

CMC Markets NZ Limited

CFD Direct

Terms and Conditions of Trading

28 November 2018

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1 IMPORTANT INFORMATION

1.1 About this Document

- 1.1.1 These CFD Direct Terms and Conditions of Trading (“Terms”), together with the Product Disclosure Statement, General Terms and Conditions of Trading and the 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 Trading 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 CMC Markets Product Disclosure Statement (“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 Back Office Platform.
- 1.1.2 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.
- 1.1.3 The agreement between you and us (“Agreement”) consists of these CFD Direct Terms, the PDS, the General Terms, the FSG, the Risk Warning Notice, the CMC Markets Rates Schedule, the Product Library, any Confirmation and any other terms and conditions published by us from time to time on the Back Office 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 Back Office Platform.
- 1.1.4 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.
- 1.1.5 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.
- 1.1.6 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, the General Terms 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 the PDS for more information.
- 1.1.7 If you are receiving advice or services from an Introducing Adviser, you should also refer to their disclosure material.
- 1.1.8 Schedule 1 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

- 1.2.1 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.

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

1.3 How to contact CMC Markets

CMC Markets NZ Limited	
Registered office & business address	Client Management Team CMC Markets NZ Limited Level 25 151 Queen St 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) or +64 9 359 1200
Fax	+64 (0)9 359 1199
Email	info@cmcmarkets.co.nz
Web	cmcmarkets.co.nz

2 KEY TERMS

2.1 Trading with CMC Markets

2.1.1 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.

2.1.2 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 the Risk Warning Notice and the PDS for more information on when the Platform may become unavailable.

2.1.3 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

2.2.1 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.

- 2.2.2 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.
- 2.2.3 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.
- 2.2.4 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.
- 2.2.5 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

- 2.3.1 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").
- 2.3.2 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.
- 2.3.3 When you contact us by phone, you will be required to provide information to us in order for us to authenticate you.
- 2.3.4 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.
- 2.3.5 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.

3 ACCOUNTS

3.1 Order execution and Price sources.

- 3.1.1 We enter into all Trades with you using Prices quoted through the Trading Platform or through our client management team. Our Prices are not identical to prices for similar financial instruments or their underlyings quoted elsewhere or by other providers. By entering into Trades via the Trading Platform or through our client management team you consent to your Orders being executed outside of a regulated market and in accordance with our CFD Direct OEP.

3.2 Duration of the Agreement and your rights to cancel.

- 3.2.1 The Agreement will become legally binding between you and us on the date that we confirm in writing that we have accepted your application to open an Account. Subject to clause 3.2.2, you may cancel the Agreement by giving us notice in writing within fourteen (14) calendar days of this date. Following a valid notice of cancellation, we will return any money that you have transferred to us.

3.2.2 Notwithstanding clause 3.2.1, you will not have the right to cancel this Agreement within fourteen (14) calendar days of your Account opening if you have, in this period, entered into Trades which have been affected by fluctuations in the financial markets. You may, however, still close your Trades and your Account in accordance with the Agreement.

3.3 **Account Types and Features**

3.3.1 We offer different Account types and features. Depending on your knowledge and experience or client categorisation, some of these may not be available to you. We reserve the right to convert your Account type and/or enable/disable (as applicable) Account features if, in our sole discretion, we determine that a different Account type/feature (as applicable) is more appropriate for you or if otherwise required by Applicable Law.

4 **TRADING WITH US**

4.1 **Orders.**

4.1.1 In addition to our rights to modify, cancel and/or reject your Orders, we may, in our sole discretion, refuse to accept any instructions for any reason whatsoever.

4.2 **Accessing the Trading System.**

4.2.1 We will do our best to make the Trading System and our client management team available when required by you, but we cannot guarantee that the Trading System or our client management team will be available continuously. Subject to clause 6.2.2(b), we will not be liable to you for any loss that arises as a result of the Trading System and/or our client management team being unavailable.

4.2.2 You are responsible for making sure that you are able to access the Trading System when you need to. This includes having access to a device that can connect to the Trading System, maintaining the device so that it functions properly and having adequate internet connectivity.

4.2.3 If you cannot access the Trading System directly, then you should try to contact our client management team by telephone or email to request assistance. However, this is likely to be much slower than accessing the Trading System directly and we cannot guarantee the availability of our client management team.

4.2.4 Where the Trading System, our Website, e-mails or any other content generated by us contains links to other websites and resources provided by third parties, these links are provided for your information only and we accept no responsibility for them or for any loss or damage that may arise from your use of them.

4.3 **Information and reports about your trading activity and your Account.**

4.3.1 A range of information relating to your Account is available through the Trading System

4.3.2 It is your responsibility to regularly access and review this information set out above to ensure that it corresponds with your own records. Subject to clause 4.4, information provided through the Trading System will be conclusive unless we notify you or you notify us in writing of any mistake, error or inaccuracy. There may at times be differences between information available through the Back Office Platform and information available through the Trading Platform. These differences may include differences in relation to your Available Equity or Cash as displayed on the Back Office Platform and Free Equity as displayed on the Trading Platform. These differences are due to the fact the Back Office Platform does not immediately deduct the applicable Initial Margin from your Available Equity or Cash until you enter into a Trade, whereas the Trading Platform deducts the applicable Initial Margin from Free Equity from the point you place a Pending Order (which may be earlier in time). In the event of a difference, the information available through the Back Office Platform shall be conclusive. However, when determining whether sufficient funds are available to allow you to enter Trades and when determining the balance for the

liquidation of any of your Trades or Positions, the information available through the Trading Platform will prevail. At 17:00 EST every Business Day a reconciliation will take place to bring the information displayed on the Trading Platform in line with the information displayed on the Back Office Platform.

4.3.3 The Trading System will generally update the information relating to your Account in real time. However, from time to time this may not happen immediately due to a Circumstance Outside Our Control (see clause 7.2).

4.3.4 We will retain certain information in relation to your Account 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. You may access this information through the Trading System unless the relevant 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 sole discretion and without notice to you.

4.4 **Errors.**

4.4.1 From time to time, material errors and omissions may occur in respect of your Trades, your Account, or the Trading System (each an Error). Examples of Errors may include (without limitation): the Trading System displaying incorrect Market Data and/or Prices, an Order being handled incorrectly by the Trading System and/or our client management team (including execution at an incorrect Price or contrary to underlying market conditions) or incorrect Deductions or credits being applied to your Account.

4.4.2 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 as soon as reasonably practicable, which for the avoidance of doubt may be after an Error has occurred; and
- (b) we will then use reasonable endeavours to investigate whether there has, in fact, been an Error and/or what caused it.

4.4.3 If an Error has occurred, this constitutes a Specified Event and the provisions of clauses 7.1 and 7.3 will apply, and we will inform you of any Reserved Actions we may take, or may have taken, in accordance with clause 7.3.3.

4.5 **Market abuse.**

4.5.1 When we enter into Trades with you we will hedge our risk by buying or selling the underlying assets in respect of a Trade. As a result, any Orders that you place which result in a Trade may have an impact on the price of the underlying assets and the Prices at which we enter into Trades with you, due to the impact of our hedging activities on the market. Any attempt to manipulate or distort the price of an underlying asset, including for your benefit or parties with whom you are acting in concert or that are otherwise linked to you, may constitute market abuse within the meaning of the Applicable Law, market misconduct or other behaviour contrary to Applicable Law.

4.5.2 You hereby confirm that:

- (a) where we provide services to, you will not engage in or attempt to engage in market abuse within the meaning of the Applicable Law, or engage in or attempt to engage in any other form of market misconduct or behaviour contrary to Applicable Law, using the CFD Direct System and/or our services, including by placing or cancelling any Order, in all cases acting alone or with other parties with whom you are acting in concert or that are otherwise linked to you;
- (b) for the avoidance of doubt, you will act in accordance with Applicable Law at all times.

- 4.5.3 Contravention of clause 4.5.2, and any circumstances where we reasonably suspect that you have contravened clause 4.5.2, is a Specified Event in respect of which we may take a Reserved Action in accordance with these Terms and the PDS. We may also report any behaviour and/or suspicious Orders to the appropriate authorities, in accordance with Applicable Law.

5 FINANCIAL MATTERS

5.1.1 Accounts.

- 5.1.2 At the close of business on each Business Day, we carry out client money reconciliations between money required to be held in the client money bank accounts and client money that is held in the client money bank accounts in accordance with Applicable Law. Any required transfer to or from the client money bank account in respect of your Account will take place on the following Business Day.

- 5.1.3 If there has been no activity on your Account for an extended period of time, we may impose dormant account fees in accordance with clause 5.3.1 and make a Deduction from your Account in accordance with the PDS. 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 deal with your money in accordance with Applicable Law. If you later make a valid claim to us we may pay you any amount owed to you by us.

- 5.1.4 We do not accept responsibility for any loss or damage suffered by you as a result of you trading on money placed in or credited to your Account in error by us or on our behalf. We will be entitled at any time and in our sole discretion to deduct, without notice or recourse to you, any money placed in or credited to your Account in error by us or on our behalf.

5.2 Payments and withdrawals.

- 5.2.1 You are responsible for making any payments to us that are required under the Agreement. We may reject any payment that is not made in accordance with our payment procedures (details of which are available on the Back Office Platform).

- 5.2.2 When making payments to us, you may wish to leave "headroom", especially during volatile and potentially volatile periods (i.e. an Amount that ensures you have sufficient funds above your Margin requirements and that your GLV is in excess of your total Margin requirements (if applicable) or the Amount required to keep the GLV above the applicable Close-Out Level on any Account). You should consider your Positions, Trades and Pending Orders, the volatility of the particular Product concerned and the relevant markets for the underlying asset, the time it will take for you to make further payments of cleared funds to us and any other matter which you may think relevant.

- 5.2.3 Any payment made by you will only be given effect once our systems have credited it to the relevant Account and it is shown on the Trading System. We cannot guarantee how long this process will take and, subject to clause 6.2.2(b), we will not be liable to you for any loss arising as a result of any delay in us crediting any payment to your Account and/or in any such payment showing on the Back Office Platform and/or the Trading Platform.

- 5.2.4 You are responsible for any costs and charges incurred in the process of making any payment to your Account. You may also be liable for other charges that are not imposed by us, including bank transfer fees, and fees to internet and telephone service providers. If you make a payment by debit card or credit card or withdraw money from an Account, we may charge an administration fee to process that payment and/or withdrawal in accordance with Applicable Law.

- 5.2.5 You may make a request to withdraw money up to the lower of your Available Equity or Cash from your Account as shown on the Back Office Platform at that time. Details on how to make withdrawals of money from your Account are available on our Website or from our client management team upon request.

- 5.2.6 If there is a loss of connection between the Back Office Platform and the Trading Platform, then withdrawals from your Account may not be possible until the connection is restored. Subject to clause 6.2.2(b), we will not be liable to you for any loss arising as a result of any delay in restoring the connection between the Back Office Platform and the Trading Platform.
- 5.2.7 Unless we agree otherwise or in order for us to comply with Applicable Law, we will only accept a request for a withdrawal of money from an Account that is given directly by you or certain Authorised Persons. We will not accept any request for a withdrawal of money from an Account from any other person. Withdrawals of money from your Account will only be made in the Account Currency and will only be processed by us where the destination for the money being withdrawn is the same as the origin of your payments made under clause 5.2.1, unless (subject to our prior approval) you have notified us in writing that your payment details have changed.
- 5.2.8 We may in our reasonable discretion refuse or delay giving effect to your request for a withdrawal of money from your Account (in whole or in part), including as a result of any request to close that Account under clause 8.5.1. We will 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 (see clause 7.1).
- 5.3 **Commission and other charges.**
- 5.3.1 There are costs associated with trading with us, including spread, currency conversion costs, commission, holding costs and market data fees:
- (a) Spread is the difference between the buy price and the sell price. This cost is realised each time you open and close a trade.
 - (b) Any cash, realised profit and losses, adjustments, fees and charges that are denominated in a currency other than the base currency of your account, will be converted to the base currency of your account and a currency conversion fee will be charged to your account.
 - (c) Commission will be charged on each trade, details of the Commission for each Product is available in the Product Library.
 - (d) Holding Costs are the fees charged for every night that your position is held. This means the longer you hold a position, the greater the Holding Costs. Any additional cost of borrow will be factored to the holding cost. Details of Holding Costs and how they are calculated are available in the Product Library and examples of Holding Cost calculations are available on our Website.
- 5.3.2 Details on these costs can be found in our costs disclosure via our Website, the Trading System, in these Terms, in the PDS and in our FSG. We may impose and/or vary additional fees, costs or charges from time to time where we have a valid reason for doing so. We may also, in our sole discretion, waive these fees, costs or charges. Subject to clause 5.3.4, we will give you notice at least ten (10) Business Days before we implement any change to our fees, costs or charges.
- 5.3.3 You may subscribe for Market Data by making an application to us using the relevant form (available upon request). The Market Data that is displayed on the Trading Platform is based upon the Market Data that you subscribe for. Data subscription fees may apply and may be payable in advance. Such fees may vary depending on whether you are classified as a Non-Private Investor or not. In order to qualify as a Non-Private Investor, you and all Authorised Persons must satisfy the conditions of a Non-Private Investor.
- 5.3.4 Notwithstanding clause 5.3.2, any changes to Commissions will be automatically imposed by the Trading System without notice to you in accordance with clause 8.3.1 and 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.
- 5.3.5 Where we have changed our Commissions, then corresponding Amounts 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 any failure to do so may result in Account Close-Out.

5.3.6 All charges will be made inclusive of any value added taxes or similar consumption taxes as applicable.

5.4 Introduced business.

5.4.1 This clause 5.4 applies if you have been introduced to us by a third party introducing advisor and have agreed with that third party introducing advisor for the payment of fees, commission and/or other remuneration ("Third Party Fees") in respect of such introduction and related services provided by the third party introducing broker to be paid via the Trading System. We will notify you in advance of the effective date of this clause 5.4 and this clause 5.4 will apply from the date specified in that notification.

5.4.2 By entering into this Agreement with us, you authorise us to deduct any Third Party Fees payable by you to the third party introducing advisor from any money held by us in respect of your Account and pay this to the third party introducing advisor on your behalf. We will notify you in advance of the basis of calculating deductions.

5.4.3 Any deductions will be made inclusive of all taxes, duties or levies, however designated or computed, including but not limited to value added taxes (or similar).

5.4.4 It is your responsibility to ensure that there are sufficient funds in your Account to pay any Third Party Fees due to the third party introducing advisor in full.

5.4.5 We reserve the right, at any time and without notice to you, to cease to facilitate the payment of, or make deductions in respect of, the Third Party Fees. Where we cease to facilitate or make deductions in respect of the Third Party Fees in accordance with this clause 5.4, any outstanding Third Party Fees payable must be agreed and settled directly between you and the third party introducing broker.

5.4.6 You may withdraw or seek to amend the authorisation given to us under this clause 5.4 for us to facilitate or make deductions in respect of the Third Party Fees on your behalf, by giving us at least one (1) Business Day's notice in writing.

6 REPRESENTATIONS AND LIABILITY

6.1 Your obligations if you breach the Agreement.

6.1.1 If you believe or have reason to believe that you have breached any term of the Agreement, then you must inform us immediately in writing.

6.1.2 You will be responsible for any losses and/or expenses that we suffer which are the result, or which a reasonable person would consider to be the probable result, of you or an Authorised Person being negligent, acting fraudulently or breaching the Agreement or Applicable Law.

6.2 Our liability towards you, and limitations of that liability.

6.2.1 Nothing in the Agreement excludes or limits our liability for any matter that cannot be excluded or limited under Applicable Law.

6.2.2 Subject to clause 6.2.1, we will not be liable to you for any loss:

(a) which arises as a result of:

(i) our compliance with, or our exercising of any of our rights in accordance with, Applicable Law or the Agreement;

(ii) your negligence, fraud or breach of the Agreement or Applicable Law;

(iii) any Specified Event or Circumstance Outside Our Control;

- (iv) any Error arising from unclear or ambiguous instructions from you or an Authorised Person when placing an Order; or
 - (v) any late payment or errors in calculating and/or facilitating payment of any Third Party Fees due to a third party introducing advisor.
- (b) except to the extent that such loss has resulted from our negligence, fraud or breach of the Agreement, provided in all cases that such loss could have been contemplated by you and us at the time of such negligence or breach, and that such loss is not loss of profit or opportunity.
- 6.2.3 We are not responsible for any delays, delivery failures, or failures in transmission of any Order or any other communication or any other loss or damage resulting from the transfer of data over mobile or other communications networks and facilities outside of our control.
- 6.2.4 Any features, Market Data or third party content available on the Trading System, our Website or e-mails are provided on an "as is" and "if available" basis. We and our third party providers have taken all reasonable steps to ensure their accuracy and completeness but exclude any warranties, undertakings or representations (either express or implied) related to them to the fullest extent permitted under Applicable Law, including but not limited to:
- (a) with respect to any Market Data or similar information or any features and information provided to you in connection with your use of the Trading System, our Website and/or our services:
 - (i) we and our third party providers are not providing trading or investment advice;
 - (ii) we and our third party providers are not responsible or liable if any Market Data or similar information or any features or information is inadequate, inaccurate or incomplete in any respect;
 - (iii) we and our third party providers do not guarantee the timeliness of market data or similar information;
 - (iv) we and our third party providers are not responsible or liable for any actions that you take or do not take based on Market Data or similar information or such features and information;
 - (v) you will use market data or similar information and the features and information solely for the purposes set out in the Agreement;
 - (vi) Market Data or similar information is provided for general purposes only and Market Data or similar information should not be used as the sole basis for any investment decision; and
 - (vii) you will use Market Data or similar information and the features and information solely in compliance with Applicable Law; and
 - (b) the information contained in the features or third party content is indicative and may be out of date at any given time. All analysis, resulting conclusions and observations are based upon past performance, patterns and data and will not necessarily reflect future performance.
- 6.2.5 For the avoidance of doubt, our third party providers are not responsible for and have not participated in the determination of our Prices and they exclude all warranties, undertakings or representations (either express or implied) relating to your use of the Trading System, our Website or the Elements. Without limiting the foregoing, in no event whatsoever shall our third party providers be liable for any loss, regardless of whether they are aware of such loss and whether such liability is based on breach of contract, tort or otherwise.
- 6.2.6 Save in the event of our negligence, wilful default or fraud, we will not be liable for any loss or damage caused by a distributed denial-of-service attack, viruses or other technologically harmful material that may infect your computer equipment, computer programs, data or other proprietary material due to your use of the Trading System or Website or to your downloading of any material posted on it, or on any website (including our Website) linked to it.

6.2.7 Unless expressly stated otherwise in these Terms or the PDS, we are not responsible for reminding you or alerting you to any obligation or liability that you may have under the Agreement. Where we do make or provide any such reminders or alerts to you, this is done entirely at our sole discretion and does not represent any obligation or commitment on our part to make or provide any such reminders or alerts to you in the future.

7 OUR RIGHTS IN CERTAIN CIRCUMSTANCES

7.1 Specified Event.

7.1.1 Should a Specified Event occur, be reasonably likely to occur, or when we become aware of a Specified Event, we may take a Reserved Action, provided it is fair and reasonable in the circumstances (see clause 7.3).

7.2 Circumstances Outside Our Control.

7.2.1 Any failure by us to perform our obligations under the Agreement caused by a Circumstance Outside Our Control will not be a breach of the Agreement.

7.2.2 If we reasonably determine that there is a Circumstance Outside Our Control, we will give you notice of this as soon as it is practicable and in accordance with Applicable Law. We will use reasonable endeavours to resume our provision of the Trading System, our services and/or performance of our obligations under the Agreement as soon as possible. Where it is fair and reasonable to do so, we may take an appropriate Reserved Action.

7.2.3 Where we are able to resume provision of the Trading System services and/or performance of our other obligations under the Agreement following a Circumstance Outside Our Control:

- (a) the value of any Trade held immediately before the Circumstance Outside Our Control that remains open will be determined by the Price as at the time we are able to resume our provision of the Trading System services;
- (b) we may act on any instructions to transmit any Order in relation to a Trade received immediately before the Circumstance Outside Our Control, provided it is possible to do so; and
- (c) you are responsible for re-instating or cancelling any Orders affected by a Circumstance Outside Our Control.

7.3 Reserved Actions.

7.3.1 If we are required to do so under Applicable Law, or a Specified Event or Circumstance Outside Our Control occurs or is reasonably likely to occur, or we have serious grounds or valid reasons for doing so, we may in our sole discretion take any action, including any Reserved Action, that is fair and reasonable in the circumstances.

7.3.2 If we have serious grounds or valid reasons for doing so, we may in our sole discretion set an Account to Reduce Only.

7.3.3 If we have taken or 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. When taking any Reserved Action, we may, in our sole discretion, take into account any prior instructions you have provided to our client management team.

8 AMENDMENTS AND TERMINATION

8.1 Amendments to the Agreement in general.

8.1.1 We may amend any part of the Agreement at any time by giving you notice, subject to clauses 5.3.2, 5.3.4, 7.3, 8.2, 8.3 and 8.4.

8.1.2 Subject to clauses 5.3.1, 5.3.4, 7.3, 8.2, 8.3 and 8.4, and subject to any agreement we have made with you, any amendments to the Agreement that we give you notice of will take effect on the date specified in our notice to you, which will be at least ten (10) Business Days after we send our notice to you. We may give you less than ten (10) Business Days' notice if the amendments to the Agreement are required in order to comply with Applicable Law. If you do not accept the amendment, you will be free to close your Account and/or terminate the Agreement in accordance with clause 8.5 before the amendment takes effect.

8.2 **Amendments to Margin Rates, Margin requirements and Close-Out Level.**

8.2.1 We may from time to time make amendments to Margin Rates, other Margin requirements, and/or Close-Out Level. We will, where possible, provide you with:

(a) three (3) Business Days' notice of increases to the Margin Rates and/or other Margin requirements; and

(b) ten (10) Business Days' notice of amendments to the Close-Out Level,

but we reserve the right to make any amendment under this clause 8.2.1 on shorter notice or without any notice, where it is reasonable to do so.

8.2.2 Following any amendment to Margin Rates, other Margin requirements, and/or Close-Out Level, it is your responsibility to ensure that you have sufficient Account Value and/or reduce your Positions to satisfy your obligations to us under the Agreement.

8.3 **Amendments to Prices, Rates and other Attributes.**

8.3.1 We will amend Prices, Rates and Attributes through the Trading System in real time and such amendments will take effect immediately as and when they are made, even if they are not displayed on the device that you use to access the Trading System.

8.3.2 Where we notify you of a change to a limit in relation to an Attribute, you may be required to close any affected Trade within three (3) Business Days.

8.4 **Removal of Products.**

8.4.1 We may, at any time and in our sole discretion, remove any Products from the Trading System and/or remove your ability to place Trades in respect of a particular Product from an Account. If you have a Trade in any relevant Product being removed, we will use reasonable endeavours to provide you with at least ten (10) Business Days' notice in which to close any Trade that you may hold on such a Product. However, we reserve the right to provide a shorter notice period or no notice at all.

8.4.2 It is your responsibility to cancel any Pending Orders and close any Trades in respect of a Product that is being removed in accordance with clause 8.4.1 at the time and in the manner specified in the notice. If you do not do this, we will do so.

8.4.3 Subject to clause 8.4.2, we may set any Product that is being removed in accordance with clause 8.4.1 to Reduce Only.

8.5 **Closing your Account or terminating the Agreement.**

8.5.1 Subject to clause 5.2.8, you may close your Account by giving us notice in writing. If you do not cancel any Pending Orders, close any Trades on your Account or withdraw any money due to you before giving us such notice of termination, we will cancel any Pending Orders and close any

Trades as soon as possible after we receive your notice and then attempt to return any money due to you, but there may be a delay in doing so.

- 8.5.2 We may close any Account by giving you notice in writing. Subject to clause 8.5.3, this will take effect on the date specified in such notice being no less than ten (10) Business Days after the date of the notice. Unless our notice of termination 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 Trades during the time between: (i) when we give you the notice; and (ii) when your Account is due to close in accordance with the notice. If you do not do this or giving you notice is not possible, we will cancel any Pending Orders and close any Trades on your Account and then attempt to return any money due to you.
- 8.5.3 If we have serious grounds or valid reasons for doing so, we may terminate the Agreement or set an Account to Reduce Only or Unauthorised to Trade with less than ten (10) Business Days' notice, including immediately. We will cancel any Pending Orders and close any Trades on your Account at the time and in the manner specified in the notice.
- 8.5.4 Unless otherwise agreed, the Agreement will automatically terminate following the closure of all of your Accounts by you or us. When you or we close an Account and/or the Agreement terminates we may exercise any right that we have to make a Deduction or to exercise our right of Set-Off.

9 ORDER EXECUTION POLICY

9.1 Summary

- 9.1.1 This section sets out a summary of CMC Markets' order execution policy in respect of its Accounts on the CFD Direct System (**OEP**).
- 9.1.2 CMC Markets will endeavour to provide clients with a competitive execution service in a cost-effective manner, seeking the best possible result on a consistent basis. Our commitment to seeking "best execution" does not mean we owe clients any fiduciary responsibilities over and above the specific regulatory and contractual obligations placed upon us for the benefit of our clients.
- 9.1.3 Any statements made by or through CMC Market's personnel, its electronic systems or otherwise in the processing or execution of transactions should not be construed or relied upon as personal recommendations or investment advice.

9.2 Scope

- 9.2.1 This policy extends to any relevant branch of CMC Markets and applies to clients that have been granted access to CFD Direct. Unless otherwise agreed, we will not owe best execution to wholesale clients, although certain legal and regulatory obligations on identifying and managing conflicts of interests will nevertheless apply. When you are classified as a wholesale client, this policy is provided for informational purposes only.

9.3 How the Trading Platform works

- 9.3.1 When you place an Order on the Trading Platform, if successfully executed you will enter into a Trade with us on a bilateral basis. The Price at which we enter into Trades with you will match the prices offered to or obtained by us from our brokers from the relevant underlying execution venues. When you place an Order on the Trading Platform, we will separately onward route an order (as our order) which will be allocated (via CMC Markets' order routing technology) to the smart order router of one of our underlying brokers, in accordance with our internal counterparty selection policies and procedures. Our underlying brokers find the best execution for our order looking at the aggregated market (in accordance with their own best execution policies and smart order router technology, further information on which is on the legal section of our website in the document entitled "CFD Direct Execution Venues"). Order routing technology, along with other

elements of the CFD Direct OEP, is subject to review and monitoring as part of our overall best execution governance program (see BEST EXECUTION for further detail).

9.3.2 The Prices at which we enter into Trades with you may differ at any time from the Market Data displayed on the Trading Platform, which is provided for indicative purposes only, and may be more favourable or less favourable to you than the Market Data displayed when you place the Order.

9.4 Handling of different Order types

9.4.1 The following Order types may be available to you on the CFD Direct System depending on the Product chosen:

- Market Order;
- Stop Order;
- Stop-Limit Order;
- Limit Order;
- Pegged Order;
- Limit-on-open Order;
- Market-on-open Order;
- Limit-on-close Order;
- Market-on-close Order.

Stop Loss Orders are replicated on the CFD Direct System into Market Orders.

Market Order	A buy or sell Order to be executed immediately at current market prices.
Stop Order	An Order to buy or sell when the relevant Price surpasses a particular level.
Stop-Limit Order	An Order to be executed at a specified Price, or better, after a given stop Price has been reached. Once the stop Price is reached, the Order becomes a Limit Order to buy or sell at the limit Price or better.
Limit Order	An Order to buy or sell at your determined limit Price, or better.
Pegged Order	<p>A Pegged-to-Market Order to buy will peg to the best offer price and a Pegged-to-Market Order to sell will peg to the best bid price, with an option of setting an offset.</p> <p>A Pegged-to-Primary Order to buy will peg to the best bid price and a Pegged-to-Primary Order to sell will peg to the best offer price, with the option of setting an offset.</p> <p>A Pegged-to-Mid-Price Order will peg to the mid-price of the best bid offer, with the option of setting an offset.</p>

9.4.2 Additionally, the following Conditions may be selected:

Hidden	A Hidden Order will be completely hidden from the market. This Optional Order Attribute is typically available for large Orders only.
Iceberg	An Iceberg Order publicly displays only a portion of the total volume of the Order that is available for execution. When the visible part of the Order is fulfilled, a new part of the hidden portion of the total Order becomes visible.

9.4.3 The following Time in Force (TIF)/Order Lifetime Conditions may be available on the CFD Direct System:

DAY	Good for the day only (17:00 EST)
GTC	Good 'til cancelled
GTD	Good 'til date (date and time supported)
FOK	Fill or kill, requires the Order to be executed immediately in its entirety, partial fills are not supported.
IOC	Immediate or cancel Order, similar to a FOK Order, an IOC Order needs to be executed immediately however partial fills are possible. Any portion of the Trade remaining is cancelled.
On Open	Order will be executed on the opening of the trading session. If the Order cannot be executed on the open it will be cancelled.
On Close	Order will be executed on the close of the trading session. If the Order cannot be executed on the close it will be cancelled.

9.5 Algorithmic Execution

9.5.1 If we have made Algorithmic execution available to you, the following Algorithmic Execution types may be available to you on the CFD Direct System:

- VWAP;
- TWAP;
- With Volume.

VWAP Volume-weighted average price (“**VWAP**”) Algorithmic Execution minimises slippage relative to the volume-weighted average price in the markets over a user-specified time horizon. The strategy executes proportionately with expected market volume to spread the trade across the user-specified horizon.

TWAP Time-weighted average price (“**TWAP**”) Algorithmic Execution is a strategy of executing Trades spread evenly over a specified time period.

With Volume With Volume Algorithmic Execution trades in proportion to actual market activity, targeting participation at a user specified percentage of overall traded volume.

9.5.2 The following Algorithmic Execution Attributes may be available on the Trading Platform:

Start Time	The time the Algorithm starts working.
End Time	The time the Algorithm finishes working.
Max % Volume	The targeted participation rate (in relation to With Volume Algorithmic Execution).
In Open/Auction Open	Include Algorithmic Execution in an opening auction.
In Close/Auction Close	Include Algorithmic Execution in a closing auction.

9.6 Execution Venues

9.6.1 As referred to in paragraph 2, the underlying execution venues may include:

- regulated markets (RM);
- multilateral trading facilities (MTF);
- organised trading facilities (OTF);
- systematic internalisers (SI) (including on the broker’s own account);
- third party investment firms and/or affiliates acting as a market maker; and

- similar non-EEA venues performing similar functions.

9.6.2 Such execution venues may include both lit and dark sources of liquidity (the latter being trading venues or other sources of liquidity that are not generally subject to pre-trade transparency requirements).

9.6.3 All of your Orders will be executed on a bilateral basis between you and us outside of an RM, MTF or OTF. We separately onward route orders (as our orders) to our underlying brokers where they may be executed outside of an RM, MTF or OTF, including by the broker dealing on its own account. As a result, any Trade that you enter into with us may be priced on the basis of prices that are not available on a trading venue.

9.6.4 For a complete list of venues see the document titled “CFD Direct Execution Venues” available on our Website. This contains a list of the RMs, MTFs and OTFs, some of which we and/or one of our Affiliates place significant reliance on to meet the obligation to take all sufficient steps to obtain the best possible result for the execution of your Orders. A third party broker may also be used by the broker, to execute on these venues. The list is not exhaustive and may change from time to time. For certain instruments, there may only be one execution venue available and in such circumstances, the broker will assume that the selection of that venue satisfies the best execution factor dealing with venue selection. In any case, our underlying brokers will not necessarily access all execution venues that could potentially be available at any one time. Our orders are directed to a particular execution venue or venues by the underlying broker’s smart order router. Further detail on how our underlying brokers obtain best execution is set out in below.

9.6.5 Where a third party broker is used, the broker satisfies the best execution obligation by undertaking due diligence to validate the adequacy of the third party broker’s execution performance and connectivity and to ensure that there are satisfactory arrangements to ensure the confidentiality of order flow and execution instructions.

9.7 **Best execution**

Single Stock CFD and CFD Forwards

9.7.1 Where you are owed the duty of best execution we are required to take all sufficient steps to obtain the best possible result taking into account the following factors:

- price;¹
- likelihood of execution and settlement;
- costs;
- speed;
- Order size;
- nature of the Order; and
- any other consideration relevant to the execution of the Order such as nature of the relevant market, prevailing market conditions and attempting to minimise market impact.

9.7.2 Our underlying brokers’ smart order routers select an execution venue based primarily on the availability of best pricing for particular instruments, the amount of accessible liquidity offered by the venue and speed. All other execution factors are generally given equal ranking. When transacting a large order, minimising market impact might be more important than price or, when trading an illiquid product, certainty of execution might be more important than price.

9.7.3 Best execution factors that are taken into consideration when executing client Orders, include:

- Price;

¹ Price excluding other costs, fees and charges

- costs;
- Order size; and
- nature of the Order.

9.8 **Manual liquidation**

9.8.1 Unless we notify you otherwise, your Trades will be subject to manual liquidation.

9.8.2 If and when your GLV falls below the Close-Out Level for your CFD Direct Account, we may try to contact you during Sydney office hours to request you make a payment into your CFD Direct Account. If we are unable to contact you and/or you are unable to fund your CFD Direct Account within a reasonable timeframe, we will manually close all or a portion of the Trades and/or Positions on the CFD Direct Account (in relation to any Product) as far as we see fit in our sole discretion taking into account any prior instructions you have given regarding the sequence of closure(s) of Trades and/or Positions on the CFD Direct Account.

9.9 **Disclosures**

9.9.1 While CMC Markets makes commercially reasonable efforts to ensure the quality of its electronic trading services, there always exists the risk of interruption or delay, system failure or errors in pricing, controls or design of these systems that could expose you to substantial damage, expense or loss. For instance, it is possible that any new Orders or Trade requests cannot be entered, executed, modified or cancelled by you, or that acceptance or rejection of Trade requests or reports of executions will not be communicated to you in a timely manner. These services are provided “as is,” and so to the extent permitted by Applicable Law, CMC Markets will have no responsibility or liability whatsoever for any damage, expense or loss incurred out of the use of electronic trading services even where it may have been advised of the possibility thereof.

9.10 **Information Handling**

9.10.1 CMC Markets maintains a “need to know” standard, which provides that access to your specific trading information is limited to those employees who have a “need to know” such information to perform their duties and to carry out the purpose for which the information is provided.

9.11 **Communications**

9.11.1 CMC Markets discourages you from using e-mail or other electronic messaging systems for communicating Orders or Trade requests. If we agree to the use of electronic messaging (e.g. e-mail, chats, instant messages, etc.) as the mode for you to communicate your Orders or Trade requests, any Order or Trade request sent to us by electronic messaging will not be considered to be received by us until a CMC Markets representative verifies the Order or Trade request details to you by phone or otherwise affirmatively acknowledges receipt of the Order or Trade request.

9.11.2 During the period between the electronic transmission of an Order or Trade request and the point at which it is verified and acknowledged, you will be exposed to the risk that your Order or Trade request may not be filled (including where the market has moved in your favour) or may be filled at a less favourable level because market conditions have changed in the interim.

9.12 **Consent**

9.13 When you trade with us, you consent to your Orders being executed with us on a bilateral, over-the-counter basis outside of a trading venue (notwithstanding that the Price of your Trade with us will be based upon and match the price we or our underlying brokers obtain from one of the relevant underlying execution venues, some of which may include regulated trading venues).

9.13.1 You consent to CMC Markets using electronic communications (including the Website and/or the CFD Direct System) to communicate further information on CMC Markets' CFD Direct OEP and related documentation.

9.14 **Monitoring and review.**

9.14.1 We will regularly monitor and review our policies and procedures and associated arrangements in order to ensure we comply with our regulatory obligations, making appropriate amendments if necessary.

9.14.2 You can find our most recent execution quality data on our Website.

9.14.3 We will notify you in writing of any material changes to this document.

Schedule 1 - Product terms for Trades

This Schedule 1 sets out terms that apply specifically to investing in Trades on a CFD Direct Account.

We will grant you access to the Trading Platform, will display the Market Data you subscribe for and enable you to enter into Trades with us on a bilateral basis.

Trades are cash-settled contracts that, for the avoidance of doubt, will not entitle you or us to any rights in relation to the underlying assets. Costs and rights other than those associated with a direct investment in the underlying assets will apply to Trades.

1 Product Prices.

- 1.1 You will be able to access relevant information on each Product (in relation to which you can enter a Trade through placing an Order), including its Attributes, through the CFD Direct System.
- 1.2 During Trading Hours, the Trading Platform will display Market Data that you subscribe for. If you place an Order through our client management team, we will quote Prices by reference to the relevant underlying execution venues and you acknowledge that those Prices may differ at any time to the Market Data displayed on your screen.
- 1.3 We attempt to make Market Data available to you on a continuous basis and attempt to have it shown on the Trading Platform as soon as possible. However, Market Data may not match the Prices at which we enter into Trades with you. In addition, fluctuations in financial markets, the delayed and/or limited nature of the Market Data you subscribe for and/or technical conditions, may mean there is a significant difference between the Market Data displayed to you on the Trading Platform and the Price at which you enter into a Trade with us or which we use to calculate Unrealised Profit or Loss. This difference may either be to your advantage or disadvantage. For further detail on how Prices are determined, please refer to our CFD Direct OEP.

2 Commissions.

- 2.1 We may charge you Commissions in respect of each Trade that you enter in accordance with clause 5.3.

3 Currency Conversions.

4 All Deductions and credits applied to your CFD Direct Account will be in the relevant Account Currency. Where the relevant Product Currency is different to the relevant Account Currency, all calculations of Deductions and credits will be undertaken in the Product Currency and converted into the Account Currency at the Currency Conversion Rate.

- 4.1 The Back Office Platform will retain information about the Currency Conversion Rate in relation to your CFD Direct Account.

5 Orders.

- 5.1 To enter into a Trade, you must place an Order on the Trading Platform that identifies the Product and provides the information requested by the Trading Platform in relation to that Product.
- 5.2 You will only be able to place an Order if you have sufficient credit to your CFD Direct Account and if you satisfy the Initial Margin requirements. The information available through the Trading Platform on whether you have sufficient funds shall prevail in relation to your ability to place such an Order and enter into Trades.
- 5.3 An Order will only be deemed to be received by the Trading Platform at the time at which the Trading Platform actually receives it, which may not be immediately after you submit that Order.

Placing an Order does not guarantee that a Trade will be entered into as we reserve the right to reject your Order without any explanation. A record of any executed or rejected Orders can be accessed through the Trading Platform.

- 5.4 You can only place or amend an Order during Trading Hours. It is your responsibility to monitor Trading Hours.
- 5.5 Subject to the provisions of this Schedule 1, you and/or we may modify or cancel any Pending Order at any point until that Order has been executed.
- 5.6 Subject to paragraph 5.5 of this Schedule 1, if your CFD Direct Account has insufficient Free Equity as displayed on the Trading Platform to meet the relevant Initial Margin requirements for that Order, we will not execute that Order unless our client management team agree otherwise.
- 5.7 The types of Order available to you in respect of a particular Product and the details of when those Orders might be placed or modified will be available through the CFD Direct System.
- 5.8 The CFD Direct System may combine and net your Trades open at the same time in respect of the same Product. Further details on netting can be found on the CFD Direct System and/or through our client management team.

6 Initial Margin.

- 6.1 We will apply a variety of Initial Margin requirements to any Trade you place which you are required to meet in order to place Orders and enter Trades with us. We provide detailed information on the CFD Direct System regarding these Initial Margin requirements.
- 6.2 The Initial Margin requirements in respect of any Trade may fluctuate and you may incur losses from any relevant Trades that exceed the Initial Margin you have provided to us for your Positions.

7 Closing Trades.

- 7.1 In order to close a Trade, you must place an Order in the opposite direction on the Trading Platform.

8 Risk Management.

- 8.1 You may set a variety of risk management options in respect of a Trade at any time via the CFD Direct System.

Limits on your Trades.

- 8.2 Various Product limits in relation to Trades will be displayed on the Back Office Platform. It is your responsibility to ensure that you know what the current limits are before placing or modifying any Order to open a Trade by checking the information available on the Back Office Platform. In addition, your CFD Direct Account is subject to other limits (such as exposure limits) and if you breach one of these when attempting to place an Order, the Trading Platform will notify you that the Order has been rejected. We may, at our sole discretion, waive such limits.
- 8.3 If, at the time an Order would otherwise be executed, the execution of that Order would result in a breach of a limit relevant to that type of Order, the Order will be automatically cancelled and will not be executed.

9 Profit Or Loss.

- 9.1 The Realised Profit or Realised Loss and Unrealised Profit or Loss displayed on the Trading Platform form part of your Free Equity and are therefore used to determine whether or not you can place a Trade.

9.2 If there is sufficient money in your CFD Direct Account and/or you have sufficient Realised Profits to cover any Realised Loss in full as shown on the Back Office Platform, then a Realised Loss will be due and payable immediately. If not and the GLV for the CFD Direct Account as shown on the Back Office Platform goes below the Close-Out Level, the Realised Loss will become due and payable immediately.

10 Holding Costs.

10.1 We will charge certain Holding Costs for certain Trades, details of which are available on the Back Office Platform. You must have sufficient Cash in your CFD Direct Account to meet any Holding Cost.

10.2 We may, in our reasonable discretion, use Cash in your CFD Direct Account to reduce the amount of any Holding Cost you owe us.

11 Adjustment Events and Insolvency.

11.1 An Adjustment Event may occur in relation to the underlying asset of a Product. If an Adjustment Event occurs, we will take appropriate action (in our reasonable opinion) to:

- (a) replicate or reflect this in your Order or Trade
- (b) reflect any action taken by counterparties to trades in respect of such underlying assets of the Product that we have entered into in order to hedge or offset our exposure to you; or
- (c) preserve the economic equivalent of your Order or Trade immediately prior to the Adjustment Event, which may have consequences on your Trade.

11.2 We will give you notice of any applicable action that we decide to take as soon as reasonably practicable, which for the avoidance of doubt may be after the relevant Adjustment Event or after the relevant action which we may take in our discretion under this paragraph.

11.3 If an issuer, whose securities form the basis of a Product, becomes insolvent or similar, all Trades on that Product shall be closed by us once we have received official confirmation that the underlying security no longer holds any value. In this instance, closures will take place at a Price of zero (0). If you have a Trade on any such Product, we shall provide you with notice of this.

11.4 If the Price of any Trade connected with a Product or underlying asset which is suspended is greater than zero (0), we will notify you of the date and Price at which such Trade will be closed. We reserve the right to request additional Initial Margin and/or any reasonably foreseeable associated costs incurred by us (or any of our Associates) in connection with any suspension of a Product or its relevant underlying asset.

11.5 With the exception of cash adjustments representing dividend payments, Pending Orders for Trades will be closed before the execution of a corporate action and will not be included in any replication/economic adjustment as mentioned in paragraph 11.1(a) and 11.1(c) above. Pending Orders will not be reinstated by us. You will need to reinstate the Pending Order yourself should you wish to proceed following the Adjustment Event.

11.6 You will not be able to enter into any new Trades where there is a trading halt in the underlying asset or trading in respect of the underlying asset Instrument has otherwise been suspended in the underlying market. Where trading in a product has been halted or suspended we may exercise certain discretions, see our PDS for more information

12 Account Close-Out.

12.1 You must ensure that for your CFD Direct Account your GLV is at all times above the applicable Close-Out Level as displayed on the Back Office Platform. Where your GLV is less than the applicable Close-Out Level, we may initiate an Account Close-Out as we deem appropriate in

the circumstances. We may from time to time give further details on the Account Close-Out process on the Back Office Platform and/or in this PDS. Account Close-Out does not and is not intended to not limit your entire liability to us in respect of your Trades. You can lose more than your initial investment and you may be required to make further payments.

Schedule 2 - 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:

Account Value	The sum of your Cash and any net Unrealised Profit Or Loss (as applicable), where the net Unrealised Profit or Loss is calculated using the first Bid Price or Ask Price (as applicable) that is displayed on the Trading Platform and updated in real time. Account Value is referred to as 'Equity' on the Trading Platform and is also referred to as 'Account Revaluation Amount' on the Back Office Platform.
Algorithmic Execution	Has the meaning given to it in Schedule 3.
Ask Price	The Price at which a buy Trade is entered into and at which a sell Trade is valued and closed as displayed on the Trading Platform.
Attributes	The various limitations, restrictions and other features that apply to Orders and/or Trades in respect of each Product, which we may amend from time to time in accordance with clauses 8.2 and 8.3.
Automated Trading	Has the meaning set out in paragraph 7 of Schedule 1.
Available Equity	The Amount equal to your current GLV minus any Initial Margin requirements.
Back Office Platform	The electronic platform that we make available to you to administer your Account, as updated from time to time.
Bid Price	The Price at which a sell Trade is entered into and at which a buy Trade is valued and closed as displayed on the Trading Platform.
CFD Direct Account	Any CFD Direct account that you hold with us, including any Joint Account.
CFD Direct OEP or Order Execution Policy	The order execution policy summary that details how Order are executed in respect of the Trading Platform, as set out in section 9.
GLV	Guaranteed Loss Value. The sum of your Cash and any net Unrealised Profit Or Loss (as applicable), where net Unrealised Profit or Loss is calculated using the mid-price between the first Buy Price and Sell Price displayed on the Trading Platform, that is displayed on the Back Office Platform and updated in real time.
Holding Cost	The Amount calculated in accordance with the information provided on the Trading System. Holding Cost is referred to as 'Swap' on the Trading Platform.
Initial Margin	The amount of money you are required to pay us or hold in your CFD Direct Account in order to place an Order.
Invested Capital	Means: <ul style="list-style-type: none"> (i) the sum of any successfully received money paid by you to us plus all Realised Profits; less (ii) the Amount of any money withdrawn by you.

Limit Order / Take Profit Order	This definition is referred to in the CFD Direct OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the CFD Direct OEP.
Margin Rate	With respect to any Product, the percentage rate applicable to each Trade, as specified in the Trading System from time to time.
Market Data	The live and/or delayed prices displayed to you on the Trading Platform, which you subscribe for in accordance with this PDS, and which may not match the Price at which we enter into Trades with you and/or use to calculate Unrealised Profit or Loss
Market Order	This definition is referred to in the CFD Direct OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the CFD Direct OEP.
Product Library	The section of the Back Office Platform that contains the list of Products and key information in relation to each Product, including their Attributes and any relevant Rates. This information is contained in the specification section on the Trading Platform.
Rates	The rates that vary automatically from time to time in accordance with clause 8.3 without notice being given to you, and which apply to Trades entered into on that Product, including the rates at which Holding Costs apply and Margin Rates.
Stop Order / Stop Loss Order	This definition is referred to in the CFD Direct OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the CFD Direct OEP.
Target Price	This definition is referred to in the CFD Direct OEP and is the Price at which you wish to enter into or close a Trade as specified in a Stop Order, Trailing Stop Loss Order, Limit Order or Market Order.
Third Party Fees	Has the meaning set out in clause 5.4.
Trading Hours	In respect of a Product, the times during which the Trading System generates and/or our client management team provides Prices and during which you may give instructions or place Orders for Trades on that Product, as specified in the Product Library and/or on the Trading Platform from time to time. For any particular Forward, the Trading Hours shall apply, subject to the key dates section for the relevant Product in the Product Library and/or on the Trading Platform. Referred to as “sessions” on the Trading Platform
Trading Platform	The CFD Direct electronic trading platform for placing Trades, as updated from time to time.
Trading System	The Trading Platform and the Back Office Platform.

Schedule 3- Additional Terms for Algorithmic Execution

This Schedule 3 sets out terms that apply specifically to investing in Trades on a CFD Direct Account using Algorithmic Execution (as defined below). For the avoidance of doubt, such terms apply in addition and supplemental to any other terms in these Terms and the PDS. Elsewhere in these Terms and the PDS, references to “Orders” shall include references to Orders placed using Algorithmic Execution. In the event of an inconsistency between this Schedule 3 and any other term in these Terms or the PDS, the terms of this Schedule 3 shall prevail.

We may make Algorithmic Execution available to you at our sole discretion from time to time, taking into account factors including your ability to understand and manage the complexity of Algorithmic Execution. You may apply for the ability to use Algorithmic Execution by contacting us.

Using Algorithmic Execution involves additional, specific risks that are explained in the PDS and the Risk Warning Notice, available on our Website.

13 Additional Definitions.

In addition to the Definitions section in Schedule 2, in this Schedule 3 when capitalised the following words have the meanings set out below:

Algorithm	An application that will enable you to generate Orders and enter into Trades automatically in order to attempt to meet a specified execution objective. Such applications will continuously and independently place Orders based on parameters specified by you until those parameters are satisfied or you have successfully cancelled Algorithmic Execution.
Algorithmic Execution	In relation to a Trade, an Order placed using an Algorithm.
TWAP	Time-weighted average price. This definition is referred to in the CFD Direct OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the CFD Direct OEP.
VWAP	Volume-weighted average price. This definition is referred to in the CFD Direct OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the CFD Direct OEP.
With Volume	This definition is referred to in the CFD Direct OEP and is an instruction to place an Order in accordance with the relevant conditions set out in the CFD Direct OEP.

14 Algorithms.

- 2.1 Subject to our prior approval, we may make different types of Algorithm available to you through the Trading Platform to enable you to use Algorithmic Execution. We may withdraw any such Algorithm at our sole discretion, without notice to you.
- 2.2 Subject to our making Algorithms available to you, you can access relevant information on each Algorithm through the Trading Platform and our CFD Direct OEP. This information includes the parameters that you must specify in order to use Algorithmic Execution in respect of a particular type of Algorithm.
- 2.3 Algorithms are used to determine the Price, volume, quantity and nature of any Trades you enter into with us as the result of using Algorithmic Execution. The Algorithms are the property of our underlying brokers. For the avoidance of doubt, any intellectual property in the Algorithms remains the property of our underlying brokers and such brokers shall assume no liability, responsibility or obligations to you and you shall have no contractual or other relationship with such liquidity providers.

15 Using Algorithmic Execution.

- 3.1 To use Algorithmic Execution, you must select an Algorithm and provide the information requested by the Trading Platform, which shall include setting the parameters on which the operation of the Algorithm shall be based and specifying the relevant Product in relation to which the Algorithm should generate Orders.

- 3.2 For the avoidance of doubt, once you have initiated Algorithmic Execution, you shall be responsible for and bound by any and all Trades arising or resulting from such Algorithmic Execution (including any Trades entered into as the result of Orders generated by the Algorithm) until the parameters specified by you are satisfied or you have successfully cancelled such Algorithmic Execution.
- 3.3 Once initiated, you will be solely responsible for monitoring the performance and effect of Algorithmic Execution.

16 Cancelling Algorithmic Execution.

- 4.1 You may cancel or amend an instance of Algorithmic Execution through the Trading Platform. However, a cancellation will only take effect once it has been received and processed by the Trading Platform. In certain circumstances, there may be a delay between you submitting a request to cancel or amend an instance of Algorithmic Execution and that cancellation or amendment request taking effect. In such circumstances, you shall remain responsible for and bound by any and all Trades arising or resulting from the relevant instance of Algorithmic Execution until the cancellation or amendment takes effect, notwithstanding the fact that such Trades may not be in accordance with your subsequent cancellation or amendment.
- 4.2 For the avoidance of doubt, we may cancel or amend an instance of Algorithmic Execution without warning in our sole discretion in accordance with clause 7.