Erroneous prices or volumes we will have a right to void the Transaction and such a Transaction will not be binding on us.

(4) You acknowledge we have the right, unilaterally and with immediate effect, to suspend or terminate (at any time, with or without cause or prior notice) all or any part of any Electronic Trading Service, or your access to any Electronic Trading Service, to change the nature, composition or availability of any Electronic Trading Service, or to change the limits we set on the trading you may conduct through any Electronic Trading Service.

(5) In accordance with Term 4, all prices shown on any Electronic Trading Service are indicative and are subject to constant change.

ACCESS

(6) Use of any high speed or automated mass data entry system with any Electronic Trading Service will only be permitted with our prior written consent exercised in our sole discretion.

(7) In respect of a direct market access system, to any Exchange in respect of which you may submit orders or receive information or data using the Electronic Trading Service, you grant us the right, at any time or times, on reasonable notice (which, in certain circumstances, may be immediate) to enter (or to instruct our or the Exchange's subcontractors or agents to enter) your premises and inspect your System but only where we have a reasonable suspicion that your System does not comply with the requirements notified by us to you from time to time or where we have a reasonable suspicion that you are not using the Electronic Trading Service in accordance with, and otherwise complying with, this Agreement and any requirements of any relevant Exchange or Applicable Regulations.

(8) Where we permit electronic communications between you and us to be based on a customised interface using a protocol such as FIX, those communications will be interpreted by and subject to any rules of engagement for such interface protocol that are provided to you.

(9) You are required to test any customised interface prior to using it in a live environment and you agree you will be responsible for any errors or failure in your implementation of the interface protocol.

USE OF ELECTRONIC TRADING SERVICES

(10) Where we grant you access to an Electronic Trading Service we shall grant you, for the term of this Agreement, a personal, limited, non-exclusive, revocable, non-transferable and non-sublicenseable license to use the Electronic Trading Services pursuant to and in strict accordance with the Terms of this Agreement. We may provide certain portions of the Electronic Trading Services under license from third parties, and you will comply with any additional restrictions on your usage that we may communicate to you from time to time, or that are otherwise the subject of an agreement between you and such licensors.

(11) We are providing the Electronic Trading Services to you only for your personal use and only for the purposes, and subject to the Terms, of this Agreement. You may not sell, lease, or provide, directly or indirectly, the Electronic Trading Services or any portion of the Electronic Trading Services to any third party except as permitted by

this Agreement. You acknowledge that all proprietary rights in the Electronic Trading Services are owned by us or by any applicable third party service providers selected by us providing us with all or part of the Electronic Trading Services, or providing you with access to the Electronic Trading Services, or their respective licensors, and are protected under copyright, trademark and other intellectual property laws and other applicable law. You receive no copyright, intellectual property rights or other rights in or to the Electronic Trading Services, except those specifically set out in this Agreement. You will protect and not violate those proprietary rights in the Electronic Trading Services and honour and comply with our reasonable requests to protect our and our third party service providers' contractual, statutory and common law rights in the Electronic Trading Services. If you become aware of any violation of our or our third party service providers' proprietary rights in the Electronic Trading Services, you will notify us in writing immediately.

SOFTWARE

(12) In the event that you receive any data, information or Software via an Electronic Trading Service other than that which you are entitled to receive pursuant to this Agreement, you will immediately notify us and will not use, in any way whatsoever, such data, information or software.

(13) For some Electronic Trading Services software may be downloaded by you on one or more Systems but under no circumstances are you permitted to use the Electronic Trading Service on more than one System at any one time.

(14) You will take all reasonable steps to ensure that no computer viruses, worms, software bombs or similar items are introduced into the System or Software you use to access our Electronic Trading Services.

(15) We and our licensors (as the case may be) will retain the intellectual property rights in all elements of the Software and such software and databases contained within the Electronic Trading Services and you will not in any circumstances, obtain title or interest in such elements other than as set out in this Agreement.

MARKET DATA

(16) With respect to any market data or other information that we or any third party service provider provide to you in connection with your use of the Electronic Trading Services, (a) we and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect; (b) we and any such provider are not responsible or liable for any actions that you take or do not take based on such data or information; (c) you will use such data or information solely for the purposes set out in this Agreement; (d) such data or information is proprietary to us and any such provider and you will not retransmit, redistribute, publish, disclose or display in whole or in part such data or information to third parties except as required by Applicable Regulations; (e) you will use such data or information solely in compliance with the Applicable Regulations; and (f) you will pay such Market Data costs (if applicable, for direct market access for example) associated with your use of an Electronic Trading Service as we inform you from time to time.

(17) In addition to the above, in respect of Exchange data that you elect to receive via the Electronic Trading Service, you hereby agree to any terms and conditions relating to the redistribution and use of such data as set out in our Website on the exchange permissions page.

TRADING FROM CHARTS

(18) We offer a facility whereby you can request quotes and make offers directly with us via charts ("Trading from Charts Package").

(19) The price data displayed on the Trading from Charts Package constitutes:

- (a) for Share CFDs, the last traded price in the Underlying Market; and
- (b) for all other instruments, our mid price for the relevant Instrument.

(20) The Trading from Charts Package allows you to set a wide range of "Triggers" which, if reached/satisfied will prompt you with a message asking you whether you wish to open/close a Transaction; that is, a message asking whether you would like us to quote you our bid/offer prices. Examples of Triggers are: Oblique Triggers and Alert Triggers. Before using any Triggers, you agree that it is your sole responsibility to understand how the relevant Trigger operates. Help regarding Triggers and other elements of the Trading from Charts Package can be accessed via the "Tools" menu in our Electronic Trading Service. Triggers only last as long as the charting session in which they were set remains open. Further, Triggers will not be executed when the Trading from Charts Package is in "sleep" mode.

(21) The Trading from Charts Package (including, for the avoidance of doubt, the price data, both current and historical, used in the Trading from Charts Package) is provided "as is", without warranty or guarantee of any kind, express or implied, including but not limited to the warranties of merchantability and fitness for a particular purpose. In no event shall we or any third party contributor be liable for any claim, damages or other liability, whether in an action of contract, tort or otherwise, arising from, out of or in connection with the use of or other dealings in the Trading from Charts Package.

(22) The Trading from Charts Package runs on pricing data provided by us to a third party charting administrator. We shall use reasonable endeavours to ensure an acceptable service but you accept that the price data displayed in the Trading from Charts Package may be delayed and that we do not guarantee the accuracy or completeness of the data, either current or historical, and that we do not guarantee that the service will be uninterrupted. Furthermore, you acknowledge and agree that in the event of any discrepancy between the data (pricing or otherwise) in your Trading from Charts Package and the data in our other Electronic Trading Services, the data in our other Electronic Trading Services will prevail.

(23) It is a condition of your use of the Trading from Charts Package that you agree to any reasonable conditions that we place on the use of the Trading from Charts Package. One such condition is that you agree to pay any fees that we advise you (including fees for the advanced charts that are supplied as part of the Trading from Charts Package).

9. DEALING PROCEDURES

AGENTS

(1) Without prejudice to our right to rely and act on communications from your agent under Term 13(4) and the warranties contained in Term 19(1), we will not be under any duty to open or close any Transaction or accept and act in accordance with any communication if we reasonably believe that such agent may be acting in excess of its authority. In the event that we have opened a Transaction before coming to such a belief we may, at our absolute discretion, either close such a Transaction at our then prevailing price or treat the Transaction as having been void from the outset. Nothing in this Term 9(1) will be construed as placing us under a duty to enquire about the authority of an agent who purports to represent you.

INFRINGEMENT OF LAW

(2) We will not be under any duty to open or close any Transaction if we reasonably believe that to do so may not be practicable or would infringe any Applicable Regulation or Term. In the event that we have opened a Transaction before coming to such a belief we may, at our absolute discretion, either close such a Transaction at the then prevailing bid price (in the case of Sell Transactions) or offer price (in the case of Buy Transactions) or treat the Transaction as having been void from the outset.

SITUATIONS NOT COVERED BY THIS AGREEMENT

(3) In the event that a situation arises that is not covered under these Terms or the Contract Details, we will resolve the matter on the basis of good faith and fairness and, where appropriate, by taking such action as is consistent with market practice and/or paying due regard to the treatment we receive from any hedging broker with which we have hedged our exposure to you arising from the Transaction in question.

BORROWING CHARGES AND TRANSACTIONS BECOMING UN-BORROWABLE

(4) Where you have opened a Sell in respect of a particular Instrument, we reserve the right to pass on to you any stock borrowing charges incurred by us. If you do not pay any stock borrowing charges that become payable after you have opened such a Transaction, or we are unable to continue to borrow that Instrument in the Underlying Market (and we give you notice to that effect), we will be entitled to close your Transaction in respect of that Instrument with immediate effect. You acknowledge that this may result in you incurring a loss on the Transaction. Further, you fully indemnify us against any fine, penalty, liability or other similar charge imposed on us for any reason by any Exchange, Underlying Market or any other regulatory authority that relates in any way to your opening or closing a Transaction or any related transaction by us to hedge your Transaction. For the avoidance of doubt, this indemnity extends to any stock recall or buy back fees imposed by any Underlying Market in relation to a Transaction placed by you.

(5) In the event that you open a Transaction in relation to an underlying Instrument that is a share, and that underlying share becomes un-borrowable so that we are unable to hedge against losses that we may incur in relation to that Transaction we may, at our absolute discretion, take one or more of the following steps:

- (a) increase your Margin requirements;
- (b) close the relevant Transactions at such Closing Level as we reasonably believe to be appropriate;
- (c) alter the Last Dealing Time for the relevant Transaction.

A share may either be un-borrowable from the outset or our brokers or agents may recall from us a stock that we have already borrowed against.

GENERAL

(6) Additional dealing procedures are set out in the Product Disclosure Statement, as amended from time to time, and any other documents provided by us to you from time to time, none of which form part of this Agreement unless expressly stated otherwise.

10. MANIFEST ERROR

(1) We reserve the right to, without your consent, either void from the outset or amend the terms of any Transaction containing or based on any error that we reasonably believe to be obvious or palpable (a "Manifest Error"). If, in our discretion, we choose to amend the terms of any such Transaction which contains or is based on a Manifest Error, the amended level will be such level as we reasonably believe would have been fair at the time the Transaction was entered into. In deciding whether an error is a Manifest Error we shall act reasonably and we may take into account any relevant information including, without limitation, the state of the Underlying Market at the time of the error or any error in, or lack of clarity of, any information source or pronouncement upon which we base our quoted prices. Any financial commitment that you have entered into or refrained from entering into in reliance on a Transaction with us will not be taken into account in deciding whether or not there has been a Manifest Error.

(2) In the absence of our fraud, wilful default or negligence, we will not be liable to you for any loss, cost, claim, demand or expense following a Manifest Error (including where the Manifest Error is made by any information source, commentator or official on whom we reasonably rely).

(3) If a Manifest Error has occurred and we choose to exercise any of our rights under Term 10(1), and if you have received any monies from us in connection with the Manifest Error, you agree that those monies are due and payable to us and you agree to return an equal sum to us without delay.

11. ORDERS

(1) We may, at our absolute discretion, accept an "Order" from you. An Order is an offer to open or close a Transaction if our price moves to, or beyond, a level specified by you. Examples of such Orders are:

(a) A Stop Order, which is an offer to deal if our quote becomes less favourable to you. A Stop Order is generally placed to provide some risk protection, for example in the event of your Transaction moving into loss, and can be used to either open or close a Transaction. Each Stop Order has a specific stop level, set by you (but subject to our agreement). Your Stop Order will be triggered if our bid price (in the case of an Order to Sell) or our offer price (in the case of an Order to Buy) moves against you to a point that is at or beyond the level specified by you. The exception to this is Stop Orders placed in respect of Transactions on Order Book Shares, which are triggered only if and when a deal takes place on the Underlying Market for that Order Book Share at a price that is at or beyond your specified stop level. Once a Stop Order is triggered we will, in accordance with Term 11(3) and subject to Term 11(4), open or as the case may be close a Transaction at a level that is the same or worse than your stop level.

(b) A Trailing Stop, which is similar to a Stop Order, the difference being that a Trailing Stop allows you to set a floating stop level that automatically moves when our quote moves in your favour. A Trailing Stop is triggered and executed in the same way as a Stop Order as set out in Term 11(3) and subject to Term 11(4). If you wish to use Trailing Stops, you must first activate this function via our Electronic Trading Service. By choosing to activate our Trailing Stop function, you acknowledge the following: (i) Trailing Stops are an automated tool that must be used with caution and supervision by you; and (ii) we do not guarantee to operate our Trailing stop system on a continuous basis so there may be instances in which your stop level might not in fact move with our current quote for the relevant Instrument, for example: where our Trailing Stop function (i.e. the systems and technology that operate our Trailing Stops) is inactive; or where our current quote for the relevant Instrument is Manifestly Erroneous; or where there has been a large, short term price movement in our quote for the relevant Instrument that is unrepresentative of current Underlying Market conditions.

(c) A Limit Order, which is an instruction to deal if our quote becomes more favourable to you. A Limit Order can be used to either open or close a Transaction. Each Limit Order has a specified limit, set by you (but subject to our agreement). Your Limit Order will be triggered if our bid price (in the case of an Order to Sell) or our offer price (in the case of an order to Buy) moves in your favour to a point that is at or beyond your specified limit. Once a Limit Order is triggered we will, in accordance with Term 11(3) and subject to Term 11(4), seek to open or close a Transaction at a level that is the same or better than your limit. If we can not do so (i.e. because at the time we seek to execute your Order, our bid/offer price has become less favourable to you), your Limit Order will remain operational, waiting for prices to move again in your favour such that it is triggered.

(d) A Buffer Limit, which is an instruction to deal up to a certain size and up to a certain level, such level being less favourable to you than our then current quote. Buffer Limits are useful when you wish to deal, but are unable to deal in your desired size due to illiquidity in the Underlying Market. When you place a Buffer Limit with us, you acknowledge that such Buffer Limit allows us to execute your Transaction: at a price worse than our quoted bid/offer price at the time you place the Buffer Limit; and/or in a size smaller than the size specified in the Buffer Limit. A Buffer Limit, provided it is given within market hours, is triggered as soon as it is accepted by us.

(2) You may specify that an Order is to apply:

(a) until the next close of business for the relevant Underlying Market (a "Day Order"), which, for the avoidance of doubt, will include any overnight trading sessions on the Underlying Market. Please note that for Limit Orders placed on the phone, we will assume that you wish to place a Day Order unless you specify some other duration; or

(b) until a date and time specified by you (but such an Order may only be an Unattached Order and may only be placed in respect of a daily or quarterly Transaction); or

(c) for an indefinite period (a "Good Till Cancelled Order" or "GTC Order"), which, for the avoidance of doubt, will include any overnight trading sessions on the Underlying Market.

We may, at our absolute discretion, accept standing Orders that will apply for some other specified duration. We may act on any such Order irrespective of the length of time for which the specified level in relation to that order is reached or exceeded.

(3) If your Order is triggered (as set out in Term 11(1) above) we will seek to open/close the Transaction to which your Order relates. In the case of a Stop Order, we will seek to open/close a Transaction at a level that is the same (but may be worse) than your stop level; and in the case of a Limit Order, we will seek to open/close a Transaction at a level that is the same or better than your limit. You acknowledge and agree that the time and level at which Orders are executed will be determined by us, acting reasonably. In this regard:

(a) We will seek to execute your Order within a reasonable time of your Order being triggered. Because there may be manual element to our processing of Orders and because it is possible for a single sudden event to trigger a large number of Orders, you acknowledge and agree that what constitutes a "reasonable time" may vary according to the size of your Order, the level of activity in the Underlying Market, and the number of Orders that have been triggered at the time your Order is triggered.

(b) At the time we are seeking to execute your Order, we will have regard to the price that could be achieved in the Underlying Market for a similar order (including as to size).

(4) By using our Orders, you expressly acknowledge and agree that:

(a) Details about how each of the Orders work are set out in the Product Disclosure Statement which it is your responsibility to read and understood in full. It is also your responsibility to understand how an Order operates before you place any such Order with us. You will not place an Order unless you fully understand the terms and conditions attached to such Order. Details about how Orders work are available in the Contract Details or from our dealers on request.

(b) Whether or not we accept an Order is at our absolute discretion. Not all Orders are available on all Transactions, nor on all Electronic Trading Services.

(c) When you place and we accept an Order you are trading with us as principal and not dealing on the Underlying Market.

(d) Save for Stop Orders on Order Book Shares, the triggering of your Order is linked to our bid and offer prices, not the bid and offer prices on the Underlying Market. Our bid and offer prices may differ from the bid and offer prices in the Underlying Market. The effect of such is that your Order may be triggered even though: our bid, or offer as the case may be, moved to or through the level of your Order for only a short period; and (ii) the Underlying Market never traded at the level of your Order.

(e) Notwithstanding Term 11(1)(a), if you have a Stop Order that relates to an Instrument that despite being an Order Book Share actually behaves more like a Market Maker Share (for example, an exchange traded fund or an exchange traded commodity), we reserve the right to trigger your Stop Order based on our bid and offer prices even if the Underlying Market has not traded at your specified Stop Order level.

(f) For the purposes of determining whether an Order has been triggered, we will be entitled (but not obliged), at our discretion, to disregard any prices quoted by us during any pre-market, post-market or intra-day auction periods in the relevant Underlying Market, during any intra-day or other period of suspension in the relevant Underlying Market, or during any other period that in our reasonable opinion may give rise to short-term price spikes or other distortions.

(g) Following your Order being triggered, we do not guarantee that a Transaction will be opened/closed, nor do we guarantee that if opened/closed it will be done so at your specified stop level or limit.

(h) We reserve the right both to work and to aggregate Orders. Working an Order may mean that your Order is executed in tranches at different prices, resulting in an aggregate opening or closing level for your Transaction that may differ both from your specified level and from the price that would have been attained if the Order had been executed in a single tranche. Aggregating an Order means that we combine your Order with the Orders of other clients of ours for execution as a single Order. We may do this only if we reasonably believe it is unlikely to work overall to the disadvantage of any client whose order is to be aggregated. However, the effect of aggregation may work to your disadvantage in relation to any particular Order. You acknowledge and agree that we shall not under any such circumstances have any liability to you as a result of any such working or aggregation of your Orders.

(5) The following sets out when and how GTC Orders will roll:

(a) All Attached GTC Orders relating to Expiry Transactions on quarterly or monthly markets will, where you roll over the Expiry Transaction into the next contract period, also be rolled over unless a specific instruction has been received by us prior to the roll over of the Transaction to cancel or amend the Order(s). Please note that when the Attached Order is rolled over it will also be adjusted to reflect the difference (i.e. any premium or discount) between the current level of the Instrument that is the subject of the old Order and the corresponding level of the Instrument that is the subject of the new Order.

(b) All Unattached GTC Orders relating to proposed Expiry Transactions that expire on a quarterly or monthly basis will not roll over but rather will expire at the end of the contract period of the proposed Transaction to which the Unattached Order relates.

(6) You may, with our prior consent (and such consent will not be unreasonably withheld), cancel or amend the level of an Order at any time before our quote reaches or goes beyond the relevant level. However, once the level has been reached, you may not cancel or amend the Order unless we expressly agree to permit you to do so.

(7) If you place an Attached Order then:

(a) if, when the Order is executed, it will be capable of closing or partly closing the Transaction to which the Attached Order relates, and you subsequently offer to close that Transaction prior to the level of the Attached Order being reached, we will treat that offer to close as a request to cancel the Attached Order. You acknowledge that it is your responsibility to inform us, when you close a Transaction, whether you wish any related un-triggered Attached

Order(s) to remain valid, and that, unless otherwise agreed by us, any un-triggered Attached Order(s) will be cancelled; and

(b) if the Transaction to which the Attached Order relates is only partially closed by you then the Attached Order will be adjusted to the size of the Transaction that remains open and will remain in full force and effect.

(8) If we accept an Order and then an event takes place which means that it is no longer reasonable for us to act on that Order, we will be entitled to disregard your Order and we shall not have any liability to you as a result of such action. Examples include but are not limited to:

(a) a change in the Applicable Regulations, so that the Order or the Transaction to which the Order relates is no longer in compliance with the Applicable Regulations;

(b) a stock to which the Order relates becomes un-borrowable so that we are no longer able to hedge our exposure to you;

(c) for Orders relating to shares, an event takes place in respect of the company whose shares represent all or part of the subject matter of the Order, for example, a Corporate Event or the insolvency of the company;

(d) if we cease to offer the type of Transaction to which your Order relates.

12. LIMITED RISK

(1) You may request us to open a "Limited Risk" Transaction and ask for a specific stop level to apply to such Limited Risk Transaction. Any such request must be agreed by us (including as to the stop level), acting in our absolute discretion.

(2) Unless a Limited Risk Transaction has previously been closed in accordance with this Agreement, we guarantee that, when our bid (in the case of Sell Transactions) or offer (in the case of Buy Transactions) reaches or goes beyond the level specified by you, we will close a Limited Risk Transaction at exactly the agreed stop level. Provided that, in determining whether our quote has gone beyond the agreed level, we will be entitled (but not obliged) to disregard any prices quoted by us during any pre-market, post-market or intra-day auction periods in the relevant Underlying Market, during any intra-day or other period of suspension in the relevant Underlying Market, or during any other period that in our reasonable opinion may give rise to short-term price spikes or other distortions.

(3) Once you have opened a Limited Risk Transaction, you may only change the level at which the Transaction will be automatically closed with our consent (which we may, at our absolute discretion, withhold) and upon payment of any additional Limited Risk Premium that may be required.

(4) Where you open a Limited Risk Transaction in respect of a particular Instrument and specified period that is (i) a Buy and you subsequently offer to sell in respect of the same Instrument and period; or (ii) a Sell and you subsequently offer to buy in respect of the same Instrument and period, we may, in the absence of clear instructions from you, treat the offer to sell or, as the case may be, buy, as an offer to close all or any part of the Limited Risk Transaction or as an offer to open a new Transaction.

(5) When you open a Limited Risk Transaction, in addition to the usual opening Commission or Spread that you pay us under Terms 4(1) and 5(5), you will also pay us a Limited Risk Premium. In addition, if we, at our absolute discretion, agree to change a non Limited Risk Transaction to a Limited Risk Transaction for you, you will pay us a Limited Risk Premium. The Limited Risk Premium will be as set out in the Contract Details or as agreed between you and us or otherwise notified to you or, if no such amount is specified to you, it will be 0.3% of the underlying transaction value.

(6) Unless we agree otherwise, all sums payable by you pursuant to Term 12(5) are due and must be paid immediately upon the Opening Level of your Transaction being determined by us.

(7) Where you open a Limited Risk Transaction, and while that Limited Risk Transaction is open we make a dividend adjustment in accordance with Term 23(8), we reserve the right to amend the guaranteed stop level that applies to your Limited Risk Transaction by the size of the dividend adjustment.

13. COMMUNICATIONS

(1) An offer to open or close a Transaction (including an Order) must be made by you, or on your behalf: orally, by telephone; via our Electronic Trading Service; or in such other manner as we may specify from time to time. If your usual mode of communicating with us is unavailable for any reason, you should attempt to use one of the other modes of acceptable communication set out at the beginning of this paragraph. For example, if you usually open and close Transactions via our Electronic Trading Service, but for some reason our Electronic Trading Service is not in operation, you should contact us via the telephone to open or close Transactions. Written offers to open or close a Transaction, including offers sent by fax, email (including a secure email sent via our Electronic Trading Service) or text message, will not be accepted or be effective for the purposes of this Agreement. Any communication that is not an offer to open or close a Transaction must be made by you, or on your behalf: orally, by telephone or in person; in writing, by email, post, fax; or in such other manner as we may specify from time to time. If sent to us by post or by fax, a communication must be sent to our head office and, if sent to us by email, it must be sent to an email address currently designated by us for that particular purpose. Any such communication will only be deemed to have been received by us upon our actual receipt thereof.

(2) We will generally not accept an offer to open or close a Transaction received other than in accordance with Term 13(1), but if we choose to do so we will not be responsible for any loss, damage or cost that you suffer or incur arising out of any error, delay or omission in acting on such offer, or failure to act upon such offer.

(3) If at any time you are unable, for whatever reason, to communicate with us, we do not receive any communication sent by you, or you do not receive any communication sent by us under this Agreement, we will not:

(a) be responsible for any loss, damage or cost caused to you by any act, error, delay or omission resulting therefrom where such loss, damage or cost is a result of your inability to open a Transaction; and

(b) except where your inability to communicate with us results from our fraud, wilful default or negligence, be responsible for any loss, damage or cost caused to you by any act, error, omission or delay resulting therefrom including without limitation, where such loss, damage or cost is a result of your inability to close a Transaction.

(4) You acknowledge and agree that any communication transmitted by you or on your behalf is made at your risk and you authorise us to rely and act on, and treat as fully authorised and binding on you, any communication (whether or not in writing) that we reasonably believe to have been transmitted by you or on your behalf by any agent or intermediary who we reasonably believe to have been duly authorised by you. You acknowledge and agree that we will rely on your account number and/or password to identify you and you agree that you will not disclose these details to any person not duly authorised by you. If you suspect that your account number and/or password has been learnt or may be used by any other person then you must notify us immediately.

(5) You agree that we may record our telephone conversations with you. Such records will be our sole property and you accept that they will constitute evidence of the communications between us.

(6) In accordance with the Applicable Regulations, we will provide information about each Transaction that we open or, as the case may be, close for you by providing you with a Statement. Statements will be posted on our Electronic Trading Service (and you specifically consent to our providing you with Statements in this manner) and, if so requested by you also emailed or posted to you, on or before the business day following the day on which the Transaction is opened, or as the case may be, closed. If you elect to receive your Statements by post or email, we reserve the right to levy an administration charge.

(7) You will be deemed to have acknowledged and agreed with the content of any Statement that we make available to you unless you notify us to the contrary in writing within two business days of the date on which you are deemed to have received it in accordance with Term 13(10) below.

(8) Our failure to provide you with a Statement does not invalidate nor make voidable a Transaction that you and we have agreed and we have confirmed in accordance with Term 4(3), provided however that in the event that you believe you have opened or closed a Transaction but we have not provided you with a Statement in respect of that Transaction, any query in relation to the purported Transaction will not be entertained unless: (i) you notify us that you have not received such Statement within two business days of the date on which you ought to have received a Statement for the purported Transaction and (ii) you can provide accurate details of the time and date of the purported Transaction.

(9) We may communicate with you by telephone, letter, fax, email or text message or by posting a message on our Electronic Trading Service and you consent to us telephoning you at any time whatsoever. We will use the address, fax number, text number, or email address specified on your account opening form or such other address or number as you may subsequently notify to us. Unless you expressly specify otherwise, you agree that we may send the following notices to you by email and/or by posting them on the Electronic Trading Service:

(a) Statements;

(b) notice of an amendment to the way in which we provide our service to you, for example changes in the features of our Transactions, changes to the Electronic Trading Service and changes to the Margin rates that apply to our Transactions;

(c) notice of an amendment to the Terms of this Agreement given in accordance with Term 27(1),

(each a "Message").

We will not send you a paper copy of a Message sent to you by email or posted to our Electronic Trading Service. Sending a Message to you by email or by posting it to our Electronic Trading Service in a durable medium fully complies with all our obligations under the Agreement and the Applicable Regulations.

(10) Any correspondence, documents, written notices, confirmations, Messages or Statements will be deemed to have been properly given:

(a) if sent by post to the address last notified by you to us, on the next business day after being deposited in the post;

(b) if delivered to the address last notified by you to us, immediately on being deposited at such address;

(c) if sent by fax or text message, as soon as we have transmitted it to any of the fax or mobile telephone numbers last notified by you to us;

(d) if sent by email, one hour after we have transmitted it to the email address last notified by you to us; and

(e) if posted on our Electronic Trading Service, as soon as it has been posted.

(11) It is your responsibility to ensure, at all times, that we have been notified of your current and correct address and contact details. Any change to your address or contact details must be notified to us immediately in writing, unless we agree to another form of communication.

(12) It is your responsibility to make sure that you read all notices posted on our website and on our Electronic Trading Service from time to time in a timely manner.

(13) Although email, the internet, Electronic Trading Services and other forms of electronic communication are often a reliable way to communicate, no electronic communication is entirely reliable or always available. You acknowledge and accept that a failure or delay by you to receive any communication from us sent by email, text message or otherwise whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that communication or any transaction to which it relates. We will not be liable to you for any loss or damage, howsoever caused, arising directly or indirectly out of a failure or delay by you or us to receive an email or other electronic communication. Further, you understand and accept that emails, text messages and other electronic communications we send to you may not be encrypted and therefore may not be secure.

(14) You acknowledge the inherent risk that communications by electronic means may not reach their intended destination or may do so later than intended for reasons outside our control. You accept this risk and agree that a failure or delay by us to receive any offer or communication from you sent electronically, whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that offer or communication or any transaction to which it relates. If, for any reason, we are unable to accept your offer electronically, we may, without obligation, provide you with further information advising you that your offer can be made by telephone as an alternative and we may endeavour to inform you of this.

(15) In the event that you are granted access to our mobile dealing platform, then all use of such service will be subject both to this Agreement and to supplemental mobile dealing terms posted on our website and amended from time to time.

14. MARGIN

(1) Upon opening a Transaction you will be required to pay us the Margin for that Transaction, as calculated by us ("Initial Margin"). Note that the Initial Margin for certain Transactions (for example, Share CFDs), will be based on a percentage of the Contract Value of the Transaction and therefore, the Initial Margin due for such Transactions will fluctuate in accordance with the Contract Value. Initial Margin is due and payable to us immediately upon opening the Transaction (and for Transactions that have a fluctuating Initial Margin based on a percentage of the Contract Value, immediately on opening the Transaction and thereafter immediately on any increase in Contract Value taking place) unless:

(a) we have expressly told you that you have an account type that allows for longer payment periods for Margin, in which case you must pay Margin in accordance with the payment periods that we have advised to you;

(b) we have expressly agreed to reduce or waive all or part of the Margin that we would otherwise require you to pay us in respect of a Transaction. The period of such waiver or reduction may be temporary or may be in place until further notified. Any such waiver or reduction must be agreed in writing (including by email) by either a Director of ours or a member of our credit department in order to be effective. Any such agreement does not limit, fetter or restrict our rights to seek further Margin from you in respect of the Transaction at any time thereafter; or

(c) we agree otherwise (any such agreement must be made in writing (including by email) by either a Director of ours or a member of our credit department in order to be effective), in which case you will be required to comply with such terms as are stated in such written agreement.

(2) You also have a continuing Margin obligation to us to ensure that at all times during which you have open Transactions you ensure that your account balance, taking into account all realised or unrealised profits and losses ("P&L"), is equal to at least the Initial Margin that we require you to have paid to us for all of your open Transactions. If there is any shortfall between your account balance (taking into account P&L) and your total Initial Margin requirement, you will be required to deposit additional funds into your account. These funds will be due and payable to us immediately on your account balance (taking into account P&L) falling below your Initial Margin requirement unless:

(a) we have expressly told you that you have an account type that allows for longer payment periods for Margin, in which case you must pay Margin in accordance with the payment periods that we have advised to you;

(b) we have expressly agreed to reduce or waive all or part of the Margin that we would otherwise require you to pay us in respect of your Transaction(s). The period of such waiver or reduction may be temporary or may be in place until further notified. Any such waiver or reduction must be agreed in writing (including by email) by either a Director of ours or a member of our credit department in order to be effective. Any such agreement does not limit, fetter or restrict our rights to seek further Margin from you in respect of the Transaction at any time thereafter; or

(c) we agree otherwise (any such agreement must be made in writing (including by email) by either a Director of ours or a member of our credit department in order to be effective), in which case you will be required to comply with such terms as are stated in the written agreement;

(d) we have expressly extended you a credit limit, and you have sufficient credit to cover your Margin requirements. Importantly however, if at any time your credit facility is not sufficient to cover the Margin requirement on your open Transactions, you must immediately place additional funds on your Account in order to fully cover the Margin required.

(3) Details of Margin amounts paid and owing by you are available by logging on to our Electronic Trading Services or by telephoning our dealers. You acknowledge: (a) that it is your responsibility to be aware of, and further that you agree to pay, the Margin required at all times for all Transactions that you open with us; (b) that your obligation to pay Margin will exist whether or not we contact you regarding an outstanding Margin obligation; and (c) that your failure to pay any Margin required in relation to your Transactions will be regarded as an Event of Default for the purposes of Term 16.

(4) Margin payments must be made in the form of cleared funds (in our bank account) unless, by separate written agreement, we accept other assets from you as collateral for payment of Margin. In the event that any applicable debit card authority or other paying agent declines to transfer funds to us for any reason whatsoever then we may, at our absolute discretion, treat any Transaction entered into by us in reliance on receipt of those funds as void from the outset or close it at our then prevailing price, and recover any losses arising from the avoidance or closure of the Transaction from you. We may reserve the right to stipulate the method of payment to be used by you for the payment of Margin.

(5) In making any calculation of the Margin payments that we require from you under this Term 14, we may, at our absolute discretion, have regard to your overall position with us and/or an Associated Company of ours including any of your net unrealised losses (i.e. losses on open positions). We will also have regard to the rules of any Underlying Market that requires payments of Margin to be made in respect of any Transaction or any Instrument underlying any Transaction.

(6) We are not under any obligation to keep you informed of your account balance and Margin required (i.e. to make a "Margin Call") however if we do so the Margin Call may be made by telephone call, post, fax, email or text message. The Margin Call will be deemed to have been made as soon as you are deemed to have received such notice in accordance with Term 13(10). We will also be deemed to have made a demand on you if: (a) we have left a message requesting you to contact us and you have not done so within a reasonable time after we have left such a message; or (b) if we are unable to leave such a message and have used reasonable endeavours to attempt to contact you by telephone (at the telephone number last notified to us by you) but have been unable to contact you at such number. Any message that we leave for you requesting you to contact us should be regarded by you as extremely urgent unless we specify to the contrary when we leave the message. You acknowledge and accept that what constitutes a reasonable time in the context of this Term may be influenced by the state of the Underlying Market and that, according to the circumstances, that could be a matter of minutes or even immediately. **It is your responsibility to notify us immediately of any change in your contact details and to provide us with alternative contact details and ensure that our calls for Margin will be met if you will be uncontactable at the contact address or telephone number notified to us (for example because you are travelling or are on holiday, or you are prevented from being in contact because of a religious holiday). We will not be liable for any losses, costs, expenses or damages incurred or suffered by you as a consequence of your failure to do so.**

(7) We will be entitled, at any time, to increase or decrease the Margin required from you on open Transactions. You agree that, regardless of the normal way in which you and we communicate, we will be entitled to notify you of a change to Margin levels by any of the following means: telephone, post, fax, email, text message or by posting notice of the increase on our website. Any increase in Margin levels will be due and payable immediately on our demand, including our deemed demand in accordance with Term 14(6). We will only increase Margin requirements where we reasonably consider it necessary, for example but without limitation, in response to or in anticipation of any of the following:

- (a) a change in the volatility and/or liquidity in the Underlying Market or in the financial markets more generally;
- (b) economic news;
- (c) a company whose Instruments represent all or part of your Transaction becoming insolvent, being suspended from trading or undertaking a Corporate Event;
- (d) you changing your dealing pattern with us and/or an Associated Company of ours;
- (e) your credit circumstances changing;
- (f) your exposure to us and/or to an Associated Company of ours being concentrated in a particular Underlying Market or Sector.

15. PAYMENT AND SET-OFF

(1) All payments to be made under this Agreement, other than payments of Margin and Limited Risk Premium which are due and payable in accordance with Terms 14 and 12 respectively, are due immediately on our oral or written demand. Once demanded, such payments must be paid by you, and must be received in full by us for value, by (a) where the demand is made before 12 noon on any day, not later than 12.00 noon on the business day following the day on which our demand is made; or (b) where the demand is made after 12.00 noon on any day, not later than 3.00 pm on the business day following the day on which our demand is made.

(2) You must comply with the following when making payments to us:

(a) Payments due (including Margin payments) will, unless otherwise agreed or specified by us, be required in pounds, euros, US dollars, Australian dollars, Singapore dollars, Canadian dollars, Hong Kong dollars, New Zealand dollars, Japanese yen, South African rand, Swedish kroner and Swiss francs.

(b) You may make any payment due to us (including any payment for Margin) by direct debit, direct bank transfer for value within 24 hours (e.g. by BPAY® payment) or by card (for example credit card or debit card). Note that we reserve the right to levy a reasonable administration charge for processing your payments.

(c) At our discretion, we may accept payments from you made by cheque, subject to any terms we advise to you at the time we notify you of our acceptance. Cheques should be crossed and made payable to IG Markets Limited or such other payee as we may notify you of and your account number should be marked clearly on the reverse. We reserve the right to levy a reasonable administration charge where we allow you to pay by cheque.

(d) In determining whether to accept payments from you under this Term, we will have utmost regard to our duties under law regarding the prevention of fraud and money laundering. To this end, we may at our absolute discretion having regard to the law, reject payments from you or a third party and return funds to source. In particular, we will not accept payments from a bank account if it is not evident to us that the bank account is in your name.

(3) You should be aware of the following when you open a Transaction or deposit money into your account in a Currency other than your Base Currency:

(a) It is your responsibility to make yourself aware of the Currency that is designated as your Base Currency. Details of your Base Currency are available on our Electronic Trading Service or by phoning our dealers.

(b) Some Transactions will result in profit/loss being accrued in a Currency other than your Base Currency. The Contract Details specify the Currencies in which various Transactions are denominated, or alternatively such information is available from our dealers on request.

(c) From time to time (for example in your Statements), we may provide information to you which presents your multicurrency balances in the equivalent value of your Base Currency, using the rates prevailing at the time the information is produced. However you should note that the balances have not been physically converted and that the presentation of the information in your Base Currency is for information only.

(d) If you already have an account open as at the date of this Agreement, we will continue to convert all non-Base Currency balances standing on your account to your Base Currency on the same basis and with the same frequency as we have done in the past.

(e) If you open your account after the date of this Agreement, your account will, by default, be set to immediate conversion. This means that, following a non-Base Currency Transaction being closed, rolled over or expiring, the profits or losses from that Transaction will be automatically converted to your Base Currency and posted to your account in that Base Currency. We will also by default automatically convert any non-Base Currency adjustments or charges (for example funding charges or dividend adjustments) to your Base Currency, before such adjustments/charges are booked on your account and we will automatically convert any money received from you in a non-Base Currency into your Base Currency.

(f) If you have an account other than a Limited Risk Account, we may agree that instead of automatically converting non-Base Currency amounts before we post them to your account (as set out in Term 15(3)(e) above), such amounts will be posted on your account in the relevant non-Base Currency and we will conduct recurring balance sweeps (for example on a daily, weekly or monthly basis) that will convert all non-Base Currency balances standing on your account to your Base Currency. Depending on your account type, some of these sweep frequencies might not be available to you.

(g) If you have an account type that allows you to do so (and subject to our agreement), you may elect to opt out of both immediate conversion (as set out in Term 15(3)(e)) and recurring balance sweeps (as set out in Term 15(3)(f)). When we consider it reasonably necessary, or when requested by you, we may convert balances (including negative balances) and/or money standing to your credit in a non-Base Currency into your Base Currency.

(h) All conversions made in accordance with this Term will be made at an exchange rate not more than +/-0.5% of the prevailing market rate at the time of the conversion.

(i) Where you maintain Transactions in a Currency other than your Base Currency and/or where you elect to opt out of immediate conversion under 15(3)(f) or 15(3)(g) as applicable, you are exposing yourself to cross-currency risk. You acknowledge and agree that it is your responsibility to manage this risk and we are not liable for any losses that you suffer as a result.

(j) Regardless of when you open your account (i.e. whether you do so before or after the date of this Agreement), we reserve the right to change the way in which we manage and/or convert your non-Base Currency balances at any time in the future by providing you with 10 days prior notice. By way of example only, we may notify you that all non-Base Currency amounts on your account will be immediately converted as set out in Term 15(3)(e), or we may notify you that the frequency for your recurring balance sweep is changing to become more or less frequent.

(4) We will be under no obligation to remit any money to you if that would reduce your account balance (taking into account running profits and losses) to less than the Margin payments required on your open Transactions. Subject thereto and to Term 15(5), money standing to the credit of your account will be remitted to you if requested by you. Where you do not make such a request, we will be under no obligation to, but may, at our absolute discretion, remit such monies to you. All bank charges howsoever arising will, unless otherwise agreed, be for your account. The manner in which we remit monies to you will be at our absolute discretion, having utmost regard to our duties under law regarding the prevention of fraud and money laundering. We will normally remit money in the same method and to the same place from which it was received. However, in exceptional circumstances we may, at our absolute discretion, consider a suitable alternative.

(5) Without prejudice to our right to require payment from you in accordance with Terms 15(1) and (2), we will at any time have the right to set off any losses incurred in respect of, or any debit balances in, any accounts (including a joint account and an account held with an Associated Company of ours) in which you may have an interest against any sums or other assets held by us for or to your credit on any other account (including any joint account and any account held with an Associated Company of ours) in which you may have an interest. If any loss or debit balance exceeds all amounts so held, you must forthwith pay such excess to us whether demanded or not. You also authorise us to set off sums held by us for or to your credit in a joint account against losses incurred by the joint account holder. You also authorise us to set off any losses incurred in respect of, or any debit balances in, any account held by you with an Associated Company of ours against any credit on your account(s) (including a joint account) with us.

(6) You will pay interest to us on any sums due in respect of any Transaction and any other general account fees (for example, market data fees) that you fail to pay on the relevant due date. Interest will accrue on a daily basis from the due date until the date on which payment is received in full, at a rate not exceeding 4% above our applicable reference rate from time to time (details available on request) and will be payable on demand.

(7) Our failure on one or more occasions to enforce or exercise our right to insist on timely payment (including our right to insist on immediate payment of Margin) will not amount to a waiver or bar to enforcement of that right.

16. DEFAULT AND DEFAULT REMEDIES

(1) Each of the following constitutes an "Event of Default":

(a) your failure to make any payment (including any payment of Margin) to us or to any Associated Company of ours in accordance with the conditions set out in Terms 14 and 15;

(b) your failure to perform any obligation due to us;

(c) where any Transaction or combination of Transactions or any realised or unrealised losses on any Transactions or combination of Transactions opened by you results in your exceeding any credit or other limit placed on your dealings;

(d) if you are an individual, your death or your incapacity;

(e) the initiation by a third party of proceedings for your bankruptcy (if you are an individual) or for your winding-up or for the appointment of an administrator or receiver in respect of you or any of your assets (if you are a company) or (in both cases) if you make an arrangement or composition with your creditors or any other similar or analogous procedure is commenced in respect of you;

(f) where any representation or warranty made by you in this Agreement, including but not limited to the representations and warranties in Terms 19 and 20, is or becomes untrue;

(g) you are or become unable to pay your debts as and when they fall due; or

(h) any other circumstance where we reasonably believe that it is necessary or desirable to take any action in accordance with Term 16(2) to protect ourselves or all or any of our other clients.

(2) If an Event of Default occurs in relation to your account(s) with us or in relation to any account(s) held by you with an Associated Company of ours, we may, at our absolute discretion, at any time and without prior notice:

(a) close or part-close all or any of your Transactions at a Closing Level based on the then prevailing quotations or prices in the relevant markets or, if none, at such levels as we consider fair and reasonable and/or delete or place any Order on your account with the aim of reducing your exposure and the level of Margin or other funds owed by you to us;

(b) convert any Currency balances on your account into another Currency;

(c) exercise rights of set-off under Term 15(5), retain any funds, investments (including any interest or other payment payable thereon) or other assets due to you, and sell them without notice to you at such price and in such manner as we, acting reasonably, decide, applying the proceeds of sale and discharging the costs of sale and the sums secured under this Term;

(d) charge you interest on any money due, from close of business on the date when monies first fell due until the date of actual payment at a rate not exceeding 4% above the applicable central bank's base rate from time to time;

(e) if you have failed to make a payment when due, inform your partner, employer, any professional, regulatory or other organisation with which you are associated or any person who we believe to have an interest in knowing

such facts of the amount of such overdue sum, the circumstances thereof, the fact that you have failed to make payment, and any other relevant facts or information. By entering into this Agreement you expressly consent to any disclosure of this data by us in the circumstances set out herein;

(f) close all or any of your accounts held with us of whatever nature and refuse to enter into further Transactions with you.

(3) If we take any action under Term 16(2), unless at our absolute discretion we consider it necessary or desirable to do so without prior notice by you, we will, where reasonably possible, take steps to advise you before exercising such rights. However, any failure on our part to take such steps will not invalidate the action taken by us under Term 16(2).

(4) In the event of your failing to meet a demand for Margin or your being in excess of any credit or other limit placed on your account, we may at our discretion allow you to continue to trade with us, or allow your open Transactions to remain open, but this will depend on our assessment of your financial circumstances.

(5) You acknowledge that, if we agree to allow you to continue to trade or to allow your open Transactions to remain open under Term 16(4), this may result in your incurring further losses.

(6) You acknowledge and agree that, in closing out Transactions under this Term 16, it may be necessary for us to 'work' the order. This may have the result that your Transaction is closed out in tranches at different bid prices (in the case of Sells) or offer prices (in the case of Buys), resulting in an aggregate closing level for your Transaction that results in further losses being incurred on your account. You acknowledge and agree that we shall not have any liability to you as a result of any such working of your Transactions.

17. CLIENT MONEY

(1) Any money received from you will be deposited and held by us on trust in a separate trust account established, maintained and operated in accordance with the Governing Legislation. We will not be liable for the solvency, act or omissions of any bank holding money under this Term 17(1).

(2) You acknowledge that we will be under no obligation to pay interest on balances on your account (and any fees we may take from such interest) and that you are therefore waiving and foregoing any entitlement to interest (and fees if any) under the Governing Legislation or otherwise. You hereby acknowledge that we will not pay you any interest on your account and that any interest will accrue to us and (insofar as you are able and/or required to do so) you assign and convey to us the beneficial entitlement to such interest.

(3) In the event that there has been no movement on your account for a period of six years after the date you become entitled to a transfer of your money held in such account (notwithstanding any payments or receipts of interest or similar items) and we are unable to trace you despite having taken reasonable steps to do so, such money shall be treated by us as unclaimed money and dealt with in accordance with the provisions of the Unclaimed Moneys Act 1962 (Vic).

18. INDEMNITY AND LIABILITY

(1) Subject always to Term 1(3), you will indemnify us, and keep us indemnified on demand, in respect of all liabilities, losses or costs of any kind or nature whatsoever that may be incurred by us as a direct or indirect result of any failure by you to perform any of your obligations under this Agreement, in relation to any Transaction or in relation to any false information or declaration made either to us or to any third party, in particular to any Exchange. You acknowledge that this indemnity extends to our legal and administrative costs and expenses incurred in respect of taking any legal or investigatory action against you, or instructing any debt collection agency, to recover monies owed by you to us.

(2) To the extent permitted by law, you will indemnify, protect and hold us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and/or costs resulting from or arising out of any act or omission by any person obtaining access to your account by using your designated account number and/or password, whether or not you authorised such access.

(3) Without prejudice to any other Terms of this Agreement, we will have no liability to you in relation to any loss that you suffer as a result of any delay or defect in or failure of the whole or any part of our Electronic Trading Services' software or any systems or network links or any other means of communication. We will have no liability to you, whether in contract or in tort (including negligence) in the event that any computer viruses, worms, software bombs or similar items are introduced into your computer hardware or software via our Electronic Trading Services, provided that we have taken reasonable steps to prevent any such introduction.

(4) Unless we are prohibited from excluding such liability by law (for example, for losses relating to death or personal injury or caused by our fraud), we will not be liable for any direct, indirect, special, incidental, punitive or consequential damages (including, without limitation, loss of business, loss of profits, failure to avoid a loss, loss of data, loss or corruption of data, loss of goodwill or reputation) caused by any act or omission of ours under this Agreement.

(5) If and to the extent that we are found liable for any losses or damages in relation to a Transaction then, unless we are prohibited from limiting such liability by law, the maximum amount of our liability will be limited to four times the amount of Commission or Spread paid or payable by you in respect of that Transaction.

19. REPRESENTATIONS AND WARRANTIES

(1) You represent and warrant to us, and agree that each such representation and warranty is deemed repeated each time you open or close a Transaction by reference to the circumstances prevailing at such time, that:

- (a) the information provided to us in your application form and at any time thereafter is true and accurate in all respects;
- (b) you are duly authorised to execute and deliver this Agreement, to open each Transaction and to perform your obligations hereunder and thereunder and have taken all necessary action to authorise such execution, delivery and performance;
- (c) you will enter into this Agreement and open each Transaction as principal;
- (d) any person representing you in opening or closing a Transaction will have been, and (if you are a company) the person entering into this Agreement on your behalf is, duly authorised to do so on your behalf;
- (e) you have obtained all governmental or other authorisations and consents required by you in connection with this Agreement and in connection with opening or closing Transactions and such authorisations and consents are in full force and effect and all of their conditions have been and will be complied with;
- (f) execution, delivery and performance of this Agreement and each Transaction will not violate any law, ordinance, charter, by-law or rule applicable to you, the jurisdiction in which you are resident, or any agreement by which you are bound or by which any of your assets are affected;
- (g) other than in exceptional circumstances, you will not send funds to your account(s) with us from, or request that funds be sent from your account(s) to, a bank account other than that identified in your account opening form or as otherwise agreed by us. Whether exceptional circumstances exist will be determined by us from time to time;
- (h) if you are an employee or contractor of a financial services firm or any other firm that has controls over the financial transactions in which its employees and contractors deal, you will give us proper notice of this and of any restrictions that apply to your dealing;
- (i) you will not use our bid and offer prices for any purpose other than for your own trading purposes, and you agree not to redistribute our bid and offer prices to any other person whether such redistribution be for commercial or other purposes; and
- (j) you will use the services offered by us pursuant to this Agreement in good faith and, to this end, you will not use any electronic device, software, algorithm, or any trading strategy ("Device") that aims to manipulate or take unfair advantage of the way in which we construct, provide or convey our bid or offer prices. You agree that using a Device whereby in your dealings with us you are not subject to any downside market risk will be evidence that you are taking unfair advantage of us.

(2) This Agreement contains the entire understanding between the parties in relation to the dealing services we offer.

(3) In the absence of our fraud, wilful default or negligence, we give no warranty regarding the performance of our website(s), our Electronic Trading Services or other software or their suitability for any equipment used by you for any particular purpose.

(4) Save for all non-excludable terms implied by the Trade Practices Act 1974 or similar legislation, all implied terms as to fitness for purpose or otherwise which are capable of being excluded by agreement are hereby excluded from this Agreement.

(5) Any breach by you of a warranty given under this Agreement, including but not limited to the warranties given in Terms 19(1), 20 and 8(1), renders any Transaction voidable from the outset or capable of being closed by us at our then prevailing prices, at our discretion.

20. MARKET ABUSE

(1) We may hedge our liability to you by opening analogous positions with other institutions or in the Underlying Market. The result of our doing this is that when you open or close a Transaction relating to a share or other Instrument with us, your Transactions can, through our hedging, exert a distorting influence on the Underlying Market for that Instrument, in addition to the impact that it may have on our own prices. This creates a possibility of market abuse and the function of this Term is to prevent such abuse.

(2) You represent and warrant to us now, and agree that each such representation and warranty is deemed repeated each time you open or close a Transaction, that:

- (a) you will not open and have not opened a Transaction or Transactions with us relating to a particular share price if to do so would result in you, or others with whom you are acting in concert together, having an exposure to the share price that is equal to or exceeds the amount of a declarable interest in the relevant company. For this purpose the level of a declarable interest will be the prevailing level at the material time, set by law or by the Governing Legislation or by the stock exchange(s) on which the underlying share is listed;

(b) you will not open and have not opened a Transaction with us in connection with:

- (i) a placing, issue, distribution or other analogous event; or
- (ii) an offer, take-over, merger or other analogous event,

in which you are involved or otherwise interested; and

(c) you will not open and have not opened a Transaction that contravenes the Governing Legislation or any other law against insider dealing or market manipulation.

(3) In the event that (a) you open any Transaction in breach of the representations and warranties given in Term 20(2) above, or (b) we have reasonable grounds for suspecting that you have done so, we may, at our absolute discretion and without being under any obligation to inform you of our reason for doing so, close that Transaction and any other Transactions that you may have open at the time and also, at our absolute discretion:

- (a) enforce the Transaction or Transactions against you if it is a Transaction or Transactions under which you have incurred a loss; or
- (b) treat all your Transactions closed under this clause as void if they are Transactions under which you have secured a profit, unless and until you produce conclusive evidence that you have not, in fact, committed the breach of warranty and/or misrepresentation the suspicion of which was the ground for closing your Transaction(s). For the avoidance of doubt, if you do not produce such evidence within the period of six months from the date on which such Transaction was opened, all such Transactions will be finally null and void as between you and us.

(4) You acknowledge that the Transactions in which you deal with us are speculative instruments and you agree that you will not open any Transactions with us in connection with any corporate finance style activity.

(5) You acknowledge that it would be improper for you to deal in the Underlying Market if the sole purpose of such a transaction was to impact on our bid or offer prices, and you agree not to conduct any such transactions.

21. CREDIT

(1) If you apply to, and are approved by, us for credit, the credit facility will be provided on the following terms:

(a) Following your receipt of notification from us that your application for credit has been approved, you must contact us to activate the credit facility.

(b) The credit facility is to be used solely for the purposes of entering Transactions with us. The credit facility can be applied to meet a demand for Initial Margin, Margin to cover losses on your open positions, subject to the level of your unused credit. The credit facility cannot be applied towards realised losses from Transactions, which for the avoidance of doubt will be payable in accordance with Term 7(11).

(c) The credit limit is AUD\$100 or other such higher amount as we notify you in writing from time to time.

(d) We may reduce your credit limit, alter any conditions on your credit facility or, more generally, change our credit arrangements with you at any time by written notice (which may be given by letter, fax, post, email or by posting a notice accessible only to you on the Electronic Trading Services).

(e) The credit facility is available to be drawn down for a period of thirty (30) days from the date on which your account is opened, or such longer period as we agree and at the expiration of such period (in the event of no draw down within that period) the offer of credit shall be deemed to have been withdrawn by us. Any credit drawn down pursuant to the facility shall become a debt due and payable and shall be repayable in full within 60 days of draw down (or such other period as may be specified from time to time under section 7(1) of the Uniform Credit Code) and accordingly no Consumer Credit Code of any State or Territory or any Uniform Consumer Credit law will apply.

(f) You acknowledge that when you deal with us on credit, neither any limit set on your account nor any amount of margin you have paid puts any limit on your potential losses in respect of a Transaction. You also acknowledge that the credit limit and your indebtedness to us under the credit facility is not a limit as to your potential financial liability to us.

22. FORCE MAJEURE EVENTS

(1) We may, in our reasonable opinion, determine that an emergency or an exceptional market condition exists (a "Force Majeure Event"), in which case we will, in due course, take reasonable steps to inform you. A Force Majeure Event will include, but is not limited to, the following:

(a) any act, event or occurrence (including without limitation any strike, riot or civil commotion, act of terrorism, war, industrial action, acts and regulations of any governmental or supra national bodies or authorities) that, in our opinion, prevents us from maintaining an orderly market in one or more of the Instruments in respect of which we ordinarily deal in Transactions;

(b) the suspension or closure of any market or the abandonment or failure of any event on which we base, or to which we in any way relate, our quote, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event;

(c) the occurrence of an excessive movement in the level of any Transaction and/or the Underlying Market or our anticipation (acting reasonably) of the occurrence of such a movement;

(d) any breakdown or failure of transmission, communication or computer facilities, interruption of power supply, or electronic or communications equipment failure;

(e) failure of any relevant supplier, intermediate broker, agent or principal of ours, custodian, sub-custodian, dealer, exchange, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations.

(2) If we determine that a Force Majeure Event exists, we may, at our absolute discretion, without notice and at any time, take one or more of the following steps:

(a) increase your Margin requirements;

(b) close all or any of your open Transactions at such Closing Level as we reasonably believe to be appropriate;

(c) suspend or modify the application of all or any of the Terms of this Agreement to the extent that the Force Majeure Event makes it impossible or impracticable for us to comply with the Term or Terms in question; or

(d) alter the Last Dealing Time for a particular Transaction.

23. CORPORATE EVENTS, TAKEOVERS, VOTING RIGHTS, INTEREST AND DIVIDENDS

CORPORATE EVENTS

(1) If any Instrument becomes subject to possible adjustment as the result of any of the events set out in Term 23(2) below (a "Corporate Event"), we will determine the appropriate adjustment, if any, to be made to the size and/or value and/or number of the related Transaction(s) (and/or to the level of any Order) to account for the diluting or concentrating effect necessary to preserve the economic equivalent of the rights and obligations of the parties in relation to that Transaction immediately prior to that Corporate Event and/or replicate the effect of the Corporate Event on someone with an interest in the relevant underlying Instrument, to be effective from the date determined by us and which may, for the avoidance of doubt, be retrospective.

(2) The events to which Term 23(1) refers are the declaration by the issuer of an Instrument (or, if the Instrument is itself a derivative, the issuer of the security underlying that Instrument) of the terms of any of the following:

(a) a subdivision, consolidation or reclassification of shares, a share buy-back or cancellation, or a free distribution of shares to existing shareholders by way of a bonus, capitalisation or similar issue;

(b) a distribution to existing holders of the underlying shares of additional shares, other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the issuer equally proportionately with such payments to holders of the underlying shares, or securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares, in any case for payment (in cash or otherwise) at less than the prevailing market price per share as determined by us;

(c) the voiding of an Instrument that trades, or has traded, on a when-issued basis, in which case any Transaction(s) that relates to that Instrument will also be void;

(d) any other event in respect of the shares analogous to any of the above events or otherwise having a diluting or concentrating effect on the market value of the shares, whether temporary or otherwise; or

(e) any event analogous to any of the foregoing events or otherwise having a diluting or concentrating effect on the market value of any Instrument not based on shares, whether temporary or otherwise.

(3) Any adjustment to the size and/or value and/or number of any Transaction(s) (and/or to the level of any Order) will be determined reasonably and will be conclusive and binding on you. If you have a Buy (i.e. a long Transaction) that is affected by a Corporate Event, we will, should you give us notice of the same, in the form and with any period indicated by us, give consideration to your views about the action or adjustment to be made as a result of the Corporate Event. If you hold a Sell (i.e. a short Transaction) then we will take whatever action is decided by us, acting reasonably. We will inform you of any adjustment or amendment under this Term as soon as reasonably practicable.

TAKEOVERS

(4) If at any time a takeover offer is made in respect of a company, and you have a Transaction that relates to the securities of that company, then:

(a) we will use reasonable endeavours to notify you of the takeover offer;

(b) we will apply the terms of the takeover offer to your Transaction, as if you were a holder of the securities in question;

(c) we may offer you the opportunity to assent to the takeover offer (as it applies to your Transaction), or we may elect to assent on your behalf where we reasonably believe it is in your best interests to do so. If you elect to assent, or we assent on your behalf, your Transaction will be Suspended and become untradeable until the closing date of the takeover offer at which point your Transaction will be closed in accordance with the terms of the takeover offer.

You agree that we will be entitled to cancel or adjust the size and/or value and/or number of any Transaction(s) (and/or the level of any Order) to reflect the takeover offer, and that any such cancellation or amendment will be conclusive and binding upon you;

(d) If you do not assent, and we do not assent on your behalf, but the takeover goes ahead nonetheless (for example, if drag-along rights apply), you agree that we will be entitled to cancel or adjust the size and/or value and/or number of any Transaction(s) (and/or the level of any Order) to reflect the takeover offer, and that any such cancellation or amendment will be conclusive and binding upon you; and

(e) at any time prior to the closing date of the takeover offer we may give notice to you of our intention to close a Transaction in respect of that company's securities. The date of such notice will be the closing date of the Transaction and the Closing Level will be determined by us, based on our reasonable assessment of the market value of the Instrument at the relevant time.

VOTING RIGHTS

(5) You acknowledge that we will not transfer voting rights relating to an underlying share or other Instrument to you, or otherwise allow you to influence the exercise of voting rights held by us or by an agent on our behalf.

INTEREST

(6) We will value open Transactions on a daily basis and calculate the amount of interest, on a basis notified to you in writing (including electronically), that would apply to the sum of money necessary to take out a position in the underlying Instrument with the same value. A different rate of interest will normally apply to long and short positions. While your Transaction remains open, the amount of interest will be calculated and will accrue on a daily basis as follows:

(a) if you sell, interest will be either credited or debited to your account (depending on the interest rate)

(b) if you buy, interest will be debited from your account.

(7) For certain Expiry Transactions, our quote (which is based on the Underlying Market) will include an interest component. We will make it clear on our website or in our Contract Details which of our Expiry Transactions contain interest component. Such Expiry Transactions will not be adjusted for interest as set out in Term 23(6) above.

DIVIDENDS

(8) Where applicable (e.g. where an Instrument is a stock or index in respect of which a dividend is paid) a dividend adjustment will be calculated for your account in respect of open positions held over the ex-dividend day or time for the relevant underlying Instrument. For long positions, the dividend adjustment will generally be the amount of the net dividend receivable by the individual or entity holding the equivalent position in an underlying Instrument and, in respect of non-Australian Instruments, will reflect normal market practice unless otherwise agreed with you. For short positions, the dividend adjustment will generally be the net dividend amount, unless otherwise agreed with you, but this may depend on where the Instrument trades. Further details may be obtained from our dealers on request. Dividends will be credited to your account if you bought, i.e. opened a long position, and debited if you sold, i.e. opened a short position.

(9) For certain Expiry Transactions, our quote (which is based on the Underlying Market) will include a forecasted dividend component. We will make it clear on our website or in our Contract Details which of our Expiry Transactions contain a dividend component. Such Expiry Transactions will not be adjusted for dividends as set out in Term 23(8) above. Note that, for such Expiry Transactions, in the event that there is declared or paid in respect of the relevant Instrument a special dividend or a dividend that is unusually large or small or payable by reference to an ex-dividend date that is unusually early or late or in the event that a previously regular dividend is omitted (in each case, having regard to dividend payments in previous years in respect of that same financial instrument), we may make an appropriate adjustment (including a retrospective adjustment) to the Opening Level and/or the size of the Transaction that relates to that Instrument.

24. SUSPENSION AND INSOLVENCY

(1) If at any time trading on the Underlying Market is suspended in any Instrument that forms the subject of a Transaction, then the Transaction will also be Suspended from operation unless we are able to continue to make prices for the Transaction based on prices in a different but related Underlying Market that is not suspended from trading. If Suspended, the suspension price of the Transaction unless re-valued by us as set out in this Term 24, for the purposes of Margining and otherwise, will be the midprice quoted by us at the time of suspension.

(2) Irrespective of whether it is an Expiry Transaction and the date of contract expiry passes and irrespective of any Orders given by you, the Transaction will remain open but Suspended until either of the following takes place:

(a) the suspension in the Underlying Market is terminated and trading recommences, at which point the Suspension of your Transaction will also cease and your Transaction will become tradable again. Following lifting of Suspension, any Orders that you may have given us with respect to the Transaction that have been triggered will be executed as soon as is reasonable in the circumstances having regard to liquidity in the Underlying Market and any hedging transactions that we have with third parties as a result of your Transaction. We cannot guarantee that Orders will be executed at the first available Underlying Market price; or

(b) where the Instrument is in respect of a company, that company is delisted from the Underlying Market, goes into insolvency or is dissolved, at which point your Transaction will be dealt with in accordance with Terms 24(4) and 24(5).

(3) If you have an Expiry Transaction that becomes Suspended by operation of this Term, you will be deemed to have requested that the Transaction be rolled forward into the next contract period until the first expiry date following the lifting of the suspension or until your Transaction is dealt with in accordance with Terms 24(4) or 24(5) as applicable. You agree that while your Transaction is Suspended, we will still be entitled to make interest adjustments in accordance with Term 23(6).

(4) If a company, whose Instrument represents all or part of the subject-matter of a Transaction, goes into insolvency or is dissolved, the day on which the company goes into insolvency or is otherwise dissolved will be the closing date of that Transaction and we will deal with your Transaction as follows:

(a) If you have a long Transaction, the Closing Level of the Transaction will be zero and on closing, we will open a corresponding proceeds line on your account so that if the company makes a distribution to shareholders, an amount equalling the eventual distribution will be credited to your account.

(b) If you have a short Transaction, the Closing Level of the Transaction will be zero and on closing we will open a corresponding proceeds line on your account so that if the company makes a distribution to shareholders, an amount equalling the distribution will be debited to your account. We reserve the right to require you to maintain Margin on this proceeds line, which could for the avoidance of doubt be as much as the difference between the suspension price and zero.

(5) If a company, whose Instrument represents all or part of the subject-matter of a Transaction is delisted from the Exchange to which the Transaction relates, but at the time of delisting such company has not gone into insolvency nor been dissolved, then we will take such action as is fair having regard to all of the circumstances regarding the delisting and any hedging transactions that we have with third parties as a result of your Transaction and where possible which reflects the treatment accorded to holders of the underlying Instrument. Without any limitation, examples of the actions that we might take are:

(a) closing the Transaction at a Closing Level that is based on our fair and reasonable assessment of the value of the Instrument to which the Transaction relates;

(b) changing the Exchange to which the Transaction refers (i.e. if the company in question has delisted on the reference Exchange, but maintains or has obtained listing on another Exchange, we may alter your Transaction so that it refers to the second Exchange);

(c) maintaining the Suspension of the Transaction until the company makes a distribution to holders of the Instrument in question, at which point we will reflect that distribution on your Transaction;

(d) closing the Transaction and opening a proceeds line as set out in Term 24(4).

(6) We reserve the right at all times when your Transactions are Suspended under Term 24(2) to revalue such Transaction at such price and/or to change the Margin rate, in both cases as we shall determine to be reasonable in the circumstances and to require payment of deposit or Margin accordingly.

25. QUERIES, COMPLAINTS AND DISPUTES

(1) If you have a complaint against us, your complaint will be dealt with in accordance with our internal disputes handling procedure.

(2) In the event you have a complaint under or in connection with this Agreement or any Transaction, you should, in the first instance, refer the complaint to our Customer Services Department. If they are unable to resolve the dispute to your satisfaction it should be referred to our Compliance Department. The Compliance Department will investigate your complaint and advise you of the outcome within 45 days of you making the complaint.

(3) If the Compliance Department is unable to resolve the matter and you are a retail client in respect of the Transaction that is the subject matter of the complaint you may, after 45 days have elapsed since the complaint was made, then refer the matter to our independent external dispute resolution scheme, the Financial Ombudsman Service Limited ("FOS") in accordance with the Rules thereof.

(4) If under the Governing Legislation you are a wholesale client (whether deemed or otherwise) in respect of the Transaction that is the subject matter of the complaint you may only refer your complaint to FOS if we first agree in writing that we submit to that process. Please note that we may refuse to so submit for any reason or no reason at our sole discretion.

(5) Submission of your complaint to FOS will not abrogate your duty to mitigate your losses. Our agreement to submit to this independent external dispute resolution scheme (if applicable) will not constitute a waiver of any default by you that may form the subject matter of, or be incidental to, such complaint or dispute.

(6) In the event that you elect to refer your complaint to FOS, you hereby authorise us to disclose such personal information about you (as defined by the Privacy Act 1988) including, without limitation, records of telephone conversations between you and us as we at our absolute discretion deem appropriate or necessary to enable us to prosecute our case in the arbitral process of FOS.

(7) Without prejudice to any of our other rights to close a Transaction under this Agreement, in any case where we are in dispute with you in respect of a Transaction or alleged Transaction or any communication relating to a Transaction, we may, at our absolute discretion and without notice, close any such Transaction or alleged Transaction, where we reasonably believe such action to be desirable for the purpose of limiting the maximum amount involved in the dispute, and we will not be under any obligation to you in connection with any subsequent movement in the level of the Transaction concerned. If we close one or more of your Transactions under this Term, such action will be without prejudice to our right to contend in relation to any dispute that such Transaction had already been closed by us or was never opened by you. We will take reasonable steps to inform you that we have taken such action as soon as practicable after doing so. Where we close a Transaction or alleged Transaction in accordance with this Term, the closing will be without prejudice to your rights:

(a) to seek redress or compensation for any loss or damage suffered in connection with the disputed or alleged Transaction or communication, prior to the closing; and

(b) to open a new Transaction at any time thereafter, provided that such Transaction is opened in accordance with this Agreement, which will be applied, for the purposes only of calculating any relevant limits or money required from you, on the basis that our view of the disputed events or communication is correct.

26. MISCELLANEOUS

(1) We reserve the right to Suspend your account at any time. If we Suspend your account, it means that: you will generally not be permitted to open any new Transactions or increase your exposure under your existing Transactions, but you will be permitted to close, part close or reduce your exposure to us under your existing Transactions; you will no longer be permitted to trade with us via our Electronic Trading Service, rather you will be required to trade with us via the phone. We also reserve the right to Suspend a specific Transaction that you have open with us. If we Suspend a Transaction, it means that: you will generally not be permitted to increase your exposure to us under the Suspended Transaction, but you will be permitted to close, part close or reduce your exposure to us under the Suspended Transaction; in relation to the Suspended Transaction, you will no longer be permitted to deal with us via our Electronic Trading Service, rather you will be required to deal with us via the phone.

(2) Our rights and remedies under this Agreement will be cumulative, and our exercise or waiver of any right or remedy will not preclude or inhibit the exercise of any additional right or remedy. Our failure to enforce or exercise any right under this Agreement will not amount to a waiver or bar to enforcement of that right.

(3) We may assign the benefit and burden of this Agreement to a third party, in whole or in part, provided that any assignee agrees to abide by the Terms of this Agreement. Such assignment will come into effect 10 business days following the day you are deemed to have received notice of the assignment in accordance with Term 13(10). You agree that you may not assign the benefit and burden of this Agreement, whether in whole or in part, to any third party without our prior written consent.

(4) You acknowledge and agree that the copyrights, trade marks, database and other property or rights in any information distributed to or received by you from us (including, but not limited to, our prices), together with the contents of our website(s), brochures and other material connected with our dealing service and in any database that contains or constitutes such information, will remain the sole and exclusive property of ours or any third party identified as being the owner of such rights.

(5) If any Term (or any part of any Term) is held by a court of competent jurisdiction to be unenforceable for any reason then such Term will, to that extent, be deemed severable and not form part of this Agreement, but the enforceability of the remainder of this Agreement will not be affected.

(6) You will be responsible at all times for the payment of all taxes due and for providing any relevant tax authority with any information relating to your dealings with us. You agree that if we provide you with any information or express any opinion in relation to the tax treatment of your dealings with us it will not be reasonable for you to rely upon any such statement and it will not constitute tax advice.

(7) Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with our services. You will not rely on us to comply with your record keeping obligations, although records may be made available to you on request at our absolute discretion.

(8) Wherever in this agreement we are conferred with a discretion or an entitlement to make an election or adopt a course of action which affects you or your interests, we agree to exercise such discretion or make an election or adopt such a course of action in good faith according to what we reasonably believe to be fair in the circumstances.

(9) This Agreement and any arrangements hereunder may be Suspended or terminated by either party upon giving the other party written notice of Suspension or termination, which will take effect immediately, unless otherwise specified in the notice. Any such Suspension or termination will not affect any obligation that may already have been incurred by either party in respect of any outstanding Transaction or any legal rights or obligations that may already have arisen under this Agreement or any dealings made thereunder.

27. AMENDMENT

(1) We may amend this Agreement and any arrangements made hereunder at any time by written notice to you. You will be deemed to accept and agree to the amendment unless you notify us to the contrary within 10 days of the date of our amendment notice. If you do object to the amendment, the amendment will not be binding on you, but your account will be Suspended and you will be required to close your account as soon as is reasonably practicable. Any amendment to this Agreement will come into effect on the date specified by us which will, in most cases, be at least 10 business days after you are deemed to have received notice of the amendment in accordance with Term 13(10) (unless it is impractical in the circumstances to give 10 days' notice). Any amended agreement will supersede any previous agreement between us on the same subject matter and will govern any Transaction entered into after, or outstanding on, the date the new edition comes into effect. We will only make changes for good reason, including but not limited to:

- (a) making this Agreement clearer;
- (b) making this Agreement more favourable to you;
- (c) reflecting legitimate increases or reductions in the cost of providing our service to you;
- (d) providing for the introduction of new systems, services, changes in technology and products;
- (e) rectifying any mistakes that may be discovered in due course;
- (f) reflecting a change of Applicable Regulations or law.

28. GOVERNING LAW AND LANGUAGE

(1) This Agreement and each Transaction entered into with you is in all respects governed by the law of the State of Victoria and the Courts of Victoria will have jurisdiction to hear and determine any disputes which may arise in relation thereto (subject to any right which you or we may have to require a dispute to go to arbitration under Term 25). For such purposes you irrevocably submit to the exclusive jurisdiction of the courts of the State of Victoria in relation to any such dispute and that all such disputes will be carried out in the English language. Nothing in this Term 28 will prevent us from bringing proceedings against you in any other jurisdiction in which we are lawfully entitled to so do.

(2) If you are situated outside of Victoria, process by which any proceedings in Victoria are begun may be served on you in accordance with our local rules for service out of the Victorian jurisdiction. Nothing in this Term affects our right to serve process in another manner permitted by law.

(3) If this Agreement and PDS has been provided to you in any language that is not English then please note that version is for information purposes only. The English language version, available on our website and upon request, is binding. Where a foreign language version contradicts the English version of this Agreement, the English will prevail.

29. PRIVACY

(1) You confirm that you understand and agree that we will collect your personal information for the purposes of assessing your application and, if applicable, opening, maintaining and operating your account including the enforcement of the provisions of this Agreement and for all of the purposes set out herein and below:

If, in our absolute discretion, we consider it relevant to:

- (a) assessing your application to open an account;
- (b) assessing your application for commercial credit; or
- (c) collecting overdue payments in relation to any personal or commercial credit facility or trading activity that results from this Agreement; you agree and consent to:
 - (i) us obtaining from a credit reporting agency a credit report containing personal credit information about you (which can include personal information about your credit worthiness, credit history, credit standing or credit capacity) ("Credit Report"); and
 - (ii) us contacting any credit provider named in the Credit Report or any credit provider whose details have been provided to us by you in order to obtain further information or clarification regarding matters relevant to the matters in Term 28(9)(a)-(c) above.

Note the Privacy Act 1988, sections 18K(1)(b) and 18N(1)(b).

(2) We may give a credit reporting agency certain personal information and identity details about you to obtain a consumer or commercial credit report about you. This information includes:

- (a) the fact that you have applied for credit and the amount of credit;
- (b) details of any payments which become overdue more than 60 days and for which collection has commenced;
- (c) the fact that cheques drawn by you have been dishonoured more than once; and

(d) other such information that, in our opinion, is material to your credit worthiness, credit history, credit standing or credit capacity.

(3) We may give to and obtain from other credit providers certain personal information and identity details about you, including any information about your credit worthiness, credit standing, credit history or credit capacity that credit providers are allowed to give or receive from each other under the Privacy Act 1988.

(4) We may obtain from banks or financial institutions, a bankers' opinion about your credit worthiness for the purpose of assessing your application to open an account.

(5) We may use your personal information for additional purposes including planning, product development, research and, unless you check the relevant box(es) on your account opening form, to provide you with direct marketing information and offers about our products and services or those of Associated Companies of ours.

(6) We may disclose information about you:

(a) to any person who is considering whether to guarantee your obligations, or offer security to us for credit you have applied for, or credit which we have given to you to enable that person to decide whether or not to guarantee those obligations;

(b) to any person who has guaranteed your obligations or provided security to us to enable that person to establish how you are performing (or have performed) those obligations;

(c) to such third parties as we deem reasonably necessary in order to prevent, detect, investigate, prosecute or punish criminal offences, breaches of law or other unlawful activity; or

(d) to such third parties as we see fit to assist us in enforcing our legal or contractual rights against you including but not limited to debt collection agencies and legal advisors.

(e) to introducing brokers with whom we have a mutual relationship (and you specifically consent to us disclosing that information)

(7) We may share your information with your nominated referees and government regulators in Australia, New Zealand and the United Kingdom including, without limitation, the Australian Stock Exchange, Australian Securities and Investments Commission, the New Zealand Securities Commission and the Financial Services Authority.

(8) As well as in Australia (and, if you are a New Zealand resident, New Zealand), some of the organisations to whom your personal information will be disclosed will be located in the United Kingdom, and you agree to that transfer of your personal information for the purposes set out here.

(9) If you do not agree to the collection of your personal information by us, then we may not be able to process your application.

(10) You may contact us at the address listed in the Product Disclosure Statement if you wish to request access to any personal information which we hold about you.

30. INTERPRETATION

In this Agreement:

(1)

"Act" means the Corporations Act 2001;

"AEST" means Australian Eastern Standard time;

"Agreement" means this agreement and all schedules, Product Modules, the Contract Details, any ancillary documents referred to herein and any amendments thereto. For the avoidance of doubt this agreement supercedes and replaces any previous customer agreement in force between you and us which dealt with Transactions;

"Applicable Regulations" means: (a) Rules of a relevant regulatory authority; (b) the Rules of the relevant Exchange; and (c) all other applicable laws, rules and regulations (including without limitation the Governing Legislation) as in force from time to time, as applicable to this Agreement and any Transaction, or Electronic Trading Service;

"Associated Company" means any related body corporate as defined by section 9 of the Act;

"Attached Order" means an Order that relates to or is referenced to an existing Transaction that you have with us;

"Buffer Limit" has the meaning given to it in Term 11(1);

"Business day" means any day other than a Saturday, Sunday and a gazetted public holiday in the State of Victoria, or designated as a holiday by the Australian Stock Exchange;

"Closing Level" means the level at which a Transaction is closed;

"Commission" has the meaning attributed to it in Terms 4(1), 5(5) and 7(12);

"Commission Transaction" has the meaning attributed to it in Term 4(1);

“Contract Details” means the section of the public pages of our website designated as the Contract Details as amended from time to time;

“Contract for Differences” or **“CFD”** is a type of Transaction the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of an Instrument but specifically excludes any Transactions which are dealt with in a separate Product Module. Types of Contracts for Differences include, but are not limited to, Foreign Exchange CFDs, Futures CFDs, Option CFDs, Share CFDs and Stock Index CFDs;

“Contract Value” means the number of shares, contracts or other units of the Instrument that you are notionally buying or selling multiplied by our then current quote for closing the Transaction;

“Corporate Event” has the meaning attributed to it in Term 23(2);

“Credit Account” means any account which you open with us pursuant to which we grant you a credit limit;

“Currency” shall be construed so as to include any unit of account;

“Director” has the same meaning as is given to that term in the Act;

“Dollars” and **“\$”** denote lawful currency of Australia;

“Euros” and **“€”** denote lawful currency of the Eurozone countries of the European Union;

“Electronic conversation” means a conversation between you and us held via our Electronic Trading Services;

“Electronic Trading Services” means any electronic services (together with any related software) including without limitation trading, direct market access order routing or information services that we grant you access to or make available to you either directly or through a third party service provider, and used by you to view information and/or enter into Transactions;

“Event of Default” has the meaning attributed to it in Term 16(1);

“Exchange” means any securities or futures exchanges, clearing house, self-regulatory organizations, alternative trading system or multi-lateral trading facility as the context may require from time to time;

“Exchange Rate” means the rate (in relation to two currencies in respect of which you may wish to open a Foreign Exchange CFD) at which a single unit of the first currency that you state may be bought with or, as the case may be, sold in, units of the second currency that you state;

“Expiry Transaction” means a Transaction which has a set contract period, at the end of which the Expiry Transaction expires automatically;

“FIX” means Financial Information Exchange protocol;

“Force Majeure Event” has the meaning attributed to it in Term 22(1);

“Force Open” means a Transaction in respect of a particular Instrument where you already have an open Transaction in respect of the same Instrument which would ordinarily result in the netting of these two Transactions against each other and the closing or partial closing of both pursuant to Term 6 of this Agreement and/or the Master Netting Agreement which applies to you; but where we accept your offer to open the second Transaction without offsetting it against that which preceded it so that two Transactions result;

“Foreign Exchange CFD” or **“FX CFD”** is a form of CFD that gives you exposure to changes in value of an Exchange Rate, but unless you and we expressly agree separately in writing, it cannot result in the delivery of any Currency to or by you;

“Futures CFD” is a form of CFD that gives exposure to changes in the value of a futures contract. It is not a futures contract traded on any exchange and unless you and we expressly agree separately in writing, it cannot result in the delivery of any Instrument to or by you;

“Governing Legislation” means the Act and the regulations made under it and all applicable financial services laws (as defined by section 761A of the Act);

“Instrument” means any stock, share, futures contract, forward or option contract, commodity, precious metal, Exchange Rate, interest rate, debt instrument, stock or other index, or other investment in respect of which we offer to deal in Transactions;

“Last Dealing Time” means the last day and (as the context requires) time before which a Transaction may be dealt in, as set out in the Contract Details or otherwise notified to you, or otherwise the last day and (as the context requires) time on which the underlying Instrument may be dealt in on the relevant Underlying Market;

“Limit Order” has the meaning given to it in Term 11(1);

“Limited Risk Account” means a type of account on which you are only permitted to place Limited Risk Transactions.

“Limited Risk Premium” has the meaning attributed to it in Term 12(5);

“Linked Transactions” means two or more Transactions in respect of which we agree not to call for, or apply, the full amount of Margin as a result of the relationship between such Transactions;

“Manifest Error” has the meaning attributed to it in Term 10(1);

“Margin” means the amount of money you are required to pay us in order to open and maintain a Transaction, as set out in Term 14;

“Market Maker Share” means all shares that are not Order Book Shares and are generally quote rather than electronic order driven;

“Market Spread” means the difference between the bid and offer prices for a transaction of equivalent size in a Instrument, or a related Instrument, in the Underlying Market;

“Master Netting Agreement” means the two-way netting agreement set out at Schedule A to this Agreement regarding all Transactions entered into by you pursuant to this Agreement that will apply to you;

“Minimum Size” means, in respect of a Transaction in which a Minimum Size applies, the minimum number of shares, contracts or other units of an Instrument that we will deal on, which in most cases is specified in the Contract Details and, where not so specified, we will inform you of on request;

“Normal Market Size” means the maximum number of stocks, shares, contracts or other units that we reasonably believe the Underlying Market to be good in at the relevant time, having regard, if appropriate, to the exchange market size set by the London Stock Exchange or any equivalent or analogous level set by the Underlying Market on which the Instrument is traded;

“Opening Level” means the level at which a Transaction is opened;

“Option CFD” is a form of CFD that gives exposure to changes in option prices. It is not a traded option and it cannot be exercised by or against you or result in the acquisition or disposal of any Instrument to or by you;

“Order” means a Stop Order, Trailing Stop, Limit Order or Buffer Limit, as the case permits;

“Order Book Share” means all non UK shares and all UK shares that are traded using a fully electronic order book and order matching system such as SETS;

“Our bid and offer prices” has the meaning attributed to it in Term 4(1);

“P&L” means realised and/or unrealised profits and/or losses, as the case permits;

“Pounds” and **“£”** denote lawful currency of the United Kingdom at the date of issue of this Agreement, known as **“sterling”**;

“Product Disclosure Document” or **“PDS”** means the document described as the Product Disclosure Statement and issued by us, as revised from time to time;

“Product Module” means a product specific module which forms part of this Agreement and sets out the terms and conditions that apply to specific types of Transactions and/or Services that we provide or supply to you;

“Relevant Person” means an employee or director of ours or an employee or director of an Associated Company;

“Rules” means articles, rules, regulations, procedures, policies and customs, as in force from time to time;

“Security Devices” means one or more user identification codes, digital certificates, passwords, authentication codes, or such other information or devices (electronic or otherwise) as may be provided or specified to you, to enable your access to the Electronic Trading Services;

“Sell” has the meaning attributed to it in Term 5(1);

“Share CFD” is a form of CFD that gives exposure to changes in share prices. It is not an agreement to buy or sell any amount of shares and, unless you and we expressly agree separately in writing, it cannot result in the delivery of any shares to or by you. The share Instrument upon which the Share CFD is based may be an Order Book Share or a Market Maker Share;

“Spread” has the meaning attributed to it in Term 4(1) and may, as the context requires, include Market Spread;

“Spread Transaction” has the meaning attributed to it in Term 4(1);

“Statement” means a written confirmation of our dealings with you including any Transactions that you open and/or close, any Orders that you set and/or edit and any charges that we apply.

“Stock Index CFD” is a form of CFD that gives exposure to changes in the value of a stock index. It is not an agreement to buy or sell any amount of shares and unless you and we expressly agree separately in writing, it cannot result in the delivery of any shares to or by you;

“Stop Order” has the meaning given to it in Term 11(1);

“Suspend” has the meaning given to it in Term 26(1), and **“Suspension”** and **“Suspended”** has a corresponding meaning;

“System” means all computer hardware and software, equipment, network facilities and other resources and facilities needed to enable you to use an Electronic Trading Service;

“Trading from Charts Package” is our charting software that allows you, via charts, to view price information, view your trading exposure and open and close Transactions directly via charts. You can do all of these activities via our Electronic Trading Service, but our Trading from Charts Package offers you the opportunity to do these things on a chart.

“Trading Partner” means any person with whom we have a contractual relationship with, for example a joint venture relationship, partnership relationship, agency relationship or introducing broker relationship.

“Trailing Stop” has the meaning given to it in Term 11(1);

“Transaction” means a future, option, contract for differences, spot or forward contract of any kind in relation to any Instrument (including a security) or any combination of Instruments and means either or both Expiry Transactions or Undated Transactions as the context requires;

“Unattached Order” means an Order that relates to or is referenced to a proposed Transaction that will come into effect if and when the Order is executed;

“Undated Transaction” means a Transaction with an indefinite contract period that is not capable of expiring automatically;

“Underlying Market” means the Exchange and/or other similar body and/or liquidity pool on which a Instrument is traded or trading in that Instrument as the context requires.

(2) a reference to:

- (a) a Term is a reference to a term of this Agreement;
- (b) an Act of Parliament is a reference to such Act as from time to time amended, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment;
- (c) any time or date will be to Australian Eastern Standard Time, unless expressly noted to the contrary; and

(d) the singular will import the plural and the masculine will import the feminine as the context requires.

(3) Priority of documents: in the event of any conflict between the terms of the main body of this Agreement and any Product Module, Schedule, Appendix or ancillary document referred to in this Agreement, the order of precedence for the purpose of construction shall be:

- (a) the Governing Legislation;
- (b) the Product Disclosure Statement, including in particular the Terms of this Agreement.

In the event of any conflict between the Terms of the main body of this Agreement and any Product Module, Schedule, Appendix or ancillary document referred to in this Agreement, the order of precedence for the purpose of construction shall be:

- (i) Schedule A – Two Way Master Netting Agreement to the extent that it applies, but without prejudice to Term 15(5)
 - (ii) Schedule of Supplementary Terms and Conditions (if applicable);
 - (iii) Product Module (if applicable);
 - (iv) these Terms;
 - (v) Contract Details;
 - (vi) Any other ancillary documents referred to in this Agreement;
- (c) the Financial Services Guide, and in the event of any inconsistency between any provision in any of these documents the higher in the descending order will prevail over the lower to the extent of the inconsistency.

SCHEDULE A

TWO-WAY MASTER NETTING AGREEMENT FOR EXCHANGE TRADED AND RELATED TRANSACTIONS INCLUDING ALL TRANSACTIONS UNDER THE MARGIN TRADING CUSTOMER AGREEMENT

THIS MASTER NETTING AGREEMENT between you and us is entered into as part of and on the same date as your Agreement to the Margin Trading Customer Agreement, or, if this Schedule did not form part of the Margin Trading Customer Agreement at the time of your agreement to the same, ten business days following the date you are advised that this Schedule forms part of the Margin Trading Customer Agreement.

NOW IT IS HEREBY AGREED as follows:

1. SCOPE OF THIS AGREEMENT

1.1 Unless otherwise agreed in writing by the Parties in Schedule 1 or otherwise and subject to the next sentence, these terms and the particular terms agreed by the Parties govern each Transaction entered into or outstanding between any two Designated Offices of the Parties on or after the date of execution of these terms. In the case of Transactions within paragraph (i), (ii), (iii) or (iv) of the definition of “Transaction”, these terms govern only those Transactions where the exchange mentioned in such definition is a Specified Exchange.

1.2 These terms, the particular terms of, and applicable to, each and every Transaction governed by these terms, the Schedules to these terms and all amendments to any of such items shall together constitute a single agreement between the Parties. The Parties acknowledge that all Transactions governed by these terms which are entered into on or after the date of execution of these terms are entered into in reliance upon the fact that all such items constitute a single agreement between the Parties.

2. SETTLEMENT AND EXCHANGE OR CLEARING

ORGANISATION RULES

2.1 Unless a Liquidation Date has occurred or has been effectively set, a Party shall not be obliged to make any payment or delivery scheduled to be made by that Party under a Transaction governed by these terms for so long as an Event of Default or Potential Event of Default with respect to the other Party has occurred and is continuing.

2.2 Unless otherwise agreed in writing by the Parties, if the Parties enter into any Transaction governed by these terms to close out any existing Transaction between the Parties then their obligations under such Transactions shall automatically and immediately be terminated upon entering into the second Transaction, except for any settlement payment due from one Party to the other in respect of such closed-out Transactions.

2.3 These terms shall not be applicable to any Transaction to the extent that action which conflicts with or overrides the provisions of this agreement has been started in relation to that Transaction by a relevant exchange or clearing organisation under applicable rules or laws and is continuing.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Each Party represents and warrants to the other Party as of the date of execution of these terms and, in the case of the representation and warranty in (v) of this Clause 3.1 relating to the entering into of Transactions, as of the date of entering into each Transaction governed by these terms that: (i) it has authority to enter into this agreement; (ii) the persons entering into the agreement on its behalf have been duly authorised to do so; (iii) this agreement and the obligations created under this agreement are binding upon it and enforceable against it in accordance with their terms (subject to applicable principles of equity) and do not and will not violate the terms of any agreements to which such Party is bound; (iv) no Event of Default or Potential Event of Default has occurred and is continuing with respect to it; and (v) it acts as principal and sole beneficial owner (and not as trustee) in entering into these terms and each and every Transaction governed by these terms.

3.2 Each Party covenants to the other Party that: (i) it will at all times obtain and comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations, approvals, licences and consents required to enable it lawfully to perform its obligations under this agreement; and (ii) it will promptly notify the other Party of the occurrence of any Event of Default or Potential Event of Default with respect to itself or any Credit Support Provider in relation to it.

4. TERMINATION AND LIQUIDATION

4.1 If, at any time:

- (i) a Party fails to make any payment when due under or to make or take delivery of any property when due under, or to observe or perform any other provision of, this agreement (including any Transaction governed by these terms) and such failure continues for two business days after notice of non-performance has been given by the other Party to the defaulting Party;
- (ii) a Party commences a voluntary case or other procedure seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to itself or to its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to an insolvent Party), or seeking the appointment of a trustee, receiver, liquidator, conservator, administrator, custodian, examiner or other similar official (each a **“Custodian”**) of it or any part of its assets; or takes any corporate action to authorise any of the foregoing; and, in the case of a reorganisation, arrangement or composition, the other Party does not consent to the proposals;
- (iii) an involuntary case or other procedure is commenced against a Party seeking or proposing liquidation, reorganisation, an arrangement or composition, a freeze or moratorium, or other similar relief with respect to it or its debts under any bankruptcy, insolvency, regulatory, supervisory or similar law (including any corporate or other law with potential application to an insolvent Party) or seeking the appointment of a Custodian of it or any part of its assets and such involuntary case or other procedure either (a) has not been dismissed within five days of its institution or presentation or (b) has been dismissed within such period but solely on the grounds of an insufficiency of assets to cover the costs of such case or other procedure;

(iv) a Party dies, becomes of unsound mind, is unable to pay its debts as they fall due or is bankrupt or insolvent, as defined under any bankruptcy or insolvency law applicable to such Party; or any indebtedness of a Party is not paid on the due date thereof or becomes, or becomes capable at any time of being declared, due and payable under agreements or instruments evidencing such indebtedness before it would otherwise have been due and payable, or proceedings are commenced for any execution, any attachment or garnishment, or any distress against, or an encumbrancer takes possession of, the whole or any part of the property, undertaking or assets (tangible and intangible) of a Party;

(v) a Party or any Credit Support Provider in relation to a Party (or any Custodian acting on behalf of a Party or any Credit Support Provider in relation to a Party) disaffirms, disclaims or repudiates any obligation under this agreement (including any Transaction governed by these terms) or any Credit Support Document;

(vi) any representation or warranty made or deemed made by a Party pursuant to this agreement or pursuant to any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given;

(vii) (a) any Credit Support Provider in relation to a Party or the relevant Party itself fails to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with the applicable Credit Support Document; (b) any Credit Support Document relating to a Party expires or ceases to be in full force and effect prior to the satisfaction of all obligations of such Party under this agreement (including any Transaction governed by these terms), unless the other Party has agreed in writing that this shall not be an Event of Default; (c) any representation or warranty made or deemed made by any Credit Support Provider in relation to a Party pursuant to any Credit Support Document proves to have been false or misleading in any material respect as at the time it was made or given or deemed made or given; or (d) any event referred to in (ii) to (iv) or (viii) of this Clause 4.1 occurs in respect of any Credit Support Provider in relation to a Party;

(viii) a Party is dissolved, or in respect of a Party whose existence is dependent upon a formal registration, such registration is removed or ends, or any procedure is commenced seeking or proposing a Party's dissolution or the removal or ending of such a registration of a Party; or

(ix) any event of default (however described) occurs under any terms of business in place between the Parties or any other event specified for these purposes in Schedule 1 or otherwise occurs, then the other Party (the "**Non-Defaulting Party**") may exercise its rights under Clause 4.2, except that, if so agreed in writing by the Parties (whether by specifying as such in Schedule 1 hereto or otherwise), in the case of the occurrence of any Event of Default specified in paragraph (ii) or (iii) above the provisions of Clause 4.3 shall apply.

4.2 Subject to Clause 4.3, at any time following the occurrence of an Event of Default, the Non-Defaulting Party may, by notice to the Defaulting Party, specify a Liquidation Date for the termination and liquidation of Transactions in accordance with the provisions of Clause 4.4.

4.3 If the Parties have so agreed, the date of the occurrence of any Event of Default specified in paragraph (ii) or (iii) of Clause 4.1 shall automatically constitute a Liquidation Date, without the need for any notice by either Party and to the intent that the provisions of Clause 4.4 shall then apply.

4.4 Upon the occurrence of a Liquidation Date:

(i) neither Party shall be obliged to make any further payments or deliveries under any Transactions governed by these terms which would, but for this Clause, have fallen due for performance on or after the Liquidation Date and such obligations shall be satisfied by settlement (whether by payment, set-off or otherwise) of the Liquidation Amount;

(ii) the Non-Defaulting Party shall (on, or as soon as reasonably practicable after, the Liquidation Date) determine (discounting if appropriate), in respect of each Transaction governed by these terms, its total cost, loss or, as the case may be, gain, in each case expressed in the Non-Defaulting Party's Base Currency (and, if appropriate, including any loss of bargain, cost of funding or, without duplication, cost, loss or, as the case may be, gain as a result of the termination, liquidation, obtaining, performing or re-establishing of any hedge or related trading position), as a result of the termination, pursuant to this agreement, of each payment or delivery which would otherwise have been required to be made under such Transaction (assuming satisfaction of each applicable condition precedent and having due regard to, if appropriate, such market quotations published on, or official settlement prices set by, a relevant exchange or clearing organisation as may be available on, or immediately preceding, the date of calculation); and

(iii) the Non-Defaulting Party shall treat each cost or loss to it, determined as above, as a positive amount and each gain by it, so determined, as a negative amount and aggregate all of such amounts to produce a single, net positive or negative amount, denominated in the Non-Defaulting Party's Base Currency (the "Liquidation Amount").

4.5 If the Liquidation Amount determined pursuant to Clause 4.4 is a positive amount, the Defaulting Party shall pay it to the Non-Defaulting Party and if it is a negative amount, the Non-Defaulting Party shall pay it to the Defaulting Party. The Non-Defaulting Party shall notify the Defaulting Party of the Liquidation Amount, and by which Party it is payable, immediately after the calculation of such amount.

4.6 Unless the Parties specify otherwise in Schedule 1 or otherwise, where termination and liquidation occurs in accordance with Clause 4.4, the Non-Defaulting Party shall also be entitled, at its discretion, to apply the provisions of Clause 4.4 to any other Transactions entered into between the Parties which are then outstanding, as if each such Transaction were a Transaction governed by these terms.

4.7 The amount payable by one Party to the other Party pursuant to the provisions of Clause 4.5, or any applicable laws or regulations, shall be paid in the Non-Defaulting Party's Base Currency by the close of business on the business day following the completion of the termination and liquidation under Clause 4.4, or any laws or regulations having a similar effect, (converted as required by applicable law into any other currency, any costs of such conversion to be borne by, and (if applicable) deducted from any payment to, the Defaulting Party). Any such amount which is not paid on the due date thereof shall bear interest, at the average rate at which overnight deposits in the currency of such payment are offered by major banks in the London interbank market as of 11.00 a.m. (London time) (or, if no such rate is available, at such reasonable rate as the Non-Defaulting Party may select) plus 1% per annum, for each day for which such amount remains unpaid.

4.8 For the purposes of any calculation hereunder, the Non-Defaulting Party may convert amounts denominated in any other currency into the Non-Defaulting Party's Base Currency at such rate prevailing at the time of the calculation as it shall reasonably select.

4.9 The Non-Defaulting Party's rights under this Clause 4 shall be in addition to, and not in limitation or exclusion of, any other rights which the Non-Defaulting Party may have (whether by agreement, operation of law or otherwise).

5. SET-OFF

Without prejudice to any other right or remedy which it may have, either Party may, on or after the occurrence of a Liquidation Date and the determination of the Liquidation Amount, set off any amount owing by it (whether actual or contingent, present or future and including, if applicable and without limitation, the Liquidation Amount and any amount due and payable on or before the Liquidation Date but remaining unpaid) to the other Party against any amount owing by such other Party (whether actual or contingent, present or future and including, if applicable and without limitation, the Liquidation Amount and any amount due and payable before the Liquidation Date but remaining unpaid) to the first Party.

6. CURRENCY INDEMNITY

If a Party (the first Party) receives or recovers any amount in respect of an obligation of the other Party (the second Party) in a currency other than that in which such amount was payable, whether pursuant to a judgment of any court or otherwise, the second Party shall indemnify and hold harmless the first Party from and against any cost (including costs of conversion) and loss suffered by the first Party as a result of receiving such amount in a currency other than the currency in which it was due.

7. ASSIGNMENTS AND TRANSFERS

Neither Party may assign, charge or otherwise transfer or purport to assign, charge or otherwise transfer its rights or obligations under this agreement (including the Transactions governed by these terms) or any interest therein without the prior written consent of the other Party, and any purported assignment, charge or transfer in violation of this Clause shall be void.

8. NOTICES

Unless otherwise agreed, all notices, instructions and other communications to be given to a Party under this agreement shall be given to the address, telex (if confirmed by the appropriate answerback) or facsimile (confirmed if requested) number and to the individual or department specified in Schedule 1 or by notice in writing by such Party. Unless otherwise specified, any notice, instruction or other communication given in accordance with this Clause shall be effective upon receipt.

9. TERMINATION, WAIVER AND PARTIAL INVALIDITY

9.1 Either of the Parties hereto may terminate this agreement at any time by seven days' prior notice to the other Party and termination shall be effective at the end of such seventh day; provided, however, that any such termination shall not affect any then outstanding Transactions governed by these terms, and the provisions of this agreement shall continue to apply until all the obligations of each Party to the other under this agreement (including the Transactions governed by these terms) have been fully performed.

9.2 A Party may waive any right, power or privilege under this agreement only by (and to the extent of) an express statement in writing.

9.3 If, at any time, any provision of these terms is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of these terms nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

10. TIME OF ESSENCE

Time shall be of the essence in this agreement.

11. PAYMENTS

Every payment to be made by a Party under these terms shall be made in same day (or immediately available) and freely transferable funds to the bank account designated by the other Party for such purpose.

12. GOVERNING LAW AND JURISDICTION

Unless the Parties specify otherwise in Schedule 1 or otherwise:

12.1 These terms shall be governed by, and construed in accordance with, the laws of England and Wales.

12.2 With respect to any Proceedings, each Party irrevocably (i) agrees that the courts of England shall have exclusive jurisdiction to determine any Proceedings and irrevocably submits to the jurisdiction of the English courts and (ii) waives any objection which it may have at any time to the bringing of any Proceedings in any such court and agrees not to claim that such Proceedings have been brought in an inconvenient forum or that such court does not have jurisdiction over such Party.

12.3 Each Party irrevocably waives to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any courts, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees to the extent permitted by applicable law that it will not claim any such immunity in any Proceedings. Each Party consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings, including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such Proceedings.

13. INTERPRETATION

13.1 In these terms:

"Base Currency" means, as to a Party, the currency specified as such in Schedule 1 or agreed as such in relation to it in writing between the Parties or, failing any such specification or agreement, the lawful currency of the United Kingdom;

"Credit Support Document" means, as to a Party (the first Party), a guarantee, hypothecation agreement, margin or security agreement or document, or any other document containing an obligation of a third party (**"Credit Support Provider"**), or of the first Party, in favour of the other Party supporting any obligations of the first Party under this agreement;

"Credit Support Provider" has the meaning given to it in the definition of Credit Support Document;

"Custodian" has the meaning given to it in Clause 4.1;

"Defaulting Party" means the Party in respect of which, or related to a Credit Support Provider in respect of which, an Event of Default has occurred;

"Designated Office(s)" means, as to a Party, the office identified with its name on page 1 of these terms and any other office(s) specified in Schedule 1 or otherwise agreed by the Parties to be its Designated Office(s) for the purposes of this agreement;

"Liquidation Date" means a day on which, pursuant to the provisions of Clause 4, the Non-Defaulting Party commences the termination and liquidation of Transactions or such a termination and liquidation commences automatically;

"Potential Event of Default" means any event which may become (with the passage of time, the giving of notice, the making of any determination hereunder or any combination thereof) an Event of Default;

"Proceedings" means any suit, action, or other proceedings relating to this agreement;

"Specified Exchanges" means the exchanges specified in Schedule 2 and any other exchanges agreed by the Parties to be Specified Exchanges for the purposes of Clause 1.1; and **"Specified Exchange"** means any of them;

"Transaction" means:

(i) a contract made on an exchange or pursuant to the rules of an exchange;

(ii) a contract subject to the rules of an exchange; or

(iii) a contract which would (but for its term to maturity only) be a contract made on, or subject to the rules of, an exchange and which, at the appropriate time, is to be submitted for clearing as a contract made on, or subject to the rules of, an exchange, in any of cases (i), (ii) and (iii) being a future, option, contract for differences, spot or forward contract of any kind in relation to any commodity, metal, financial instrument (including any security), currency, interest rate, index or any combination thereof;

(iv) a transaction which is back-to-back with any transaction within paragraph (i), (ii), or (iii) of this definition; or

(v) any other transaction which the Parties agree shall be a Transaction.

13.2 In these terms, **"Event of Default"** means any of the events listed in Clause 4.1; **"Liquidation Amount"** has the meaning ascribed to it in Clause 4.4; and **"Non-Defaulting Party"** has the meaning ascribed to it in Clause 4.1.

13.3 Any reference in these terms to:

a **"business day"** shall be construed as a reference to 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 ecu or euro), banks generally are open for business in the principal financial centre of the country of such currency; (b) ecu, the Ecu Clearing and Settlement System operated by the Ecu Banking Association (or, if such clearing system ceases to be operative, any other clearing or settlement system determined by the Parties) is open for business; or (c) euros, settlement of payments denominated in euros is generally possible in London or any other financial centre in Europe selected by the Parties; 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;

a **"Clause"** or **"Schedule"** shall be construed as a reference to, respectively, a clause or schedule of these terms, unless the context requires otherwise;

a **"currency"** shall be construed so as to include any unit of account;

"indebtedness" shall be construed so as to include any obligation (whether present or future, actual or contingent, as principal or surety or otherwise) for the payment or repayment of money;

"Parties" means you and us and shall be construed as a reference to the parties to this agreement and shall include their successors and permitted assigns; and **"Party"** shall be construed as a reference to whichever of the Parties is appropriate in the context in which such expression may be used;

a Party to which a Credit Support Provider relates shall be construed as a reference to the Party whose obligations under this agreement are supported by that Credit Support Provider; and these **"terms"** or this **"agreement"** shall be construed as this Schedule A including the Schedules 1 & 2 to the same and as a reference to these terms or this agreement as the same may be amended, varied, novated or supplemented from time to time.

SCHEDULE 1

1. SCOPE OF AGREEMENT

Each of the following shall be a Transaction for the purposes of paragraph (v) of the definition of "Transaction" in Clause 13.1:

All Transactions as defined in the Margin Trading Customer Agreement.

2. DESIGNATED OFFICES

Each of the following shall be a Designated Office:

Us – IG Markets Limited, Level 7, 417 St Kilda Road, Melbourne VIC 3004.

You – your physical address as notified by you to us from time to time.

3. ADDITIONAL EVENT(S) OF DEFAULT

Not applicable

4. AUTOMATIC TERMINATION

Upon the occurrence of any Event of Default specified in paragraph (ii) or (iii) of Clause 4.1, the provisions of Clause 4.3 shall apply.

5. TERMINATION OF OTHER TRANSACTIONS

The provisions of Clause 4.6 shall apply.

6. NOTICES

All notices from us to you will be sent as per Term 13 of the Margin Trading Customer Agreement and all notices from you to us are to be sent by post or facsimile to our registered address: IG Markets Limited, Level 7, 417 St Kilda Road, Melbourne VIC 3004; or facsimile number +61 (0)3 9860 1755; marked for the attention of the Chief Executive Officer and Group Legal Counsel.

7. GOVERNING LAW AND JURISDICTION

These terms shall be governed by, and construed in accordance with, the laws of the State of Victoria in Australia and therefore any reference to England or the English Courts in Clause 12 should be read as the State of Victoria in Australia or the Courts of Australia respectively.

8. BASE CURRENCY

For both Us and You: Australian dollar.

SCHEDULE 2

Specified Exchanges

The following exchanges are Specified Exchanges for the purposes of Clause 1.1:

Any exchange on which we agree to enter into an exchange traded Transaction, including but not limited to Futures or Options, under the Margin Trading Customer Agreement and any clearing organisation from time to time appointed as such by any such exchange.

IG Markets Limited, March 2012

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