

CMC Markets NZ Limited

Next Generation

Terms and Conditions of Trading

15 December 2022

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1 Important information

1.1 About this Document

These Next Generation Terms and Conditions of Trading ("Terms"), together with the Product Disclosure Statement, the General Terms and Conditions of Trading, other documents described below that make up the agreement between you and us govern the terms and conditions under which CMC Markets NZ Limited (referred to in these Terms as "CMC Markets", "we", "us" or "our") will provide Products and Services to you, specifically derivative products issued by us and traded through the CMC Markets Next Generation Platform (Products). Before deciding whether to trade with us, you should consider whether trading CMC Markets Products is a suitable investment for you and should carefully review these Terms, the PDS, the CMC Markets Financial Services Guide ("FSG"), the Risk Warning Notice, and the other documents published by us from time to time on the legal section of our Website (<http://www.cmcmarkets.co.nz/en/legal>) or on the Platform. You may also request these documents from us in writing.

You should note that these Terms contain information specific to Products offered by CMC Markets that is not applicable to products traded through any other platform.

The agreement between you and us ("Agreement") consists of these Terms, the PDS, the General Terms, the FSG, the Risk Warning Notice, the Product Library, any Confirmation, any specific terms and conditions you accept in writing in relation to your Account or on the Platform and any other terms and conditions published by us from time to time on the Platform or on our Website. The Product Library contains a list of Products and key information relating to each Product such as its Attributes, Variable Rates, Holding Rates and Prices and is accessible through the Platform.

The Products described in these Terms are speculative products, and, when leveraged they can place a significantly greater risk on your investment than non-leveraged investment strategies such as conventional share trading. You will find more about risk factors associated with trading in our Risk Warning Notice available on our Website. You may incur losses in addition to any fees and costs that apply. These losses may be far greater than any money you have deposited into your Account or are required to deposit to satisfy any Margin.

These Terms are dated and are effective from the date noted on the front cover. The current Agreement supersedes all previous oral or written representations, arrangements, understandings and/or agreements between you and CMC Markets which relate to the Products and Services.

The version of the Agreement (which includes these Terms) published on our Website at the time of entering into a Trade governs that Trade. Information within these Terms, the PDS or any other document that otherwise forms part of the Agreement is subject to change from time to time and, where it is not materially adverse to you, may be updated by us by posting it on our Website at cmcmarkets.co.nz. See section 3.4 ("Amendments and Termination") for more information.

If you are receiving advice or services from an Introducing Adviser, you should also refer to their disclosure material.

Section 5 of these Terms contains a Glossary in which various words and phrases used in these Terms are defined. You should also consider the glossary in the PDS and words not included in the Glossary in these Terms are defined in the PDS and/or the General Terms. If you do not understand a word or phrase, you should refer to the Glossary and/or the PDS and General Terms glossaries. Terms that have been included in the Glossary are capitalised in this document.

1.2 Applying to trade with CMC Markets

Before you begin trading with CMC Markets you must complete an Application. Before completing the Application you should consider all the documents that make up the Agreement. The Application is available on our Website. Please refer to section 2.2 for more information.

If CMC Markets, in its discretion, accepts your Application, CMC Markets will open the Account.

1.3 CMC Markets does not give personal advice

We will not give you personal advice. However, related entities or Introducing Advisers may give you such personal financial product advice. To find out more about the services they may be able to offer, you will need to refer to their relevant disclosure documents.

Information we provide is general information only. Any information provided to you on our Website, through the Platform, via e-mail, at any training events or otherwise is generic and must not be treated as advice that is suitable for you or based on a consideration of your personal financial circumstances. Such information is provided merely to assist you in exercising your own judgment when trading with us and we are not responsible for the investment decisions that you make. Accordingly, before applying to trade with us, you must consider your objectives, financial situation and needs and the significant risk of loss which accompanies the prospects of profit associated with trading Products. We recommend that you read these Terms and the PDS carefully and obtain independent financial, taxation and other professional advice concerning these Terms, the PDS and the other parts of the Agreement before you apply to open an Account and/or place any Trade or Order with us. We cannot guarantee specific results from trading in Products.

1.4 How to contact CMC Markets

CMC Markets NZ Limited	
Registered office & business address	Client Management Team CMC Markets NZ Limited Level 39 23 Albert Street Auckland 1010 New Zealand
Postal address	Client Management Team CMC Markets NZ Limited PO Box 106645 Auckland 1143 New Zealand
Phone	Client Management Team and Account opening queries: 0800 888 874 (only in New Zealand)
Email	info@cmcmarkets.co.nz
Web	cmcmarkets.co.nz

2 Key Terms

2.1 Trading with CMC Markets

It is important to note that CMC Markets acts as the counterparty for your Trades. You cannot trade with another provider to close any existing Position opened with CMC Markets.

We enter into all Trades with you as principal using Prices quoted by us through the Platform. Our Prices may not be identical to prices for similar financial instruments or their underlying financial instruments quoted on an exchange or other regulated market, therefore we and/or our Associates may profit from these Trades. You agree that neither we nor our Associates are liable to account to you for such profits.

The Products and Services are primarily provided online, however if you cannot access the Platform directly, then you may be able to contact our Client Management Team by telephone to request that we access the Platform on your behalf, however please refer to section 3.2 of these Terms, the Risk Warning Notice and the PDS for more information on when the Platform may become unavailable.

When trading on the Platform you are trading an OTC Product. CMC Markets will have regard to the price of the Underlying Market, however, when you trade you will be trading on the CMC Markets price and not the Underlying Market price.

2.2 Account opening process

When we receive a completed Application from you, we may use your information to conduct any further enquiries about you as we in our sole discretion determine are necessary or appropriate in the circumstances (including but not limited to confirmation of your identity, sanctions screening, and obtaining references from your bank or your employer (as applicable)). Where our enquiries include searches with credit reference agencies, they may appear on your credit history. We may also carry out any additional checks that we in our sole discretion determine are necessary or appropriate in the circumstances to combat fraud and money laundering or if your Account becomes dormant. You will need to co-operate with us and supply any information that we request promptly. We reserve the right to periodically review any information that you have provided and to make periodic searches of, and provide information to, credit reference and/or any other agencies (as applicable) where we have a legitimate reason for doing so.

Trading in Products may not be suitable for all investors because of the significant risks involved. During the application process CMC Markets will ask questions in order to assess your understanding of and experience with CFDs or related products. Based on your answers we may allow you to open an Account or decline your application and recommend that you first obtain further education or experience, for example, through the use of a demo account.

We may rely on the information that you provide us in the Application as being correct at any time, unless you notify us otherwise in writing. In particular, you must notify us as soon as possible in writing if any of the contact details provided to us in your Application or otherwise have subsequently changed.

Applications are accepted by us in our absolute discretion. If we accept your Application and open an Account for you, we will confirm this in writing and provide you with details on how to access your Account through the Platform.

In certain circumstances we may require additional documentation prior to opening your Account such as the provision of a guarantee in respect of Accounts opened by non-individuals.

2.3 Security and Account authentication

You are responsible for setting your own password in accordance with the instructions that we provide to you (which together with your email address are known as your "Account Sign In Details").

We may need to change or reset your Account Sign In Details to protect you and us against fraud. We will notify you if we do this. You must notify us immediately if you know or suspect that any person has obtained (or is likely to obtain) your Account Sign In Details and/or has (or is likely to have) access to your Account without our prior approval.

When you contact us by phone, you will be required to provide information to us in order for us to authenticate you.

It is your responsibility to keep all information that you hold relating to your Account, including your Account Sign In Details and emails and letters that we send to you, confidential at all times. We rely on this information being secure to protect you and us against fraud, as we will normally treat any person who accesses your Account using your Account Sign In Details as being you.

If you have no Positions on your Account for a continuous period of one year we reserve the right to carry out additional checks on you before we allow you to access your Account or enter into another Trade.

2.4 Accessing the Platform

We will do our best to make the Platform available when required by you, but we cannot guarantee that it will be available continuously. See section 3.2 for more information.

You will be able to access information on each Product, including its Attributes, through the Product Library on the Platform or available on our Website.

You may only enter into or close Trades via the Platform during the Trading Hours specified in the Product Library for the relevant Product. Some, but not all, types of Orders may be submitted through the Platform outside of the Trading Hours for the relevant Product.

2.5 Prices

During the Trading Hours for any Product and the Platform will generate Prices subject to the existence of a Corporate Action, an Adjustment Event, section 3.2 (below) and section 2.2 of the General Terms. Certain factors, such as the quality of your computer or internet connection may affect the speed at which information is displayed and refreshed. Therefore we cannot guarantee that the Price, and/or Price Depth displayed on your device at any time will always be the actual and up-to-date value being generated by the Platform at that time.

For more information on Prices please refer to the PDS and the Order Execution Policy.

2.6 Product Limit, Position Limits and Order Cluster Limits

Orders (including Pending Orders) and Trades in respect of any Product may be subject to Position Limits and/or Order Cluster Limits.

Guaranteed Stop Loss Orders are also subject to GSLO Cluster Limits and GSLO Limits. These limits are set by us in our sole discretion. We are entitled to vary the Position Limits, Order Cluster Limits, GSLO Cluster Limits and/or GSLO Limits at any time in accordance with the Agreement and it is your responsibility to ensure that you know what the current limits are before placing or modifying any Order or entering into any Trade.

Where the acceptance of a Pending Order or modification of an existing Pending Order would result in a breach of an Order Cluster Limit, GSLO Cluster Limits and/or GSLO Limits, the relevant Order or modification will be rejected by the Platform.

In addition, your Account may be subject to a Product Limit restricting the number of Positions and/or Pending Orders that could result in opening a new Position on your Account at any time. This limit is set by us in our sole discretion. We are entitled to vary the Product Limit at any time in accordance with the Terms and it is your responsibility to ensure that you know what the current Product Limit is before entering any new Position or placing a new Pending Order.

If, at the time an Order (including any Pending Order) would otherwise be executed, the execution of that Order would result in a breach of the Product Limit, the Order will be automatically cancelled and will not be executed. It will be shown as a rejected Order on the Account.

2.7 Trades

To enter into a Trade, you must place an Order on the Platform by completing an Order ticket for the type of Trade you want to enter into.

For Margin Trades, the Order Ticket identifies the Product and specifies whether you wish to enter into a buy Trade or sell Trade, the type of Order, the Price at which you wish to buy or sell, the number of Units and any Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order and/or Take Profit that you wish to be the subject of that Trade. Margin Trades are designated solely by Units.

All Trades open on the same Product at the same time are aggregated and subject to netting for the purposes of calculating the size of your Position in the relevant Product. In respect of Margin Trades only, the Account Netting function sets how the Platform may combine and net your Margin Trades open at the same time in respect of the same Product. Account Netting functions as follows:

- (a) if Account Netting is enabled any Orders will, if and when executed, close out any open Margin Trades on your Account that are in the same Product but in the opposing direction. Once this process has taken place, any remaining Orders, or part of an Order in the same Product will, if and when executed, then be used to open a new Trade in the same Product; and
- (b) if Account Netting is disabled any Orders used to enter Margin Trades in the same Product will, if and when executed, open a new Margin Trade, even if there is already an open Margin Trade in the same Product in the opposing direction. If you wish to close an Open Position or Margin Trade this should be done by an Order specifically linked to that Position or Margin Trade.

Account Netting can be re-enabled at any time, provided you do not have any Margin Trades in the same Product open in opposing directions.

We may combine or consolidate multiple Trades when we take a Reserved Action.

Disabling Account Netting will affect the execution behaviour of new Buy and Sell Orders, excluding Stop Loss Orders and Take Profit Orders.

2.8 Margin

Margin is the security we take from in respect of Margin Trades you to cover our exposure as counterparty to your CFD trading.

When you enter into a Margin Trade with CMC Markets that will either create a new Position or increase an existing Position you need to have sufficient Available Equity to satisfy the Margin required for the Position as set out on the applicable Platform. The Position Margin will be calculated using the Margin Rates for the Product (which may be broken into Tiers depending on the size of the Position).

If you wish to place an Order to enter a Margin Trade there may be an increase or decrease in your Margin requirement for the Position resulting from that Order.

Your Margin requirement will be calculated using the Level 1 Mid-Price shown on the Platform and the Margin Rate(s) shown in the Product Library. Position Margin is not required in respect of the portion of any Margin Trade or Position covered by a Guaranteed Stop Loss Order, for which Prime Margin is required instead.

For certain Products different Margin Rates may apply, depending on the size of your Position or the Tier(s) any portion of your Position falls within.

The portion of your Position not covered by a Guaranteed Stop Loss Order that falls within each Tier is subject to the Margin Rate applicable for that Tier.

2.8.1 Position Margin

The Position Margin required at any given time is calculated as follows:

Position Margin = Aggregate Tier Margin x Level 1 Mid-Price x CMC Currency Conversion Rate

Where the Aggregate Tier Margin = Units in Tier 1 x Tier 1 Margin Rate + Units in Tier 2 x Tier 2 Margin Rate + Units in Tier 3 x Tier 3 Margin Rate + Units in Tier 4 x Tier 4 Margin Rate + Units in Tier 5 x Tier 5 Margin Rate

where any Units that are covered by a Guaranteed Stop Loss Order are excluded from the calculation.

Example:

Company ABC (AUD) Margin Rates		
Tier	Position (Units) excluding Units covered by GSLOs	Margin Rate
1	1-1,000	10%
2	1,001-3,000	15%
3	3,001-5,000	20%
4	5,001-10,000	30%
5	Above 10,000	50%

Using the Margin Rates shown in this example, a Position of 6,500 Units in Company ABC (AUD), where the Level 1 Mid-Price is \$2.75 per Unit and the Account Currency is New Zealand dollars, would require a Position Margin of \$4,125.

Your Total Position Margin will be the sum of the Position Margin at any given time.

The Position Margin Rate at any given time is calculated as follows:

$$\text{Position Margin Rate} = \frac{\text{Position Margin}}{\text{sum of Units in Position} \times \text{Level 1 Mid-Price} \times \text{CMC Currency Conversion Rate}}$$

If you wish to place an Order to enter into a Margin Trade that will either create a new Position or increase an existing Position in a particular Product, the Available Equity in your Account must be sufficient to cover the Position Margin required as a result of that particular Trade.

2.8.2 Prime Margin

In respect of any whole or portion of a Margin Trade covered by a Guaranteed Stop Loss Order ("GSLO Trade") on the Next Generation Platform, the Prime Margin required is calculated in real time as follows:

On a buy Margin Trade:

Prime Margin = Units in the Guaranteed Stop Loss Order x (Level 1 Mid-Price – Target Price) x CMC Currency Conversion Rate

On a sell Margin Trade:

Prime Margin = Units in the Guaranteed Stop Loss Order x (Target Price – Level 1 Mid-Price) x CMC Currency Conversion Rate

For example, if a Guaranteed Stop Loss Order had been entered into on a buy Margin Trade to sell 1,000 Units in Company ABC (AUD) with a Target Price of \$2,000 where the Level 1 Mid-Price is \$2.75 per Unit and the Account Currency is New Zealand dollars with an CMC Currency Conversion Rate of 1.2, the Prime Margin required would be \$900 (1000 Units x (2.75 – 2.00) x 1.2).

Your Total Prime Margin is the sum of the Prime Margin required for all GSLO Trades at any given time. Your Total Prime Margin will be displayed on the Platform and updated in real time.

2.8.3 Independent Margin

We may also:

- (a) require you to have an additional Amount deposited in an Account to secure your future obligations to us; or
 - (b) reduce the Amount you are required to hold in an Account by an absolute Amount;
- the relevant Amount in both cases being referred to as Independent Margin (which will be a positive figure in respect of Amounts under paragraph 2.8.3(a) and a negative figure in respect of Amounts under paragraph 2.8.3(b)).

2.8.4 Total Margin

Your Total Margin is the sum of your Total Position Margin, your Total Prime Margin and your Independent Margin at any given time. Your Total Margin does not represent your entire potential liability to us, and any Trade may result in a loss that exceeds the relevant Margin provided to us for your Positions.

2.9 Closing Trades

You may fully or partially close a Margin Trade during Trading Hours by:

- (a) using the 'close trade' function in relation to that Trade; or
- (b) unless otherwise specified (for example, by you disabling Account Netting) placing a Market Order in the opposite direction for the same Product as the relevant Trade. If you have multiple Trades in the same Product, and you do not specify which Trade(s) you wish to close, these will be closed by the Platform in the order in which those Trades were entered into (i.e. on a 'first in, first out' basis).

The Platform will, subject to the limitations set out elsewhere in these Terms and the PDS, close any Trade in accordance with any applicable Roll-Over, Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order, Take Profit Order, Stop Entry Order or Limit Order. In addition, the Platform may close all your Positions if the Close-Out Level is triggered. See section 2.15 for more information.

We reserve the right to instruct the Platform to close any Trade when we take a Reserved Action or exercise our termination rights as set out in these Terms and the PDS, in accordance with the Agreement.

2.10 What is your Cash?

The Cash of an Account is calculated as follows:

$$\text{Cash} = \text{A} - \text{B}$$

Where:

A = the sum of any successful payments made by you to us in respect of the Account, plus any Realised Profits, plus the Amount of any other money credited by us to the Account; and

B = the sum of any Realised Losses (whether due and payable or not), plus the Amount of any Deductions, plus the Amount of any money withdrawn by you.

Please note that your Cash does not represent the funds that are available for you to withdraw. This Amount is the lesser of your Available Equity and your Cash. You must clear any negative Cash value immediately by the payment of an Amount to us that is sufficient to return the Cash value to zero or to a positive value.

2.11 What is your Available Equity?

Your Available Equity is the amount of funds you have available to enter into Trades. Available Equity on your Account is calculated as follows:

$$\text{Available Equity} = \text{Account Revaluation Amount} - \text{Total Margin}$$

You should remember that in respect of Margin Trades in order to create a new Position or increase an existing Position in a particular Product, the Available Equity in your Account must be sufficient to cover the Position Margin as a result of that particular Margin Trade.

2.12 What is your Account Value?

Your Account Value will be updated by the Platform in real time and is calculated as follows:

$$\text{Account Value} = \text{Cash} + \text{Net Unrealised Profit or Loss}$$

2.13 What is your Account Revaluation Amount?

Your Account Revaluation Amount will be updated by the Platform in real time and is calculated as follows:

$$\text{Account Revaluation Amount} = \text{Cash} + \text{Net Unrealised Profit or Loss (Mid-Price)}$$

Your Account Revaluation Amount is the figure used in determining whether your Account has breached the Close-Out Level and accordingly you must ensure that your Account Revaluation Amount is at all times above the Close-Out Level.

2.14 Unrealised Profit Or Loss

The Unrealised Profit Or Loss for any individual Margin Trade is calculated in real time as follows:

On a buy Trade, Unrealised Profit Or Loss is:

$$\text{Units} \times (\text{Trade Revaluation Price} - \text{Opening Trade Price}) \times \text{CMC Currency Conversion Rate}$$

On a sell Trade, Unrealised Profit Or Loss is:

Units x (Opening Trade Price – Trade Revaluation Price) x CMC Currency Conversion Rate

When a Margin Trade is closed, any Unrealised Profit Or Loss becomes Realised Profit or Realised Loss and a corresponding change is made to your Cash.

The Unrealised Profit Or Loss displayed on the Platform at any time, may not accurately reflect the actual Unrealised Profit Or Loss (i.e. the Realised Profit or Realised Loss that would be gained or incurred if you closed one or all of your open Trades immediately) particularly where a Trade may be closed at a Price that differs from the Level 1 Price. The Unrealised Profit Or Loss displayed on the Platform will always be based on the current Level 1 Price.

In respect of any particular Forward, the Unrealised Profit or Loss will become Realised Profit or Realised Loss on the Cash Settlement Date (which will normally be within one Business Day of the Expiry Date).

2.15 Account Close-Out

2.15.1 Close-Out Level

You are required to keep sufficient funds in your Account to maintain your Account Revaluation Amount above the Close-Out Level.

Your Account Revaluation Amount is calculated as follows:

Account Revaluation Amount = Cash + Net Unrealised Profit or Loss (Mid-Price)

Your Account Revaluation Amount will be displayed on the Platform and updated in real time.

When calculating your Close-Out Level the Platform will reference either an absolute amount (an “**Absolute Close-Out Level**”), or percentages of your Total Margin and your Prime Margin Requirement.

Total Margin = Total Position Margin + Total Prime Margin + Independent Margin

Prime Margin Requirement = Total Prime Margin + Independent Margin

Based on these amounts, you will be subject to one or more Close-Out Levels:

Standard Close-Out Level = Total Margin x Close-Out Percentage Level

Prime Close-Out Level = Prime Margin Requirement x Prime Close-Out Percentage Level

Note that your Prime Margin Requirement, and accordingly your Prime Close-Out Level, will only be relevant if you have open Trades that require Prime Margin.

Subject to the processes described in this section, during any Account Close-Out the Platform will attempt to close Standard Trades before closing GSLO Trades.

2.15.2 Close-Out Triggering

You must ensure that your Account Revaluation Amount is at all times above your Close-Out Level, which will be displayed on the Platform.

For the purposes of triggering Account Close-Out, your Close-Out Level will be either:

- (a) the greater of your **Standard Close-Out Level** and your **Prime Close-Out Level**; or
- (b) an **Absolute Close-Out Level**.

If your Account Revaluation Amount for an Account falls to an Amount at or below the Close-Out Level at any point in time, the Platform will automatically initiate Account Close-Out.

Account Close-Out will either be performed as Full Account Close-Out or (subject to the Account Close-Out preferences that you specify on the Platform) as Alternative Account Close-Out. Where you breach an Absolute Close-Out Level, Account Close-Out will be performed as Full Account Close-Out.

2.15.3 Full Account Close-Out

Unless the Platform has been instructed to perform an Alternative Account Close-Out, upon Account Close-Out being triggered Full Account Close-Out will be initiated by the Platform and, subject to sections 2.15.6 and 2.15.7, will consist of the following steps:

Step 1 - Initial Full Close-Out

- (a) each Tradable Standard Trade will be automatically closed at its Close-Out Price; and
- (b) subsequently, if either the Absolute Close-Out Level or the Prime Close-Out Level has been breached, each Tradable GSLO Trade will be automatically closed at its Close-Out Price.

Step 2 - Subsequent Full Close-Out

- (c) if your Account Revaluation Amount is below either an Absolute Close-Out Level or the Standard Close-Out Level then, as and when a Standard Trade that was not previously Tradable becomes Tradable, each such Standard Trade will be automatically closed at its Close-Out Price; and
- (d) if your Account Revaluation Amount is below either an Absolute Close-Out Level or the Prime Close-Out Level then, as and when any GSLO Trade that was not previously Tradable becomes Tradable, each such GSLO Trade will be automatically closed at its Close-Out Price.

Step 3 – Additional Subsequent Close-Outs

- (e) Subsequent Full Close-Outs will be continually repeated until there are no remaining Margin Trades on your Account.

2.15.4 Alternative Account Close-Out Methods

Subject to the Account Close-Out preferences you specify on the Platform, you may set an instruction for the Platform to conduct an Alternative Account Close-Out instead of a Full Account Close-Out. In this case the Platform will attempt to increase your Account Revaluation Amount above the Reset Level or Prime Reset Level (as applicable), either on a:

- (a) 'last in, first out' basis, which has the effect of closing first the whole or a portion of your most recent Trade, then the whole or a portion of your next most recent Trade, continuing this process as necessary;
- (b) 'largest Position Margin first' basis, which has the effect of closing first those Positions for which the Margin is largest (or for GSLO Trades, for which the Prime Margin is the largest), unless there is only one Position in which case the Trades comprising that Position will be closed on a 'first in, first out' basis. If there are two or more Positions with an identical Margin that would otherwise be closed, then the Position with the largest Position Margin Rate will be closed first, and if such Positions have identical Position Margin Rates then the Position that was most recently increased will be closed first; or
- (c) 'largest Position loss first' basis, which has the effect of closing first those Positions for which the Unrealised Loss is largest, unless there is only one Position in which case the Trades comprising that Position will be closed on a 'first in, first out' basis. If there are two or more Positions with an identical Amount of Unrealised Loss that would otherwise be closed, then those Positions will be closed on a "largest Margin first" basis as described in paragraph 2.15.4(b). Once all Positions with Unrealised Losses have been closed, where necessary, this process will continue by closing Positions with the smallest Unrealised Profits first.

Please note that in any Alternative Account Close-Out step the Platform will attempt to close Standard Trades before closing GSLO Trades.

2.15.5 Alternative Account Close-Out

Where the Platform has been instructed to perform an Alternative Account Close-Out, upon Account Close-Out being triggered, Alternative Account Close-Out in accordance with any instructions permitted under section 2.15.4 will be initiated by the Platform and, subject to sections 2.15.6 and 2.15.7, will consist of the following steps:

Step 1 - Initial Alternative Close-Out

- (a) each Tradable Standard Trade as is necessary to increase your Account Revaluation Amount above the Reset Level will be automatically closed at its Close-Out Price; and
- (b) subsequently, if the Prime Close-Out Level has been breached, each Tradable GSLO Trade as is necessary to increase your Account Revaluation Amount above the Prime Reset Level will be automatically closed at its Close-Out Price.

Step 2 - Subsequent Alternative Close-Out

- (c) if your Account Revaluation Amount is at or below the Standard Close-Out Level, as and when a Standard Trade becomes Tradable, each such Standard Trade as is necessary to increase your Account Revaluation Amount above the Reset Level will be automatically closed at its Close-Out Price; and
- (d) if your Account Revaluation Amount is at or below the Prime Close-Out Level, as and when a GSLO Trade becomes Tradable, each such GSLO Trade as is necessary to increase your Account Revaluation Amount above the Prime Reset Level will be automatically closed at its Close-Out Price.

Step 3 - Additional Subsequent Alternative Close-Out

- (e) Subsequent Alternative Close-Outs will be continually repeated until there are no remaining Positions on your Account.

2.15.6 Suspension of Account Close-Out: Standard Trades

If your Account Revaluation Amount increases above the Standard Close-Out Level following an Initial Close-Out or any Subsequent Close-Out whether as a result of:

- (a) any step in the Account Close-Out process;
- (b) any change to your Net Unrealised Profit or Loss; or
- (d) the combined effect of (a) and (b) above,

then, following the completion of any Initial Close-Out or Subsequent Close-Out (as applicable), the Account Close-Out in respect of Standard Trades will stop, that is, no further Subsequent Close-Outs in respect of Standard Trades will be performed. However, please note that, subject to section 2.15.7, Subsequent Close-Outs in respect of GSLO Trades may continue.

2.15.7 Suspension of Account Close-Out: GSLO Trades

If your Account Revaluation Amount increases above the Absolute Close-Out Level or the Prime Close-Out Level (as applicable) following an Initial Close-Out or any Subsequent Close-Out whether as a result of:

- (a) any step in the Account Close-Out process;
- (b) any change to your Net Unrealised Profit or Loss; or
- (d) the combined effect of (a) and (b) above,

then, following the completion of any Initial Close-Out or Subsequent Close-Out (as applicable), the Account Close-Out in respect of GSLO Trades will stop, that is, no additional Subsequent Close-Outs in respect of GSLO Trades will be performed. However, Please note that, subject to section 2.15.6, Subsequent Close-Outs in respect of Standard Trades may continue.

2.15.8 Large Position Close-Out

Notwithstanding sections 2.20.3, 20.20.4 and the Account Close-Out preferences you specify on our Platform, if at the point that the applicable Account Close-Out commences you have a Position that exceeds an applicable maximum Margin Trade size, our Platform will always perform an Alternative Account Close-Out on a 'last in, first out' basis. If, following completion of any Initial Alternative Close-Out or Subsequent Alternative Close-Out (as applicable) in that Alternative Account Close-Out, all remaining Positions on your Account are below the applicable maximum Margin Trade size(s):

- (a) the 'last in, first out' Alternative Account Close-Out will cease; and
- (b) if your Account Revaluation Amount is still at or below any of the applicable Close-Out Level(s), our Platform will automatically initiate Account Close-Out in accordance with sections 2.15.3, 2.15.4 and the Account Close-Out preferences you have specified on our Platform.

2.15.9 General

Please note that an increase in your Account Revaluation Amount, however caused, will not affect any Trades that have already been closed during the Account Close-Out.

We may set one or more warning levels on the Platform for your Account Revaluation Amount (the "Close-Out Warning Level") that is either (i) a percentage of your Total Margin; (ii) a percentage of your Prime Margin; or (iii) an absolute Amount. The Platform will then attempt to notify you if your Account Revaluation Amount falls to an amount at or below that Close-Out Warning Level and notify you of the applicable Close-Out Level and/or Reset Level (as applicable). **Any Close-Out Warning Level notification is provided as a courtesy and you must not rely on the Platform or on us to notify you of such circumstances.** If you receive such a notification you should consider closing Positions or making a payment to us in order to reduce the risk of Account Close-Out. Any failure of the Platform to notify you, or the fact that you did not see such notification, before the Close-Out Level was reached will not affect the likelihood of an Account Close-Out, our right to the Reserved Actions, or our right to terminate pursuant to the Terms.

You should also note that:

- (a) You must not rely on the Platform to close your Margin Trades if your Account Revaluation Amount falls below the Close-Out Level as we cannot guarantee that Account Close-Out will occur or the speed at which it will occur.
- (b) Account Close-Out does not and is not intended to limit your entire liability to us in respect of your Margin Trades, you can lose more than your initial investment and you may be required to make further payments. You must clear any negative Account Revaluation Amount immediately by the payment of an Amount to us, that is sufficient to return the Account Revaluation Amount to zero or to a positive value.
- (c) Any failure by you to maintain your Account Revaluation Amount above the Close-Out Level may be a Specified Event that entitles us to take a Reserved Action.

2.16 Confirmations

When you execute a Trade with us electronically, a Confirmation of the executed Trade will appear on the Platform. It is only at this point, and subject to other terms of the Agreement, that a binding contract between you and us in respect of that Trade arises. If you execute a Trade with us over the phone, the Trade will constitute a binding Trade once you have agreed to the Order being placed rather than at the time the Confirmation appears in the Platform. The Confirmation includes certain information about the Trade, including details of the Product, the Units and the Price.

We will not send you any Confirmations. Instead, we will retain in your Account any information that we are required to provide you with in relation to an Order or Trade to the extent and for the duration required by Applicable Law, and you may access this information through the Platform even if your Account has been closed or the Agreement has been terminated. After this period, we may destroy this information or retain it for such further duration as we see fit in our absolute discretion and without notice to you.

Please note that Confirmations may not be generated for amendments to an existing Trade, however any amendment will show up in your Account History on the Platform.

2.17 Checking of Confirmations

You should check all the contents of Confirmations provided to you on the Platform in detail and contact us as soon as possible if you disagree with any of their contents.

Subject to section 2.18 ("Errors"), Confirmations will be conclusive unless you notify us in writing to the contrary within three Business Days. The three Business Days begin from the time the Confirmation is provided on the Platform.

2.18 Errors

From time to time, material errors, mistakes and omissions that are or should be reasonably obvious to you in your capacity as our Client will occur in respect of Trades, your Account or the Platform (each an "Error"). Examples of Errors include: the Platform displaying incorrect Prices (whether caused by a third party supplier or due to a problem with our systems), an Order being handled incorrectly (including execution at an incorrect Price or contrary to Underlying Market conditions), incorrect Roll-Over behaviour on a Forward, and incorrect Deductions or credits being applied to your Account. If you or we know or suspect or are aware of circumstances in which you or we ought reasonably to know or suspect, that an Error has occurred:

- (a) as applicable, you must notify us as soon as reasonably practicable or we will notify you (which may be by displaying a message on the Platform) as soon as reasonably practicable upon discovery of the Error; and
- (b) we will then do our best to investigate whether there has, in fact, been an Error and/or what caused it, and we will notify you (which may be by displaying a message on the Platform) of the outcome of our investigation and any measures that we will take in accordance with the Agreement.

The occurrence of an Error is a Specified Event that entitles us to take a Reserved Action. See sections 3.6 and 3.7 for more information.

2.19 Close-out Netting and Early Termination

All Margin Trades entered into by you or on your behalf pursuant to this Agreement are entered into in reliance on the fact that the Agreement and all Margin Trades form a single agreement between us and you. The term Agreement shall be construed as including the Agreement and all Margin Trades accordingly. You agree you will not enter into any Margin Trades other than as part of the Agreement.

Without prejudice to any of our other rights under this Agreement and upon the occurrence of an Event of Default, we may at our sole discretion and by notice in accordance with section 2.14 of the General Terms designate a day not earlier than the day such notice is effective as the Early Termination Date in respect of all outstanding Margin Trades as at such date (each an "Outstanding Margin Trade").

Once an Early Termination Date has been designated, no further payments will be required to be made in respect of the relevant Margin Trades, other than payments calculated in accordance with the remaining provisions of this section and we will cancel any Pending Orders.

On or as reasonably practicable following the occurrence of an Early Termination Date, we will make the relevant calculations to determine our Netting Loss or Netting Gain (as applicable) for each Outstanding Margin Trade. We will provide to you evidence of such calculations showing reasonable detail and including all relevant quotations. Such calculations shall be binding on you (absent manifest error) and the date on which such calculations are provided shall be the "Payment Date".

On the Payment Date, the Settlement Amount will be due and payable. If the Settlement Amount is a positive number, you will pay it to us. If the Settlement Amount is a negative number, we will pay it to you.

2.20 Risk Management

You may set one or more Stop Loss Orders, Trailing Stop Loss Orders, Guaranteed Stop Loss Orders or Take Profit Orders for any Order in respect of a Margin Trade:

- (a) amending the Order ticket; or
- (b) if an Order has already been entered into, by applying a Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order, and/or Take Profit Order via the Orders tab on your Account; or
- (c) if a Margin Trade has already been entered into, at any time before the Margin Trade is closed, by applying a Stop Loss Order, Trailing Stop Loss Order or Take Profit Order via the Positions tab on your Account.

In respect of Guaranteed Stop Loss Orders:

- (d) these may only be placed during Trading Hours;
- (e) a GSLO Premium must be paid to us in order to place any Guaranteed Stop Loss Order (including by modifying another type of Pending Order). A GSLO Premium Refund may be given if the Guaranteed Stop Loss Order is subsequently cancelled, removed, corrected or closed before it has been executed. A GSLO Premium is not required in order to modify an existing Guaranteed Stop Loss Order; and
- (f) if you wish to place, modify or cancel a Guaranteed Stop Loss Order (including by modifying another type of Pending Order), you must ensure that the Available Equity in your Account is sufficient to cover any increase in Position Margin and/or Prime Margin required as a result.

If you close a Margin Trade, any attached Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order and/or Take Profit Order will automatically be closed.

Pending Orders, including Stop Loss Orders and Trailing Stop Loss Orders but excluding Guaranteed Stop Loss Orders, are subject to market conditions (i.e. slippage) and are therefore not guaranteed to be executed at their Target Price.

Our Platform may aggregate: (i) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Orders to sell the same Product; or (ii) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Orders to buy the same Product; which are triggered by the same Price and which are due to be executed by our Platform at the same time in accordance with the Order Execution.

You can use a Boundary where you need to ensure that the Buy Price or Sell Price at which a Market Order or Stop Entry Order is executed is not worse than the Target Price specified by you when setting the Boundary.

See our Order Execution Policy and the PDS for more information.

2.21 Shield Mode

If you have no open Margin Trades, we may offer to enable Shield Mode on your Account. Shield Mode may not be available to all our clients.

Shield Mode will:

- (a) ensure that you will not lose more than the Amount you have deposited with us. If Shield Mode is enabled and at any time you have a negative Cash value on your Account, we will waive our right to claim the deficit and will return the Account balance to zero (0), subject always to our right of Set-Off under section 2.7 of the General Terms. Shield Mode does not affect your obligation to ensure your Account Revaluation Amount is at all times above the applicable Close-Out Level(s) displayed on our Platform and we retain the right to close any open Margin Trades if you fail to maintain sufficient funds on your Account to keep your Account Revaluation Amount above the applicable Close-Out Level(s); and
- (b) affect the execution of all Orders for Margin Trades, prohibiting you from either:
 - i. opening any Margin Trade not fully covered by a Guaranteed Stop Loss Order; or
 - ii. modifying and/or cancelling the Guaranteed Stop Loss Orders on your Margin Trades.

You can disable Shield Mode at any time by calling our client management team.

2.22 Payments and Withdrawals

You are responsible for ensuring that your Account is adequately funded at all times and for making payments to us that are required, from time to time, under the Agreement or Applicable Law, including any payments required:

- (a) to keep the Account Revaluation Amount above all applicable Close-Out Level(s);
- (b) to clear any negative Account Revaluation Amount or Account Value;
- (c) clear any negative Cash value on your Account (unless Shield Mode has been enabled);
- (d) to satisfy any debts owing to us, including in respect of Commission, GSLO Premiums and Holding Costs; or
- (e) in respect of Position Margin.

The accepted payment methods and the respective costs involved, instructions on how to make and correctly designate payments, and the timings for receipt of payments are available on the Platform or from our Client Management Team upon request. We may reject any payment that is not made in accordance with these procedures and Applicable Law.

Payments will be accepted from you only where they are in respect of an Account held individually or jointly in your name, and the payment has originated from you and, in the case of bank transfers, where we have verified that bank account (as necessary). If there is any inconsistency between your name (as supplied to us by you) and the name on the source account from which the payment originates, or if you do not correctly provide any other necessary details, the payment may be rejected and returned to the source account or there may be a delay in crediting the payment to your Account. In certain circumstances we may accept payments on your behalf by an introducing advisor provided that the introducing advisor is an Authorised Person appointed by you, we have an agreement in place with the introducing advisor and we have verified the account the payment is made from (where applicable) and undertaken any other checks that we in our sole discretion determine are necessary or appropriate.

We will use reasonable endeavours to ensure that your successful payments are credited to your Account after the money has been received as Cleared Funds by us. However, we cannot guarantee the time it will take to credit such funds to your Account. The reasons for this can include the time it takes for our systems to process the payment, Circumstances Outside Our Control, if you have not correctly designated the payment, or if manual processing of the payment is necessary.

Payments you make will not be counted as Cleared Funds in your Account, and can therefore not be used to meet Position Margin, until they have been credited to your Account by CMC Markets. Depending on the reference you include with the payment and the payment method used, transfers can take several days to be counted as Cleared Funds.

Details on how to make withdrawals, the relevant timings for withdrawals to take effect and our 'return to source' policy are available from our Client Management Team upon request.

Unless we agree otherwise or to comply with Applicable Law, we will only accept a request for a withdrawal of money from your Account that is given directly by you or an Authorised Person appointed by you in accordance with section 9.4 of the PDS (other than a person acting pursuant to a limited power of attorney) and we will not accept any request for a withdrawal given by any other person. In addition, withdrawals will only be processed by us where the destination for the money being withdrawn is the same as the origin of your payment(s), unless (and subject to our approval) you have notified us in writing that your payment details have changed.

Under certain circumstances there may be a delay in processing your payment or a withdrawal, including where such delay is due to the time it takes for our systems to process the payment or withdrawal, to Circumstances Outside Our Control or to an issue in relation to your payment or withdrawal that we may be attempting to resolve to comply with Applicable Law.

We may in our sole and reasonable discretion refuse or delay giving effect to your request for a withdrawal of money from your Account (in whole or in part) if we reasonably consider that:

- (f) on any particular day, you have already made five requests to withdraw money from that Account;
- (g) the money is required to cover any Holding Costs, Commissions, GSLO Premiums, Realised Losses, Margin or Net Unrealised Loss in respect of your Positions, or to ensure that your Account Revaluation Amount is equal to or greater than your Total Margin;
- (h) the money may be required to meet a payment obligation that is due or reasonably likely to fall due within the next five (5) Business Days;
- (i) we need the money to make a Deduction (under section 2.6 of the General Terms) or exercise our right of Set-Off (under section 2.7 of the General Terms) in accordance with the Agreement or Applicable Law (including for tax purposes);
- (j) we are required to do so under Applicable Law or we reasonably suspect that there has been a breach of Applicable Law;
- (k) there is an unresolved dispute or a potential dispute between us and you in connection with the Agreement, including where you have breached the Agreement or we reasonably suspect that you have breached the Agreement, and we will (except in some cases where (f) above applies) notify you as soon as reasonably practicable if we decide to take such action; or
- (l) we know or reasonably suspect that the instruction has been provided by an Authorised Person acting pursuant to a limited power of attorney or a limited appointment of agent,

and we will (except in some cases where (h) above applies) notify you as soon as reasonably practicable if we decide to refuse or delay giving effect to your request for a withdrawal and such action shall be a Specified Event.

Please note that the Cash value shown on the Platform does not represent the amount of funds that are available for withdrawal. As noted in sub-paragraph (f) above, we may withhold funds where you have Net Unrealised Losses in your Account. If your Account has a negative Cash value following Account Close-Out or termination of this Agreement, that negative Cash value represents a debt owed to us which is due and payable immediately.

If there has been no activity on your Account for an extended period of time, we may impose dormant Account fees in accordance with our FSG and make a Deduction from your Account in accordance with the General Terms. If there has been no activity on your Account in the previous six (6) years we will make reasonable attempts to contact you regarding any client money held in your Account. If we are unable to contact you, you agree that we may cease to treat such money as client money and release it from our client money bank account and pay it to charity in accordance with Applicable Law. If you later make a valid claim to us we may pay you any amount we owe you.

Notwithstanding any other provision of this Agreement, any payment obligation that we may have to you under this Agreement (other than a payment obligation pursuant to section 2.19 above) is subject to the condition precedent that no Event of Default has occurred and is continuing and no Early Termination Date has occurred or been effectively designated.

2.23 Account Currency

The Account Currency for your Account will be as selected by you from the available options specified by CMC Markets at the time you opened the Account, and any payment obligations in relation to your Account must be settled in that Account Currency.

2.24 Information about your trading activity

When you access an Account through the Platform you can obtain:

- (a) information regarding any Orders on that Account that have been received by the Platform, including Pending Orders;
- (b) information regarding each Trade entered into or closed on that Account including details of any Commission, GSLO Premium and/or Holding Costs charged;
- (c) the Account Value and Account Revaluation Amount of that Account in real time, broken down into your current Total Margin, Cash, Available Equity and Net Unrealised Profit Or Loss; and
- (d) the Total Position Margin, Total Prime Margin, Close-Out Level, Reset Level and Prime Reset Level of that Account (if relevant) from time to time,

and it is your responsibility to regularly access and review this information to ensure that it corresponds with your own records. Subject to section 2.18 ("Errors"), the above information will be conclusive unless we notify you or you notify us in writing of any mistake, error or inaccuracy.

The Platform will update the information set out above in real time, however, from time to time this may not happen immediately, or you may not receive or be able to see this update immediately, due to Circumstances Outside Our Control (such as poor connectivity or systems errors). If, for example, you are unsure as to whether or not we have received an Order that you have attempted to place, or whether or not a particular Trade has been entered into or closed, or whether you have sufficient funds on an Account to meet any Independent Margin, Position Margin, Trade Margin, Prime Margin or Cash Requirement, or whether or not your Account Revaluation Amount is sufficiently high to avoid Account Close-Out, then you should check the Platform carefully, contact us through the live help function (where available) on the Platform or contact our Client Management Team to seek further information.

It is your responsibility to monitor the Platform and your Account and review the Attributes of all Positions on your Account at all times.

2.25 Separate Accounts

Except as otherwise noted in these Terms or the PDS (including in relation to Debts and Set-off), where you have opened more than one Account with us we will treat such Accounts as entirely separate. Any credit, including money deposited as Margin, on one Account will not, except where we exercise our rights under the Agreement, discharge any of your liabilities in respect of another Account.

3 Important Considerations when trading CMC Markets Products

This section sets out important factors you should consider when trading Products. You should read this section in conjunction with the Risk Warning Notice and the PDS.

3.1 Trading may be affected by certain factors

The Prices of Products are derived from the prices in the Underlying Markets, which can be highly volatile. The Prices of Products and the Underlying Reference Instruments may fluctuate rapidly and over wide ranges and may reflect unforeseeable events or changes in conditions, none of which can be controlled by you. The Prices of Products may be influenced by, among 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.

The ability of the Platform to generate Prices and execute Orders is also dependent on the availability of prices and liquidity in the exchanges, markets and other venues from which we gather data. In addition, because we maintain our own financial stability by Hedging with other counterparties, we may be unable to execute your Orders where we cannot enter into a corresponding trade to hedge our own risk (for example, due to the activities of an issuer of shares to which your Trades relate, which can sometimes restrict the market liquidity in those shares). Therefore, market circumstances may impact on your ability to place an Order or close a Trade with us. In contrast, if we enter into a corresponding trade, to Hedge our risk, this may have an influence on the Underlying Market conditions and consequently also on the Prices we quote on the Platform and your Account.

Finally, if trading in the Underlying Market is affected by Circumstances Outside Our Control, we may take certain action. Please see section 10.1 of the PDS for further information.

3.2 Information technology

We will do our best to make the Platform available when required by you, but we cannot guarantee that it will be available continuously. This is because from time to time:

- (a) errors and/or failures may occur in respect of technology, the internet may be subject to faults or events which may affect your access, and your systems, our systems or the systems of a third party, which you or we rely on, may fail to work properly (see the PDS for more information about Circumstances Outside Our Control);
- (b) we may need to suspend availability of the Platform for maintenance, repairs, upgrades or any development-related issues. We will normally seek to carry out these works outside Trading Hours. If this occurs during Trading Hours relevant to any of your Trades we will, where reasonably practicable, provide you with prior notice of such suspension and, if necessary, suggest alternative ways for you to access your Account; and
- (c) we may need to suspend availability of our Client Management Team, for example, due to maintenance, repairs or upgrades to the offices and/or systems used by our Client Management Team. We will normally seek to do this outside of Trading Hours. If we need to suspend the availability of our Client Management Team during Trading Hours we will, where reasonably practicable, provide you with prior notice of such suspension.

You are responsible for making sure that you are able to access the Platform when you need to and when it is available. This responsibility includes having access to a device that can connect to the Platform and maintaining the device so that it functions properly.

If you cannot access the Platform directly, then you may be able to contact our Client Management Team by telephone to request that we access the Platform on your behalf. However, because our service is primarily provided online, this facility is likely to be a much slower method of placing Orders or giving us other instructions than if you access the Platform yourself and you must not rely on our Client Management Team being available nor can we guarantee that our Client Management Team will be available to assist you to enter into or close Trades.

Where the Platform or any other content generated by us contains links to other sites and resources provided by third parties, these links are provided for your information only. We generally have no control over the content of those sites or resources and, subject to the paragraph below, we accept no responsibility for them or for any loss or damage that may arise from your use of them.

CMC Markets does not accept any liability in respect of the operation of the Platform, except to the extent that it is caused by the negligent act or omission, fraud or dishonesty on the part of CMC Markets or its employees, agents or representatives, or any other matter that cannot be excluded under Applicable Law.

3.3 You may suffer losses in excess of the money you deposit with CMC Markets

When you trade with us, you risk losing more than the amount that you deposited with us (unless Shield Mode has been activated). This is different to investing in other types of financial instruments, for example shares, where generally you only stand to lose the amount you pay for the asset that you buy.

Although the Platform has features that are designed to minimise your risk of loss, none of these are guaranteed and you should not rely on them.

3.4 Amendments and Termination

This section explains our rights to make amendments to the Agreement and what can happen to your use of our Products and Services if we exercise those rights.

3.4.1 Amendments to the Agreement in general

We may amend any part of the Agreement, including the Close-Out Level, at any time by giving you notice in writing. Any amendments we make must be in accordance with Applicable Law. We will only make amendments for a valid reason.

Information in these Terms, the General Terms and the PDS may be updated from time to time where that information is not materially adverse to Clients. We may provide updated information on our Website. You agree that we may give you updated Terms, updated General Terms, an updated or supplementary PDS, or updated FSG by making it available on a Website that is maintained by, or on behalf of, CMC Markets and giving a notice, in printed or in electronic form, to you or your agent that it is available on the Website.

Subject to sections 3.4.2 ("Amendments to Margin Rates and Independent Margin"), 3.4.3 ("Amendments to Prices, Variable Rates and Attributes") and 3.4.4 ("Removal of Products") any amendments to the Agreement that we notify to you will take effect on the date specified in our notice to you, which will be at least ten Business Days' after we send our notice to you. You will be free to close your Account(s) and/or terminate the Agreement in accordance with section 3.4.5 ("Closing your Account(s) or terminating the Agreement") before the amendment takes effect if you are not happy with the amendment. During this period, subject to the terms of the Agreement and section 3.1 ("Trading may be affected by certain factors"), you will be able to close those Trades and cancel those Pending Orders if you wish. Unless we state otherwise, changes we notify to you will affect all ongoing business between us and you, including Pending Orders and Trades. We may give you less than ten Business Days' notice if the amendments to the Agreement are required in order to comply with Applicable Law, or where you expressly accept amendments in writing at our request, or the amendments are not materially adverse to you.

3.4.2 Amendments to Margin Rates and Independent Margin

In addition to our rights under section 3.4.3 ("Amendments to Prices, Variable Rates and Attributes") to amend Attributes including Commissions without prior notice to you, we may from time to time make amendments to the Margin Rates applicable to your existing Positions and/or the Independent Margin. We will, where possible, provide you with three Business Days' notice of such an amendment, although on occasion we may make such an amendment on shorter notice or without giving you prior notice where in our reasonable opinion such an amendment is warranted

and fair. If you have an open Margin Trade, the method of this amendment may take the form of closing your existing Margin Trade and reopening a new Margin Trade with the new Margin Rate.

Where an amendment to Margin Rates and/or Independent Margin requires you to provide additional funds to us, it is your responsibility to ensure that you have provided us with sufficient Cleared Funds and/or reduced your Position in the relevant Product(s) by closing any affected Trades and/or Pending Orders, in order that your Account Revaluation Amount is equal to or exceeds the new Total Margin for your Account and/or to keep the Account Revaluation Amount above the Close-Out Level.

3.4.3 Amendments to Prices, Variable Rates and Attributes

Subject to section 3.4.2 ("Amendments to Margin Rates and Independent Margin"), the Platform will amend Prices, Variable Rates and Attributes in real time and such amendments will take effect immediately as and when they are made on the Platform even if they are not displayed on the device that you use to access the Platform (for example, due to poor internet connectivity).

If you place an Order on the basis of Prices, Variable Rates and/or Attributes which have already been changed and such changes have not been displayed on the device you use for accessing the Platform at the time of placing the Order, the Trade will be effected at the correspondingly changed Prices, Variable Rates and/or Attributes. The same applies should changes to Prices, Variable Rates and/or Attributes occur between the time the Order is placed by you and the time your Order is received by us or the Order is executed.

Our Platform will amend Holding Rates for a particular Product as at the relevant Holding Time. The Holding Rates as at the previous Holding Time in respect of a Product will be displayed in the Product Library.

In respect of any Order that has not yet been executed on an Account, where:

- (a) the Margin Rate has been increased by our Platform in accordance with this section 3.4.3; and
- (b) (if relevant) at the time at which that Order would otherwise be executed, you have or would have an insufficient Account Value to cover your Total Margin,

then that Order will be automatically cancelled and will not be executed. It will be shown as a failed Order on the Account.

You will not be deemed to have breached a Position Limit in respect of a particular Product for the purposes of the Agreement where such breach arises solely from a reduction by our Platform of the relevant Position Limit without prior notice to you. In such circumstances, you will normally be required to close any affected Margin Trades so that the relevant Position is below the applicable Position Limit within three (3) Business Days of the reduction of the Position Limit (unless, in our reasonable opinion, it is necessary and fair to impose a shorter period in which to close any affected Trades), and a failure to do so may be a Specified Event that entitles us to take a Reserved Action.

3.4.4 Removal of Products

Subject to section 3.7 ("Reserved Actions"), we may, at any time, remove any Product(s) from the Platform. If you have a Position on the Product in question, we will provide you with reasonable notice in writing, where possible, that we intend to remove that Product. We aim to provide you with at least ten Business Days' notice in which to close any Position that you may hold on such a Product, however, where in our reasonable opinion it is necessary and fair to do so, including in the event of a Circumstance Outside Our Control, we reserve the right to provide a shorter notice period or no notice at all.

It is your responsibility to cancel any Pending Orders and/or close any Positions in respect of a Product that is being removed before the time specified in our notice. If you do not do this, we will cancel any Pending Orders and close any Positions in respect of that Product at the time and in the manner specified in the notice. We may set any Product that is being removed in accordance with this section to Reduce Only.

3.4.5 Closing your Account(s) or terminating the Agreement

You may close any Account held by you and/or terminate the Agreement by giving us notice in writing, which will take effect up to one (1) Business Day after it is received by us, subject to the condition precedent that no notice designating an Early Termination Date has been given by us. You should cancel any Pending Orders and close any Positions on the relevant Account(s) and then withdraw any money due to you before giving us notice. If you do not do this, we will cancel any Pending Orders and close any Positions as soon as possible after we receive your notice and then attempt to return any money due to you.

We may close any Account and/or terminate the Agreement by giving you notice in writing, which will take effect on the date specified being no less than ten Business Days after the date of the notice. Unless our notice specifies otherwise and/or we have set your Account to Unauthorised to Trade, you will be allowed to cancel any Pending Orders and/or close any Positions yourself during the time between when we give you the notice and the time when your Account is due to close and/or the Agreement is due to terminate.

If we have serious grounds or valid reasons for doing so, we may terminate the Agreement with less than ten Business Days' notice, including immediately. We will cancel any Pending Orders and close any Positions at the time and the manner specified in the notice.

The death of any individual Account Holder will be a Specified Event. On receiving notification of an individual Account Holder's death, their Account(s) will be closed and on receipt of the necessary documentation (such as a grant of probate) the balance paid to the Account Holder's estate, administrator or beneficiary (as applicable).

When you or we close your Account(s) and/or terminate the Agreement we may exercise any right that we have under the PDS to make a Deduction or to exercise our right of Set-Off.

3.5 Right to cancel, limit or close Positions

If you fail to pay, or provide security for, amounts payable to us or fail to perform any other obligation included in the Agreement, we have powers to take steps to protect our position. These powers include the power to close out Positions.

CMC Markets has the right, whether with or without prior notice, and in addition to any other rights it may have under this Agreement:

- (a) to close out all or part, as CMC Markets reasonably considers appropriate, of your Positions; or
 - (b) to limit the size of your Positions; or
 - (c) to refuse Orders to establish new Positions; or
 - (d) to cancel your Positions,
- if
- (e) CMC Markets reasonably considers there are abnormal trading conditions;
 - (f) CMC Markets, in its reasonable opinion, considers it necessary for the protection of its rights under this Agreement;
 - (g) CMC Markets is unable to generate Prices in the relevant Products due to the unavailability of the relevant market information for reasons beyond CMC Markets' control;
 - (h) CMC Markets so decides in its discretion and, in this case only, gives written notice of such decision to you;
 - (i) CMC Markets considers that you may be in possession of 'inside information' within the meaning of the Financial Markets Conduct Act 2013;
 - (j) CMC Markets considers that you may be in breach of any Applicable Law;
 - (k) you or CMC Markets is so requested by the FMA or any other regulatory agency or authority;
 - (l) any of the circumstances set out in section 3.6 of the definition of Specified Event apply to you;
 - (m) you breach the Close-Out Level or fail to deposit any other sum due under this Agreement in respect of any Trade;
 - (n) the aggregate of your Orders and all other orders for a Product is outside of limits set by CMC Markets;
 - (o) a Position Limit is, or is likely to be, exceeded;
 - (p) CMC Markets can no longer Hedge your position or has a position closed out by a counterparty; or
 - (q) Prices are manipulated or you use any fault in the Platform unfairly to gain a price advantage which would not normally be available if the Platform had not suffered the fault.

3.6 Specified Events

A Specified Event includes, but is not limited to instances where:

- (a) your failure to make any payment or failure to do any other act or thing required in accordance with these Terms, the General Terms or the PDS, or under any other agreement in place between you and us or for any of our Associates;
- (b) your death or mental incapacity;
- (c) your stating that you are insolvent;
- (d) your seeking or obtaining protection from any of your creditors under any legislation;
- (e) your becoming insolvent or committing an act of bankruptcy or your estate coming within the law dealing with bankrupts;
- (f) a bankruptcy petition being presented in respect of you, or if you are a partnership, in respect of one or more of the partners, or if you are a company, a receiver, trustee, administrative receiver or similar officer being appointed;
- (g) the occurrence of any of the following events:
 - (i) an order being made to wind you up;
 - (ii) an application being made to a court for an order that you be wound up;
 - (iii) an application being made to a court for an order to appoint a liquidator, provisional liquidator or controller;
 - (iv) a liquidator, provisional liquidator or controller being appointed to you;
 - (v) a resolution being passed to appoint an administrator to you;
 - (vi) a resolution being passed or notice being given of your intention to pass a resolution to wind yourself up;
 - (vii) you entering into a deed of company arrangement or proposal of a reorganisation, moratorium or other administration involving all or any of your creditors;
 - (viii) your dissolution or being wound up in any other way;
 - (ix) your stating you are unable to pay your debts as and when they fall due;or in the case of a partnership of Joint Account any of the above events occurring in respect of any one partner or Joint Account Holder;
- (h) an execution being levied against your business or property which isn't removed, released, lifted, discharged or discontinued within 28 days;
- (i) your seeking of a moratorium or proposal of any arrangement or compromise with your creditors;
- (j) any other event having substantially the same legal effect as the events specified above;
- (k) any security created by any mortgage or charge becoming enforceable against you and the mortgagee or charger taking steps to enforce the security or charge;
- (l) your having any indebtedness or any of your subsidiaries having indebtedness becoming immediately due and payable, or capable of being declared so due and payable, prior to their stated maturity by reason of your default (or the default of any of your subsidiaries) or your (or any of your subsidiaries) failure to discharge any indebtedness on its due date;

- (m) we reasonably suspect that you are using or attempting to use our Platform for any Improper Use;
- (n) we reasonably suspect that you are permitting someone other than an Authorised Person appointed in accordance with this PDS to deal with us on your behalf;
- (o) you have failed at any time to comply with any of your obligations under the Agreement, including failure to ensure your Account Revaluation Amount stays above the applicable Close-Out Level, failure to make any payment to us when due, where you breach an Order Cluster Limit or GSLO Cluster Limit, where you breach a Position Limit or GSLO Limit (or fail to reduce your Position(s) to comply with a revised Position Limit or GSLO Limit), or where any declaration or assurance given by you to us is or becomes untrue without you having given us reasonable prior notice in writing;
- (p) any of the representations or warranties you give being, or becoming, untrue, incorrect, or misleading in any material respect, as determined by us;
- (q) an Error occurs; or
- (r) any other circumstance exists where we reasonably believe that it is necessary or desirable to protect you or us, including any breach or potential breach by you of Applicable Law or the Agreement or where you do not respond as reasonably required to any notice, communication or request for further information from us in relation to your Account

3.7 Reserved Actions

After a Specified Event or Circumstance Outside Our Control has occurred, we will have the right to take the following actions ("Reserved Actions"):

- (a) combine or close any Margin Trade or cancel any Orders on your Account (including any Pending Orders);
- (b) prohibit you from accessing or using your Account;
- (c) suspend or in any way limit or restrict your ability to place any Order or Trade or to give any instruction in relation to your Account;
- (d) vary any Independent Margin, Attributes, Prices and Variable Rates, including those relevant to your Trades or Orders (including Pending Orders);
- (e) refuse or delay giving effect to your request for a withdrawal of money from your Account;
- (f) cancel any Trades (as if they had never been entered into in the first place) and the effect of such Trades on your Account;
- (g) impose special terms in relation to any Order (including a Pending Order) or Trade which, by virtue of its size, is deemed by us to be abnormal by reference to the relevant Product or its volatility or its liquidity;
- (h) make appropriate Deductions or credits;
- (i) close any Account in accordance with section 3.4.5 or any other procedure;
- (j) exercise any right of Set-Off, to make a Deduction, or to charge interest, that we have under the Agreement or Applicable Law;
- (k) retain any sum owed by you to us or any of our Associates;
- (l) suspend the generation/quotation of Prices and/or the execution of Orders by the Platform in respect of any Product; and/or
- (m) remove any Product from the Product Library.

If we decide to take any Reserved Action then we will attempt to notify you of this as soon as reasonably practicable, unless Applicable Law prevents us from doing so. If we are able to give you prior notice of our intention to take any Reserved Action, then that Reserved Action will either take effect immediately or at such time as specified in the notice.

After a Specified Event has occurred, and without prejudice to our other rights, we may at any time and without notice:

- (n) combine, close or consolidate all or any of your Accounts with CMC Markets, its Associates or other Persons connected with us and offset any amounts owed to, or by, CMC Markets, its Associates or other Persons connected with us, in such a manner as we may in our discretion determine; and
- (o) retain any sum owed by CMC Markets, its Associates or other Persons connected with us to you against any of your contingent liabilities to CMC Markets, its Associates or other Persons connected with us for so long as the contingency subsists.

3.8 Assignment

If you are in default of any of your obligations under the Agreement, we will be entitled (without prejudice to any other rights we may have) to assign to any Person with immediate effect, our rights in respect of money you owe to us under the Agreement, as well as any security or other remedies available to us in respect of such money. If such assignment is made, then you will, if required by CMC Markets and the assignee, acknowledge in writing that the assignee has assumed the rights and obligations of CMC Markets under the Agreement in relation to the relevant money you owe.

You authorise us to take any or all of the steps described in this section without giving prior notice to you, and you acknowledge that we will not be responsible for any consequences of our taking such steps. The rights described in this section are in addition to any other rights which CMC Markets, its Associates or other Persons connected with us may have against you.

You agree to execute such documents and take such other action as we may request in order to protect the rights of CMC Markets, its Associates or other Persons connected with us under these Terms, the General Terms, the PDS or any other agreement you have with us.

3.9 Commission and other charges.

We may impose and/or vary additional fees, commissions (including but not limited to our Commission), costs or charges from time to time in respect of Pending Orders, Trades, Positions or your Account where we have a valid reason for doing so. Except in relation to changes to Commissions, we will give you notice in writing at least ten (10) Calendar days before we implement any change and, if you are not happy with the change, you will be free to close your Account and/or terminate the Agreement in accordance with these Terms and the PDS before the change takes effect.

Notwithstanding the preceding paragraph, any changes to Commission will be automatically imposed by the Platform in accordance with the PDS. You will have the choice as to whether or not you place an Order based on the Commission applicable to your Order at that time.

Where we have notified you in accordance with these Terms or the PDS of a change to our Commission, then Amounts calculated in accordance with the applicable Commission will be due and payable to us immediately upon execution of an Order and will be deducted from the Cash in your Account. It is your responsibility to ensure that you have sufficient Cash in your Account to pay any Commission due in full, and failure to do so will be a Specified Event and may result in Account Close-Out.

4 Order Execution Policy

In this section we summarise the process by which the Platform executes your Orders. It should be read in conjunction with the PDS, and the other sections in these Terms.

When you trade, or instruct us to trade on your behalf through the Platform you consent to your Orders being executed in the manner described below.

4.1 Key points

Your Orders are executed exclusively via a bilateral Trade with us through the Platform, and not through a trade on any exchange, multilateral trading system or other external execution venue.

When you place an Order to enter into or close a Trade, you are giving the Platform an instruction to place an Order on your Account on the basis of the Prices generated electronically by the Platform.

The Prices of the Products are generated electronically by the Platform. As such, the Prices at which you open and close Trades may be different to any current exchange or market price, or another financial provider's price, for the relevant Underlying Reference Instrument or index and are exclusive to the Platform. You should not expect our Prices to exactly match prices you may see elsewhere.

The Platform displays multiple Buy Prices and Sell Prices, via the Price Depth and Price Ladder, for different sized Orders.

4.2 How the Platform handles the different types of Orders

This section outlines the basis upon which the Platform will execute different types of Orders, subject to factors outlined in the PDS and the other sections in these Terms.

4.2.1 Market Order

During the Trading Hours for a Product, the Platform will execute a Market Order to **sell** at the **first available Sell Price** (for the relevant size of the Order) and a Market Order to **buy** at the **first available Buy Price** (for the relevant size of the Order) as soon as possible after the Order is accepted. The Sell Price or Buy Price at which any Market Order will be executed will always reflect its size and the corresponding Price on the Price Ladder at the time of execution.

The Price at which the Order will be executed **may be less favourable** to you than the Price you see on the Platform when you place the Order (for instance, due to market movements between the time you submit your Order and the time the Platform executes your Order).

The Platform will automatically cancel (and not execute) a Market Order if the first available Sell Price or Buy Price (as relevant and taking into account the size of the Order) is outside of any Boundary (if applicable) that you have set.

4.2.2 Roll-Over

An Auto Roll-Over on a **sell** Trade on any particular Forward will be carried out by the Platform automatically executing a Market Order to buy the number of Units for that Trade at the **Level 1 Buy Price** (regardless of the size of the Order) and this Order will be executed (if possible) after the Last Roll-Over Date but on or before the Expiry Date. The Platform will then immediately execute a Market Order to sell the same number of Units on a Forward based on the same Underlying Reference Instrument(s) but with the next available Expiry Date, at the **Level 1 Mid-Price**.

An Auto Roll-Over on a **buy** Trade on any particular Forward will be carried out by the Platform automatically executing a Market Order to sell the number of Units for that Trade at the **Level 1 Sell Price** (regardless of the size of the Order), and this Order will be executed (if possible) after the Last Roll-Over Date but on or before the Expiry Date. The Platform will then immediately execute a Market Order to buy the same number of Units on a Forward based on the same Underlying Reference Instrument(s) but with the next available Expiry Date, at the **Level 1 Mid-Price**.

A Manual Roll-Over on a **sell** Trade on any particular Forward will be carried out on your instructions by the Platform executing a Market Order to buy the number of Units for that Trade at the **Level 1 Buy Price** (regardless of the size of the Order), as soon as possible after the Manual Roll-Over is accepted by the Platform (provided that this is before the Last Roll-Over Date). The Platform will then immediately execute a Market Order to sell the same number of Units on a Forward based on the same Underlying Reference Instrument(s) but with the next available Expiry Date, at the **Level 1 Mid-Price**.

A Manual Roll-Over on a **buy** Trade on any particular Forward will be carried out on your instructions by the Platform executing a Market Order to sell the number of Units for that Trade at the **Level 1 Sell Price** (regardless of the size of the Order), as soon as possible after the Manual Roll-Over is accepted by the Platform (provided that this is before the Last Roll-Over Date). The Platform will then immediately execute a Market

Order to buy the same number of Units on a Forward based on the same Underlying Reference Instrument(s) but with the next available Expiry Date, at the **Level 1 Mid-Price**.

Any Pending Orders on a Forward on which a Trade is being closed as part of a Roll-Over will automatically be cancelled by the Platform, and an equivalent Pending Order with an equivalent Target Price will be placed automatically by the Platform on any Forward (based on the same Underlying Reference Instrument(s) but with the next available Expiry Date) on which a new Trade is being entered into as part of the Roll-Over.

A Roll-Over on any Trade on any particular Forward will not be carried out by the Platform if a Forward based on the same Underlying Reference Instrument(s) but with a later Expiry Date is not available to be traded on the Platform at the time the Roll-Over would otherwise have been carried out. In such circumstances, where the Trade reaches the Expiry Date, the Trade will be closed and settled on the Cash Settlement Date, and any Pending Order on the relevant Forward will be cancelled automatically by the Platform on the Cash Settlement Date.

4.2.3 Limit Order

A Limit Order to **buy** at a Target Price will be executed at the Target Price or lower when the Buy Price is **equal to or lower** than the Target Price. A Limit Order to **sell** at a Target Price will be executed at the Target Price or higher when the Sell Price is **equal to or higher** than the Target Price.

4.2.4 Stop Entry Order

Standard Triggers

Unless you elect otherwise:

- A Stop Entry Order to **buy** at a Target Price will be executed when the **Level 1 Buy Price is equal to or higher** than the Target Price. However, the Stop Entry Order will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.
- A Stop Entry Order to **sell** at a Target Price will be executed when the **Level 1 Sell Price is equal to or lower** than the Target Price. However, the Stop Entry Order will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.

Alternate triggers

Alternatively, you can elect to use the Level 1 Mid-Price or the opposite Level 1 Price as the trigger for your Stop Entry Order.

Where you elect to use the Level 1 Mid-Price as the trigger for your Stop Entry Order:

- a Stop Entry Order to **buy** at a Target Price will be executed when the **Level 1 Mid-Price is equal to or higher** than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.
- a Stop Entry Order to **sell** at a Target Price will be executed when the **Level 1 Mid-Price is equal to or lower** than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.

Where you elect to use the opposite Level 1 Price as the trigger for your Stop Entry Order:

- a Stop Entry Order to **buy** at a Target Price will be executed when the **Level 1 Sell Price is equal to or higher** than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.
- a Stop Entry Order to **sell** at a Target Price will be executed when the **Level 1 Buy Price is equal to or lower** than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Order.

In each case, whether you use a standard trigger or one of the alternative triggers:

- the Platform will automatically cancel (and not execute) a Stop Entry Order if the first available Sell Price or Buy Price (as applicable) that corresponds to the size of your Order at the time the Platform would otherwise execute the Order, is outside of any Boundary (if applicable) that you have set.
- the Price at which the Order will be executed may be less favourable to you than the Target Price.

A Limit Order or Stop Entry Order will remain available for execution until the date you have selected the Order to be valid to, or it is cancelled by you or CMC Markets. Please see the other sections in these Terms and the PDS for further information on why we may cancel your Order.

The Price at which the Order will be executed may be less favourable to you than the Target Price.

4.2.5 Stop Loss Order

Standard Triggers

Unless you elect otherwise:

- A Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Buy Price is equal to or higher** than the Target Price. However, the Stop Loss Order will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.
- A Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Sell Price is equal to or lower** than the Target Price. However, the Stop Loss Order will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.

Alternate triggers

Alternatively, you can elect to use the Level 1 Mid-Price or the opposite Level 1 Price as the trigger for your Stop Loss Order.

Where you elect to use the Level 1 Mid-Price as the trigger for your Stop Loss Order:

- a Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Mid-Price is equal to or higher** than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.
- a Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Mid-Price is equal to or lower** than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.

Where you elect to use the opposite Level 1 Price as the trigger for your Stop Loss Order:

- a Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Sell Price is equal to or higher** than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.
- a Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Buy Price is equal to or lower** than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Stop Loss Order.

In each case, whether you use a standard trigger or one of the alternative triggers the Price at which the Order will be executed may be less favourable to you than the Target Price.

4.2.6 Trailing Stop Loss Order

Standard Triggers

Unless you elect otherwise:

- A Trailing Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Buy Price is equal to or higher** than the Target Price. However, the Trailing Stop Loss Order will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.
- A Trailing Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Sell Price is equal to or lower** than the Target Price. However, the Trailing Stop Loss Order will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.

Alternate triggers

Alternatively, you can elect to use the Level 1 Mid-Price or the opposite Level 1 Price as the trigger for your Trailing Stop Loss Order.

Where you elect to use the Level 1 Mid-Price as the trigger for your Trailing Stop Loss Order:

- a Trailing Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Mid-Price is equal to or higher** than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.
- a Trailing Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Mid-Price is equal to or lower** than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.

Where you elect to use the opposite Level 1 Price as the trigger for your Trailing Stop Loss Order:

- a Trailing Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Sell Price is equal to or higher** than the Target Price and will be executed at the first available Buy Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.
- a Trailing Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Buy Price is equal to or lower** than the Target Price and will be executed at the first available Sell Price on the Price Ladder corresponding to the size of your Order at the time the Platform executes the Trailing Stop Loss Order.

In each case, whether you use a standard trigger or one of the alternative triggers:

- the Prices at which the Order will be executed may be less favourable to you than the Target Price.
- the Target Price of a Trailing Stop Loss Order is adjusted in the direction of your Trade by the Platform and is calculated from the most favourable Price in respect of that Trade since that Order was last modified plus/minus (as relevant) the Stop Distance, as set by you.

4.2.7 Guaranteed Stop Loss Order

A Guaranteed Stop Loss Order to **buy** at a Target Price will be executed when the **Level 1 Buy Price is equal to or higher** than the Target Price and will be executed at the Target Price.

A Guaranteed Stop Loss Order to **sell** at a Target Price will be executed when the **Level 1 Sell Price is equal to or lower** than the Target Price and will be executed at the Target Price.

In each case:

- the Guaranteed Stop Loss Order will only ever be executed at the Target Price.
- the Target Price for any Guaranteed Stop Loss Order must meet the GSLO Minimum Distance at the time the Guaranteed Stop Loss Order is placed (including by modifying another type of Pending Order), unless it is a Pending Order on a Forward and the Trade is being placed automatically by our Platform as part of a Roll-Over (in which case section 4.2.2 of this Order Execution Policy will apply).

4.2.8 Take Profit Order

A Take Profit Order to **buy** at a Target Price will be executed at the Target Price or lower, when the **Buy Price is equal to or lower** than the Target Price.

A Take Profit Order to **sell** at a Target Price will be executed at the Target Price or higher, when the **Sell Price is equal to or higher** than the Target Price.

More information on the different types of Orders can be found on our Website.

4.2.9 Aggregation of Orders

The Platform may aggregate: (i) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order to sell the same Product; or (ii) any Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order to buy the same Product; which are triggered by the same Price and which are due to be executed by the Platform at the same time, in which case each relevant Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order will be executed at the first available Buy Price or Sell Price (as applicable) on the Price Ladder corresponding to the size of the aggregated Stop Loss Order, Trailing Stop Loss Order or Stop Entry Order.

4.3 Prices generated by the Platform

The Prices of the Products are generated electronically by the Platform. Whilst these Prices will take into account market data from various sources, you should note that they are not taken directly from any one source, and therefore may not match prices that you see elsewhere (including prices quoted on stock exchanges).

The Price you see through your device when you place an Order may not be identical to the Price at which the Trade is executed. We attempt to generate Prices on a continuous basis and to have the currently applicable Prices be seen on the Platform as quickly as possible. However, technical conditions (e.g., the transfer rate of data networks or the quality of your internet connection) as well as rapid market fluctuations may lead to a change in the applicable Price between the time the Order is placed by you and the time the Order is received by us or the Order is executed by the Platform. Such changes to the applicable Price are due to fluctuations in the financial markets. If such changes occur, the Order is generally executed at the Price applicable when the Order is executed by the Platform. Such movements in the Prices may either be to your disadvantage or have a favourable impact.

In addition, there will be times when circumstances may prevent the Platform from generating Prices or affect the Prices being generated. Please refer to the other sections in these Terms and the PDS for more information.

You can use a Boundary where you need to ensure that the Buy price or Sell Price at which a Market Order or Stop Entry Order is executed is not worse than the Target Price specified by you when setting the Boundary. Alternatively, you may place a Limit Order.

4.4 CMC Currency Conversion Rates generated by the Platform

When you enter into Trades or place Orders with us, all calculations will be undertaken in the currency in which the Product is denominated, the Product Currency, before being converted into your Account Currency at the CMC Currency Conversion Rate and applied to your Account.

As with Prices, the CMC Currency Conversion Rate for any particular currency pair is generated electronically by the Platform.

Whilst these rates will take into account market data from various sources, you should note that they are not taken directly from any source, and therefore may not match currency conversion rates that you see elsewhere.

Where relevant, we will provide you with the CMC Currency Conversion Rate used to convert amounts in a Product Currency into your Account Currency.

4.5 Size, Speed and likelihood of execution

Generally, the Platform will execute Orders on a 'first come, first served' basis and, apart from limited exceptions, will only execute Orders during Trading Hours.

The Platform will accept or reject Orders or the modification of Pending Orders in accordance with their respective Attributes and our PDS and Terms and Conditions of Trading, including consideration of whether any applicable Product Limit, Position Limits, Order Cluster Limits, GSLO Limits and/or GSLO Cluster Limits would be breached and/or your Account Revaluation Amount would be insufficient to cover your Total Margin or where your Account Revaluation Amount is below the applicable Close-Out level. Once Guaranteed Stop Loss Orders are available, the platform will also reject an Order where you have insufficient Cash to pay any applicable Commission or GSLO Premium.

If the Platform has accepted an Order, there may still be circumstances which prevent or otherwise affect the execution of an Order, for instance, where doing so would breach a Position Limit and/or an Order Cluster Limit, where market restrictions apply, where you have or would have an insufficient Account Revaluation Amount to cover your Total Margin (if applicable) or where your Account Revaluation Amount is below the applicable Close-Out Level or any circumstance under the section titled "Information Technology", "Circumstances Outside Our Control" and "Corporate Actions and Adjustments" in these Terms and Conditions and the PDS.

The Platform, via the Price Depth, automatically takes into account the size of your Order at the point of execution.

4.6 Factors not taken into account when executing Orders

Except as described above, the Platform does not differentiate between the different types of Orders. Any Commission or Holding Costs that are incurred will not be taken into account when the Platform executes an Order.

4.7 How your Trades are closed without instructions from you

There are some circumstances where your Trades will be closed without instructions from you. This includes, but is not limited to, circumstances where you have failed to ensure that your Account Revaluation Amount exceeds the Close-Out Level, where you fail to reduce any Position to

below the applicable Position Limit within the relevant time limit specified by us and where we exercise our rights to close your Trades and/or Positions when you have breached the Agreement. Please refer to sections titled "Account Close-Out" in these Terms PDS and the section titled "Reserved Actions" in these Terms and the PDS for more information.

Unless closed by you or us beforehand (whether through a Roll-Over or otherwise), any Trade on a Forward will be closed and settled by the Platform automatically on the Cash Settlement Date (and any Pending Order on the relevant Forward will also be cancelled on the Cash Settlement Date).

Where all or a portion of your Margin Trades are to be closed without instructions from you, the Platform will use a Market Order and will normally treat such Orders in the same way as it treats Market Orders placed by you. We reserve the right to aggregate any Trades in the same Product being closed at or around the same time, and to execute the relevant Market Orders to close those Trades at the corresponding Price on the Price Ladder for an Order of the size of the aggregated Trades. Where we have notified you that you may instruct our Platform to conduct an Alternative Account Close-Out in relation to your Account(s) and you have elected to do so, we will close any Margin Trades and/or Positions as set out in these Terms and the PDS.

4.8 Instructions

If you provide us with a specific and complete instruction on how to execute your Order, complying with that instruction may prevent us from taking the steps that we set out in our Order Execution Policy to obtain the best possible result for the execution of your Order. In those circumstances, our execution in accordance with your specific and complete instruction will be deemed best execution.

Since there is no external market for Products, your Orders can only be executed on the Platform. Any instruction to execute your Order on a different execution venue will lead to rejection of your Order.

5 Glossary

Unless otherwise stated, words and expressions that begin with a capital letter in this document and not otherwise defined in the PDS and have the meaning set out below. Where a term is defined in both the PDS and these Terms, the meaning set out below supplements (or where the context requires, supersedes) the meaning set out in the PDS.

Account Close-Out

The process where the Platform may close the whole or a portion of your Margin Trades and /or Positions and includes Full Account Close-Out and Alternative Account Close-Out.

Account Netting

The default function on your Account that automatically combines any Margin Trades on your Account that would otherwise be open at the same time in respect of the same Product into one single net Trade.

Account Revaluation Amount

The sum of your Cash and any Net Unrealised Profit Or Loss (Mid-Price), which is displayed on the Platform and updated in real time and calculated as further described in section 2.13.

Alternative Account Close-Out

The closing of the whole or a portion of your Margin Trade Positions in an Account by the Platform in accordance with the Account Close-Out preferences set by you on the Platform.

Available Equity

The Amount that is calculated in accordance with section 2.11.

Buy Price

The Price at which a buy Margin Trade is entered into and at which a sell Margin Trade is valued and closed.

Cash

An Amount calculated in accordance with Section 2.10.

Cleared Funds

Funds that have been deposited with CMC Markets (and which are immediately available to CMC Markets) and have been applied to your Account.

Close-Out Level

The level calculated in accordance with section 2.15.1 at which the Platform may close all or a portion of your Margin Trades, as necessary.

Close-Out Percentage Level

The percentage that may be displayed on a Platform that is used to calculate your Close Out Level (if applicable).

Close-Out Price

In respect of a Margin Trade being closed as a result of Account Close-Out, the first Price available for a Market Order at the relevant time for the relevant Product (taking into account the size of the Position) provided that in respect of a Guaranteed Stop Loss Order, such Price shall not be worse than the Target Price for that Guaranteed Stop Loss Order.

Early Termination Date

A date designated as such by us in accordance with section 2.19.

Event of Default

The occurrence of any of the events listed in sub-paragraphs (a) to (p) in section 3.6 above.

Full Account Close-Out

The closing of Margin Trades on an Account by the Platform in accordance with the preferences set by you as described in section 2.15.3.

GSLO Premium Refund

The portion of the GSLO Premium that will be refunded to you if the relevant Guaranteed Stop Loss Order is cancelled, removed, corrected or closed (including by modifying it to another type of Pending Order) before it has been executed, as specified in the Product Library.

GSLO Minimum Distance

The minimum distance specified in the Product Library between the Target Price and the Level 1 Sell Price or the Level 1 Buy Price (as applicable) at the time of placing a Guaranteed Stop Loss Order (including by modifying another type of Pending Order) in respect of a Product, where:

- (i) in respect of a Guaranteed Stop Loss Order to buy, the Target Price is greater than or equal to the minimum distance plus the Level 1 Buy Price; and
- (ii) in respect of a Guaranteed Stop Loss Order to sell, the Target Price is less than or equal to the Level 1 Sell Price minus the minimum distance.

GSLO Trade

Any whole or partial Margin Trade that is covered by a Guaranteed Stop Loss Order.

Initial Alternative Close-Out

The initial closing of Margin Trades by the Platform during an Alternative Account Close-Out, as described in section 2.15.5.

Initial Close-Out

The initial closing of Margin Trades by the Platform during either an Initial Alternative Account Close-Out or an Initial Standard Account Close-Out.

Initial Full Close-Out

The initial closing of Margin Trades by the Platform during a Standard Account Close-Out, as described in section 2.15.3.

Level 1 Buy Price

The first Buy Price displayed on the Price Ladder, in relation to a Product.

Level 1 Mid Price

The Level 1 Buy Price and Level 1 Sell Price of a Product at any given time added together and divided by two (2).

Level 1 Price

The Level 1 Sell Price and/or Level 1 Buy Price, as applicable.

Level 1 Sell Price

The first Sell Price displayed on the Price Ladder in relation to a Product.

Net Unrealised Profit or Loss (Mid Price)

An Amount that is the aggregate of the Unrealised Profit Or Loss for all Margin Trades on your Account, where the Trade Revaluation Price is calculated by reference to the Level 1 Mid-Price. This will be a negative figure in the event of a Net Unrealised Loss and a positive figure in the event of a Net Unrealised Profit.

Netting Gain

Has the meaning given to it in the definition of "Netting Loss".

Netting Loss

The amount that we reasonably determine in good faith to be our total losses or costs in connection with Outstanding Margin Trades as of the Early Termination Date (or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable). That amount includes any loss of bargain, cost of funding or any loss or cost incurred as a result of terminating, liquidating, obtaining or re-establishing any hedge or related trading position and taking into account any Margin requirements pursuant to the Agreement.

Terms and Conditions of Trading

If we determine that we would gain a benefit in such circumstances rather than incur a Netting Loss, this will be referred to as a "Netting Gain". No amount will be included more than once in calculating any Netting Loss or Netting Gain.

We will determine our Netting Loss or Netting Gain by reference to relevant rates or prices (including, without limitation, any Prices) from the Platform. If the Platform is unavailable, we will determine our Netting Loss or Netting Gain by reference to quotations of relevant rates or prices from the relevant underlying market from one or more third parties including, without limitation, dealers in the relevant markets, information vendors, brokers and other sources of market information.

Order

An offer submitted by you or on your behalf through a Platform to enter into or to close a Margin Trade. Unless specified or the context suggests otherwise, all references to Orders include Pending Orders.

Order Execution Policy

The Next Generation Order Execution Policy under which we execute orders, set out in section 4 of these Terms.

Outstanding Margin Trade

Has the meaning set out in section 2.19 above.

PDS

The Product Disclosure Statement available on our Website or from the Client Management Team.

Platform

The CMC Markets Next Generation electronic investment platform as amended and varied from time to time.

Position Margin

With respect to the whole or any portion of a Margin Trade Position that is not covered by a GSLO, the Amount calculated in accordance with the PDS.

Prime Close-Out Level

An amount equal to your Prime Margin Requirement multiplied by your Prime Close-Out Percentage Level, as further described section 2.15.1.

Prime Close-Out Level Percentage Level

In relation to Margin Trades on an Account, the percentage displayed on the Platform that is used to calculate your Prime Close-Out Level in respect of GSLO Trades (if applicable).

Price

The Buy Price or Sell Price of a Product, which is generated by our Platform and/or provided by our client management team (and may be indicated as "Price", "CMC Price" or other similar variations) from time to time, including for Margin Trades only by reference to the Price Depth. The Price at which an Order for a Margin Trade may be executed by our Platform may be less favourable to you than the Price displayed on our Platform and/or provided by our client management team when you place the Order (for instance, due to market movements between the time you submit your Order and the time our Platform and/or our client management team executes your Order).

Price Depth

The feature of our Platform that provides multiple Prices for a particular Product, to reflect the different Prices for different sized Orders in that Product, which may be displayed on our Platform.

Prime Margin

With respect to a GSLO Trade, the Amount calculated in accordance with the section 2.8.2.

Prime Reset Level

In relation to an Account with GSLO Trades, upon an Alternative Account Close-Out method being selected, the target level for your Account Revaluation Amount during any Alternative Account Close-Out which is an amount equal to the sum of your Prime Margin Requirement multiplied by the percentage displayed on the Platform at any given time.

Product

An instrument generated by us upon which you enter into Trades including Margin Trades. Details of the various Products on which we may accept Orders are listed in the Product Library of the applicable Platform from time to time.

Product Library

The section of the Next Generation Platform and the CMC Markets Website that contains the list of Products and key information in relation to each Product, including their Attributes and any relevant Variable Rates.

Reset Level

In relation to any Margin Trades on an Account, upon an Alternative Account Close-Out method being selected, the target level for your Account Revaluation Amount during any Alternative Account Close-Out which is a percentage of your Total Margin multiplies by the percentage displayed on the Platform at any given time.

Sell Price

The Price at which a sell Margin Trade is entered into and at which a buy Margin Trade is valued and closed.

Settlement Amount

The amount calculated by us being:

the sum of:

(i) the aggregate of our Netting Loss or Netting Gain in respect of each Outstanding Margin Trade; and

(ii) any Unpaid Amounts owing to us;

minus any Unpaid Amounts owing to you.

Shield Mode

An Account setting with the features described in section 2.21.

Standard Close-Out Level

An amount equal to Total Margin multiplied by your Close-Out Percentage Level as further described section 2.15.1.

Standard Trade

Any whole and/or partial Margin Trade that is not covered by a Guaranteed Stop Loss Order.

Subsequent Alternative Close-Out

Any closing of the whole or a portion of your Margin Trade Positions on an Account by the Platform during any Alternative Account Close-Out that is subsequent to the Initial Alternative Close-Out, as further described in section 2.15.5.

Subsequent Close-Out

Any closing of the whole or a portion of your Margin Trade Positions on an Account by the Platform during any Subsequent Full Close-Out or any Subsequent Alternative Close-Out.

Subsequent Full Close-Out

Any closing of Margin Trades by the Platform during any Standard Account Close-Out that is subsequent to the Initial Standard Close-Out, as further described in section 2.15.3.

Tier

With respect to any Product, the range(s) of Units as specified in the Product Library from time to time.

Total Margin

An Amount that is the sum of your Total Position Margin, your Total Prime Margin and any Independent Margin.

Total Prime Margin

The sum of the Prime Margin required for all GSLO Trades.

Total Position Margin

The sum of the Position Margin required for all Margin Trades on an Account at any given time.

Trade Margin

With respect to a Margin Trade in any Product, the increase or decrease in your Position Margin resulting from a Trade.

Trade Revaluation Price

In respect of a Margin Trade, the Price at which the Trade is valued at any given time which will be the Level 1 Mid-Price where the Net Unrealised Profit or Loss (Mid-Price) is being calculated, otherwise shall be the Level 1 Sell Price in the case of a buy Trade or the Level 1 Buy Price in the case of a sell Trade.

Unpaid Amount

With respect to an Early Termination Date, the sum of:

(i) in respect of all Outstanding Margin Trades, the aggregate of any amounts that became payable on or prior to the Early Termination Date and which remain unpaid as at the Early Termination Date; and

(ii) any other amounts due pursuant to this Agreement that became payable on or prior to the Early Termination Date and which remain unpaid as at the Early Termination Date.

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