

CMC Markets Asia Pacific Pty Ltd

## Product Disclosure Statement

### Derivative Products issued on the Next Generation Platform – Sales Trader (PDS)

29 March 2016

AFSL No. 238054 and ABN 11 100 058 213

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## 1 Important information

### 1.1 About this PDS

This PDS is issued by CMC Markets Asia Pacific Pty Ltd (referred to in this PDS as “CMC Markets”, “we”, “us” or “our”) in connection with derivative products issued by us and traded through the CMC Markets Next Generation Platform (“Products”). This PDS is designed to assist you in making an informed decision regarding opening an Account and trading Products. You should note that this PDS contains information specific to Products offered by CMC Markets that is not applicable to products traded through any other platform. This PDS forms part of the agreement under which we will provide Products and Services to you. Before deciding whether to trade with us, you should consider this PDS and whether trading CMC Markets Products is a suitable investment for you.

This PDS contains specific terms relating to the Sales Trader service and differs from the service offered by our standard PDS in important ways. You should refer to Section 16 for the specific terms and differences in respect of the Sales Trader service and Trades in respect of Manual Products. All sections of this PDS should be read in conjunction with Section 16.

The agreement between you and us (“Agreement”) consists of this PDS, the CMC Markets Financial Services Guide (FSG), 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 Platform or on our Website. The Product Library contains a list of Products and key information relating to each Product such as its Attributes, its Variable Rates, Holding Rates and Prices and is accessible through the Platform.

We recommend that you consider the Agreement and in particular this PDS and obtain independent financial, taxation and other professional advice, before you apply to open an Account and/or place any Trade or Order with us.

**The Products described in this PDS 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 the Products in section 10 (“Significant risks of trading CMC Markets Products”). 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.**

This PDS is dated and is effective from 29 March 2016. The current Agreement (including this PDS) 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 this PDS published on our Website at the time of entering into a Trade governs that Trade. Information within this PDS or 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.com.au](http://cmcmarkets.com.au). See section 11.2 (“Amendments and Termination”) for more information.

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

Section 15 contains a Glossary in which various words and phrases used in this PDS are defined. In addition, section 16.17 contains additional defined terms that are relevant to the Sales Trader service. If you do not understand a word or phrase, you should refer to the Glossary. Terms that have been included in the Glossary are capitalised in this document.

### 1.2 How to contact CMC Markets

| CMC Markets Asia Pacific Pty Ltd     |   |
|--------------------------------------|---|
| Registered office & business address | Client Management Team<br>CMC Markets Asia Pacific Pty Ltd<br>Level 13<br>130 Pitt Street<br>Sydney NSW 2000<br>Australia |
| Postal address                       | Client Management Team<br>CMC Markets Asia Pacific Pty Ltd<br>PO Box R1879<br>Royal Exchange NSW 1225<br>Australia        |
| Phone                                | Client Management Team and Account opening queries: <b>1300 303 888</b> (only in Australia)                               |
| Fax                                  | +61 (0)2 8915 9484  |
| Email                                | <a href="mailto:info@cmcmarkets.com.au">info@cmcmarkets.com.au</a>  |
| Web                                  | <a href="http://cmcmarkets.com.au">cmcmarkets.com.au</a>  |

### 1.3 What are CMC Markets' Trading Hours?

Trading Hours depend on the relevant Underlying Market's hours of operation. You will find the details of various Trading Hours in the Product Library, which will be updated from time to time. Trading Hours may also be affected by public holidays. It is your responsibility to monitor the Trading Hours of any Product that you wish to trade.

### 1.4 Who is the issuer of the PDS and the Products?

CMC Markets is the issuer of this PDS, and the issuer of Products referred to in this PDS.

CMC Markets is regulated in Australia by ASIC and holds Australian Financial Services Licence No. 238054.

### 1.5 Applying to trade with CMC Markets

Before you begin trading you must complete an Application. Before completing the Application you should consider this PDS, the CMC Markets Rates Schedule and our FSG (and the financial services guide of your Introducing Adviser where applicable) and the other documents that make up the Agreement. The Application is available on our Website.

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

### 1.6 References to other parties

No other entities or Underlying Markets have endorsed the Products we issue nor do they accept any responsibility for any statements contained within this PDS. References in this PDS or any other part of the Agreement to an Underlying Instrument Entity or to an Underlying Market are included solely for information purposes.

### 1.7 CMC Markets does not give personal advice

We will not give you personal financial product 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 financial services guide.

Information we provide is general information only. Any information provided to you on our Website, through the Platform, by our Client Management Team, via e-mail, via live chat, via telephone, 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 in Products. We recommend that you read this PDS carefully and obtain independent financial, taxation and other professional advice concerning this 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.

### 1.8 Regulatory Guide 227

Regulatory Guide 227 (RG227) issued by ASIC sets out 7 disclosure benchmarks for over the counter contracts for difference. Product disclosure statements must address the benchmarks on an "if not, why not" basis.

The table below set out CMC Markets' disclosure against the benchmarks for this PDS:

| Benchmark                                  | Meets | Explanation   |
|--|-------|---|
| 1. Client Qualification                    | ✓     | CMC Markets assesses an investor's qualification for trading at the time of application. See section 2.3 ("Account opening process") for more information.  |
| 2. Opening Collateral                      | ✗     | This benchmark requires an issuer to only accept cash or cash equivalents (such as credit cards) as opening collateral when establishing an account and limits credit card payments to \$1000. CMC Markets accepts credit cards as well as BPay and bank transfer but does not place limits on credit card payments. This is done in order to maximise payment flexibility for Clients and to not restrict your choice of funding method. See section 8.5 ("Payments and Withdrawals") and section 10.13 ("Risks of trading on credit") for more information. |
| 3. Counterparty Risk – Hedging             | ✓     | CMC Markets maintains a written policy to manage its exposure to market risk from open positions. See section 10.4 ("Warning about counterparty risk") and the risks section of our Website for more information.   |
| 4. Counterparty Risk – Financial Resources | ✓     | CMC Markets maintains and applies policies to ensure that it meets the financial requirements of a holder of an Australian Financial Services Licence. See section 10.4 ("Warning about counterparty risk") for more information. Financial stress tests are done on a global basis by CMC Markets' related entity, CMC Markets UK plc.   |
| 5. Client Money                            | ✓     | CMC Markets has a well-defined Client Money policy and holds client money on trust with a tier 1 Australian bank on a fully segregated basis. This means that we do not use client money for any purpose, including meeting obligations incurred by us when Hedging with other counterparties or  |

|  |   |  |
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|  |   | meeting the trading obligations of other Clients. See section 9 (“Client Money”) for more information.   |
| 6. Suspended or halted underlying assets | ✓ | CMC Markets does not allow trading in Positions when there is a trading halt or suspension in an Underlying Reference Instrument. See section 7 (“Adjustment Events”) and section 11 (“CMC Markets Discretions”) for more information. |
| 7. Margin Calls                          | ✓ | CMC Markets has a clear policy in relation to Margin and our rights to close out Positions. See section 2.10 (“What is Margin?”) and section 6 (“Your Margin obligations”) for more information.                                       |

## 1.9 Australian CFD Forum – Best Practice Standards

CMC Markets is a founding member of the Australian CFD and FX Forum (“CFD and FX Forum”). The CFD and FX Forum is committed to enhancing efficient operations, transparency and overall investor understanding and confidence in CFDs within Australia and in the Australian CFD industry as a whole. The CFD and FX Forum has established Best Practice Standards (“Standards”) and each member is required to incorporate a statement of compliance regarding these Standards into their respective product disclosure statements. CMC Markets complies with the Standards, each of which is summarised in the table below. More details about the Standards, including detailed information about each Standard and how CMC Markets complies with the Standards is available on our website. The Standards are also available on request by calling (02) 8221 2100 or by sending an email to [info@cmcmarkets.com.au](mailto:info@cmcmarkets.com.au).

| Standard  | Explanation  |
|---|--|
| 1. Compliance with Standards                                      | Standard requires that members comply with the Standards.  |
| 2. RG227 Benchmark 1 – Client Qualification                       | Standard addresses RG227 Benchmark 1 and requires a written client qualification policy as set out in the Regulatory Guide. See item 1 of section 1.8,   |
| 3. RG227 Benchmark 2 – Opening Collateral                         | Standard addresses RG227 Benchmark 2 and specifies that only certain collateral should be used for new accounts and that a Member’s PDS should explain the member’s policy in this regard. See item 2 of section 1.8,  |
| 4. Educational Material   | Standard describes the types of educational material which can be used to increase a customer’s or prospective customer’s understanding of Products and what members should take into consideration in this regard.  |
| 5. Advertising and Promotional Material                           | Standard requires that member’s brand advertising or sponsorship activity may mention the member’s name or the product by name for recognition purposes only, but must not convey financial information about Products. Members must also ensure that advertising and promotional material is only published in financial markets based content. |
| 6. Customer Complaints  | Standard requires customer complaints to be handled in an efficient and effective manner.  |
| 7. RG227 Benchmark 5 – Segregation and Protection of Client Money | Standard addresses RG227 Benchmark 5 and requires full segregation of all client funds in a separate client trust account. See item 5 of section 1.8,  |
| 8. Customer Credit Risk   | Standard requires management of customer credit risk by real time monitoring, placing limits on customer positions, back testing and stress testing.   |
| 9. Risk Warnings and Risk Mitigation Tools                        | Standard requires members to provide standardised risk warnings which a prospective customer must agree to prior to trading and members must maintain a margin policy. Also, customers must be provided with a range of risk mitigation tools.   |
| 10. RG227 Benchmark 6 – Suspended or halted underlying assets     | Standard addresses RG227 Benchmark 6 and requires that members not allow new positions to be opened where there is a trading halt over the underlying asset or trading of the underlying asset has been suspended. See item 6 of section 1.8,  |
| 11. Benchmark 3 – Counterparty Risk – Hedging                     | Standard addresses RG227 Benchmark 3 and requires members to have hedging strategies in place and maintain a policy to manage exposure to market risk from client positions. See item 3 of section 1.8,  |



|  |  |
|--|--|
| 12. Financial Resource Requirements      | Standard addresses RG227 Benchmark 4 and requires members to maintain a policy to maintain adequate financial resources. Members must maintain an NTA of over AUD 2 million or 10% of the average revenue calculated. See item 4 of section 1.8. |
| 13. Training and Competency of Employees | Standard requires member's employees are adequately trained and are accredited in accordance with RG146. Members must also maintain a policy in this regard.   |
| 14. Employee Screening                   | Standard requires members to undertake pre-employment screening of all prospective employees. Members must also maintain a policy in this regard.  |
| 15. Dealing with Intermediaries          | Standard requires that members will perform an initial due diligence to ensure intermediary relationships are appropriate. Members must also conduct an annual review on all intermediaries.   |
| 16. Business Continuity Management       | Standard requires that each member has a BCM framework to ensure it can meet its financial and service obligations to customers in the event of a disruption.  |

## 2 Key features and benefits when trading CMC Markets Products

### 2.1 What are the Products offered under this PDS?

The Products offered under this PDS are instruments that allow you to make a profit or loss from fluctuations in the price of an Underlying Reference Instrument. The price of a Product is based on the price of an Underlying Reference Instrument, for example, a share on an exchange. However, you do not own or acquire any rights, title or interest in that Underlying Reference Instrument or trade it on an exchange by trading a Product.

By entering into a Trade, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the Product.

The amount of any profit or loss made on a Trade maybe determined by:

- (a) the change in the Price of the Product from when you open the Trade until the Trade is closed;
- (b) the Units traded, Binary Amount or Stake (as applicable);
- (c) any adjustments made in respect of the Product, for example where a dividend is paid on an underlying share; and
- (d) any Holding Costs, GSLO Premiums or Commissions relating to the CFD.

The balance of your Account will also be affected by other amounts you must pay to us in respect of your Account such as market data fees.

Your percentage return (profit or loss) on any Trade will also be affected by any applicable Margin Rate for the Trade. See section 6.1 ("Margin") for more information.

The Products are not traded on an exchange. This means they are over-the-counter (OTC) products, and you are trading with CMC Markets as the counterparty to all Trades you undertake. See sections 10.4 ("Warning about counterparty risk"), 10.5 ("Risks associated with OTC derivatives") and 10.11 ("Scope of Market Regulation") for some information on the risks associated with trading with a counterparty and trading OTC products. In addition, all Trades must be closed with us.

There are risks associated with trading in our Products. Some of these risks are set out in section 10 ("Significant risks of trading CMC Markets Products"). You should read and make sure you understand these risks before you trade in.

Some of the benefits of trading in Products include:

- (e) The Platform offers you the opportunity to trade and invest in Products in global markets all from a single account.
- (f) CFDs are a leveraged investment. This means that you can take a position using a smaller amount of capital than you may need when investing in more traditional products like securities, no capital. Please remember to understand your total exposure to market movements as leverage magnifies both profits and losses.
- (g) Products offer a simple and effective means to trade in rising markets but also to take advantage of volatile or falling markets.
- (h) CFDs allow fractional ownership letting you buy and sell CFDs by Units trading from as little as 1/1000 of a Unit.
- (i) You pay no account opening fees or ongoing fees (other than market data fees, trading costs and certain account administration fees that may be applicable in certain circumstances).
- (j) Products can be traded a variety of ways, including through iPhone, iPad and Android applications.

### 2.2 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 provided by us through the Platform or through our Client Management Team. 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 see section 10.9 ("Information technology") for more information. 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.

## 2.3 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 cooperate 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 our Products may not be suitable for all investors because of the significant risks involved, see section 10 ("Significant risks of trading in CMC Markets Products"). 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. The questions are based on recommendations provided by ASIC contained in Regulatory Guide 227 and do not constitute the provision of personal product financial advice.

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 (see section 1.2 ("How to contact CMC Markets")). 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.

## 2.4 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.

## 2.5 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 10.9 ("Information technology") 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.

## 2.6 Prices

During the Trading Hours for any Product, the Platform will generate Prices, Settlement Prices and Countdown Opening Prices subject to sections 7.1 ("Corporate Actions and Adjustments"), 10.9 ("Information technology") and 11.7 ("Circumstances Outside Our Control"). 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, Price Depth, Settlement Price and/or Countdown Opening Price 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.

In respect of Margin Trades, Prices are expressed as a Sell Price (represented by the lower figure) and a Buy Price (represented by the higher figure).

The direction of your Trade (buy or sell) determines which of the Buy Price or Sell Price your Trade will be entered into or closed at, as follows:

- (a) if you are trading in the expectation that the Price of the relevant Product will go up (known as “going long”), your Trade should be entered into at the Buy Price. Except in relation to calculating your Account Revaluation Amount, buy Trades are valued at the Sell Price and will be closed at the Sell Price; or
- (b) if you are trading in the expectation that the Price of the relevant Product will go down (known as “going short”), your Trade should be entered into at the Sell Price. Except in relation to calculating your Account Revaluation Amount, sell Trades are valued at the Buy Price and will be closed at the Buy Price.

The Price Depth displays multiple Buy Prices and Sell Prices for the applicable Product on a Price Ladder. The implications of Price Depth on an Order are described in more detail in section 4.2 (“How the Platform handles different types of Orders”).

The Price at which a Binary may be executed is expressed as a Sell Price followed by a Buy Price between 0 and 100. The Settlement Price for a Binary is the reference price used to determine whether the specified event has happened and will be described or displayed on the Platform.

The Price at which a Countdown will be opened (“Countdown Opening Price”) will be generated by and displayed on the Platform. All Countdowns will be settled against the Settlement Price of the relevant Product at the expiration of the relevant Countdown.

You should note that, due to a variety of factors, the Price at which your Order is executed may not be exactly the Price at which you submitted your Order. Please see section 4.2 (“How the Platform handles the different types of Orders”) and section 10.2 (“Gapping”) for more information.

If you have enabled the Boundary feature in your Account preferences on the Platform, when you place a Market Order or a Stop Entry Order, at the time of placing the Order you will be able to set a price level outside of which your Order will be cancelled should the Price vary from what you see on the screen.

## 2.7 Orders

An Order (including a Pending Order) will only be deemed to be received by the Platform at the time at which the Platform actually receives it, which may not be immediately after you submit that Order (for example, due to poor internet connectivity) see section 10.9 (“Information technology”) for more information.

Placing an Order does not guarantee that a Trade will be entered into. The Platform and/or we may reject your Order to enter into a Trade without any explanation. In contrast, the Platform will, subject to clauses 10.9 (“Information technology”), 11.7 (“Circumstances Outside Our Control”) and 7.1 (“Corporate Actions and Adjustments”), accept your Order to close a Trade. Each Order will need to be executed by the Platform in order for a Trade to be entered into or closed (at which time your Order will be accepted by us). The Platform will record any execution of your Orders, and you can access the relevant information on executed Orders in your Account History.

You and/or we may modify or cancel a Pending Order at any point until that Order has been executed.

If the conditions of an Order are met, but at that time your Account has insufficient Available Equity to meet the Trade Margin or Prime Margin (as applicable), the Trade will not be entered into and the Order will be cancelled.

In addition to our rights to modify, cancel and/or reject your Order(s) and/or Pending Order(s) as noted above, we may in our sole discretion, refuse to accept any instructions for any reason whatsoever including (without limitation) if we believe that such instructions breach (or complying with such instructions would result in a breach of):

- (a) Applicable Law;
- (b) any of the declarations and/or assurances specified in section 14.1 (“Your declaration and assurances”); and/or
- (c) any of the limitations expressed in section 14.21 (“Intellectual Property”).

## 2.8 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 a sell Trade, the type of Order, the Price at which you wish to buy or sell, the number of Units, and the Stop Loss Order, Trailing Stop Loss Order, Guaranteed Stop Loss Order and/or Take Profit Order that you wish to be the subject of that Trade. Margin Trades are designated solely by Units.

The change between the Opening Trade Price and the Trade Revaluation Price applicable to you when you close the Trade, together with the other factors noted in section 2.1, determines the profit or loss of that Trade.

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 the Reserved Actions described in section 11.5.

Disabling Account Netting will affect the execution behaviour of new Buy and Sell Orders, excluding Stop Loss Orders and Take Profit Orders. It is not possible to change the default netting behaviour of Binaries or Countdowns, see sections 3.3 and 3.4 for more details.

Margin Trades on a Forward (and any Pending Orders for that Forward other than Limit Orders and Stop Entry Orders) will be subject to an Auto Roll-Over at any time during the period between the Last Roll-Over Date and the Expiry Date unless:

- (a) you or we close that Margin Trade before the Expiry Date in accordance with the Agreement; or
- (b) you designate that the Margin Trade be closed and settled upon the Cash Settlement Date; or
- (c) the Margin Trade was executed after the Last Roll-Over Date, in which case the Margin Trade will be closed and settled on the Cash Settlement Date (and any Pending Orders for that Forward will be cancelled on the Cash Settlement Date); or
- (d) there is no equivalent Forward based on the same underlying asset(s) but with a later Expiry Date available to trade on the Platform, which may result in the Margin Trade reaching the Expiry Date and being closed and settled on the Cash Settlement Date (and any Pending Orders for that Forward being cancelled on the Cash Settlement Date).

You may disable the Auto Roll-Over setting for a Margin Trade on a Forward before the Last Roll-Over Date, which may result in the Margin Trade reaching the Expiry Date and the Margin Trade being closed and settled on the Cash Settlement Date (and any Pending Order for that Forward being cancelled on the Cash Settlement Date).

Any Roll-Over will be carried out in accordance with 4.2 ("How the Platform handles the different types of Orders"). You will not be able to enter into any Margin Trade or increase any Position on a particular Forward following the Last Trade Opening Date.

## 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).

Except during the Pre-Close Period, you may fully or partially close a Binary during Trading Hours by:

- (c) using the 'close binary' function in relation to that Trade; or
- (d) placing a Binary Order in the opposite direction of the same type, in the same Product and with the same Binary Expiry.

In contrast, once a Countdown has been entered into, it cannot be closed by you. All Countdowns will be closed and settled by our Platform automatically on expiration of the Countdown.

The Platform will, subject to the limitations set out elsewhere in this 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 6.3 ("Account Close-Out") ("Error! Reference source not found.") for more information.

We reserve the right to instruct the Platform to close any Trade when we take the Reserved Actions at section 11.5(a) or section 11.5(h) or exercise our termination rights under section 11.2.5, in accordance with the Agreement.

## 2.10 What is Margin?

Margin is the security we take from you in respect of Margin Trades 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 Position Margin and/or Prime Margin required for the Position. 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). Please see section 6.1 ("Margin") for more information.

In respect of a Roll-Over of a Margin Trade on a Forward, it is your responsibility to ensure that your account has sufficient cleared funds to meet the Trade Margin and/or Prime Margin required on any relevant new Trade to be entered into as part of a Roll-Over.

You should note that Margin is not part payment for an Underlying Reference Instrument. There is no capacity for a Position to be converted into the Underlying Reference Instrument. For example, you cannot pay the difference between your Position Margin and your total exposure on a Share CFD Position and take ownership of the underlying shares.

Through the Platform, you will be able to access your Account which contains sufficient information to enable you to calculate the amount of your Total Margin.

Please see section 6 ("Your Margin Obligations") for more information related to Margin.

## 2.11 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 or placed by our Client Management Team,

including Pending Orders and Manual 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 2.20 ("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.**

## 2.12 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.

## 2.13 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 2.20 ("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.

## 2.14 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 to us 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 (subject to section 8.5 ("Payments and Withdrawals")) 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.

## 2.15 What is your Available Equity?

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

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

You should remember that 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.

## 2.16 What is your Account Value?

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

**Account Value = Cash + Net Unrealised Profit or Loss**

## 2.17 What is your Account Revaluation Amount

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

**Account Revaluation Amount = Cash + 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.

## 2.18 Account Close-Out

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

The Close-Out Level will be displayed on the Platform and will either be:

- (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 falls below the Close-Out Warning Level for your Account the Platform will attempt to notify you of that fact. Such notification is provided as a courtesy and you must not rely on the Platform or on us to notify you of such circumstances.

If your Account Revaluation Amount falls below the Close-Out Level at any point in time, the Platform will attempt, subject to sections 6.3.6 and 6.3.7 to automatically initiate Account Close-Out.

Please see section 6.3 ("Account Close-Out") for more information.

## 2.19 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:

**Units x (Trade Revaluation Price – Opening Trade Price) x 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).

Provided that your Account Revaluation Amount remains positive and above the Close-Out Level, you will not be required to make any payment to us in respect of any Trade that has been closed resulting in a Realised Loss.

## 2.20 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 11.4 ("Specified Events") and 11.5 ("Reserved Actions") for more information.

## 2.21 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 by:

- (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 Positions 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.

See section 4.2 (“How the Platform handles the different types of Orders”) for more information.

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 Policy Summary set out in section 4.2.

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.

## 2.22 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 clause 8.8. 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.

Enabling Shield Mode will not affect your ability to enter into Binaries and/or Countdowns.

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

## 2.23 Order Execution

Our Order Execution Policy governs how we execute Trades. Please see section 4 (“Order Execution Policy”) for more information.

## 2.24 Examples

Our website contains numerous examples showing how to trade our Products and how you could make a profit or loss by entering into Trades, including at <http://www.cmcmarkets.com.au/en/cfd-trading/what-are-cfds/cfd-trading-examples>. The examples are for illustrative purposes only.

## 3 Types of Products and Order types

This section examines the types of Products and some of the key features that characterise these Products. This section also details the different types of Orders you can use.

The examples and amounts contained in this PDS are provided for illustrative purposes only. The figures do not reflect your personal circumstances and do not restrict the way in which we may exercise our powers or discretions. They are also not intended to give any representation about the performance of particular Underlying Markets, Underlying Reference Instruments, Underlying Instrument Entities or Products.

### 3.1 Types of Products

#### 3.1.1 Underlying Reference Instruments

We offer CFDs based on the following Underlying Reference Instruments:

##### Shares

Major companies from around the world covering a wide range of products and services including banking, manufacturing, transportation, research and technology.

Market data fees are payable if you activate certain markets, see section 5.4 ("Market data fees") for more information.

##### Indices

Indices reflect the performance of a group of companies within a particular market. Index trading allows you to obtain long or short exposure to these individual markets as easily as trading on a single company. Indices are offered as a cash Product and as a Forward.

##### Currencies

Currency trading is the simultaneous act of buying one currency and selling another. This market is highly impacted by government policy. It's unique because it offers high trading volumes, high liquidity, and extended Trading Hours.

##### Commodities

Commodities represent many of our vital resources in terms of food and industry. These include, but are not limited to, crude oil, gold, silver, copper, wheat, sugar and coffee. Commodity prices are influenced by a range of factors specific to each commodity class including such factors as supply and demand conditions, weather and political factors. Commodities are offered as a cash Product and as a Forward.

##### Treasuries

The treasuries market includes government debt obligations. The economic status of a specific region can impact the value of a treasury. Treasuries are offered as a cash Product and as a Forward.

#### 3.1.2 Binaries

A Binary is a Product that allows you to speculate with limited risk on whether a specified event will or will not occur within or at the end of a set timeframe. More information about Binaries is set out in section 3.3.

#### 3.1.3 Countdowns

Countdowns are a type of Product where your profit or loss is a fixed amount dependent on whether the Price of an Underlying Reference Instrument goes up or down over a specified timeframe. Countdowns are offered in respect of a range of Underlying Reference Instruments as set out on the Platform. More information about Countdowns is set out in section 3.4.

### 3.2 Orders you can place with CMC Markets

Different types of Orders are available on the Platform. You will be able to find out information about Orders that apply on the Platform when you log in. The types of Orders available in respect of a particular Product are set out in the Product Library. The following are examples of Order types that may be available to you:

#### 3.2.1 Market Order

An instruction to buy or sell a Margin Trade at the first available Buy Price or Sell Price. Market Orders can be used to open or close a Trade.

#### 3.2.2 Roll-Over

The process of closing a Margin Trade on a particular Forward and entering into an equivalent Margin Trade on a Forward with the same Underlying Reference Instrument and the next arising Expiry Date.

#### 3.2.3 Limit Order

An instruction to buy or sell a Product at a Target Price that is more favourable than the Trade Revaluation Price.

#### 3.2.4 Stop Entry Order

An instruction to buy or sell a Product at a Target Price that is less favourable than the Trade Revaluation Price.



### 3.2.5 Stop Loss Order

An instruction to buy or sell a Product at a Target Price. Stop Loss Orders are linked to a Trade and can only be used to close a Trade, not open a new one.

### 3.2.6 Trailing Stop Loss Order

An instruction to buy or sell a Product at a Target Price. The Target Price is automatically adjusted by the Platform to trail the Trade Revaluation Price in the direction of your Trade at a distance set by you. Trailing Stop Loss Orders are linked to a Trade and can only be used to close a Trade, not open a new one.

### 3.2.7 Take Profit Order

An instruction to buy or sell a Product at a Target Price. A Take Profit Order is linked to a Trade and can only be used to close a Trade, not open a new one.

### 3.2.8 Guaranteed Stop Loss Order

A Stop Loss Order that will only be executed at the Target Price but will have different Margin requirements (Prime Margin) and will incur a GSLO Premium.

### 3.2.9 Binary Order

An Order to enter into a Binary as further described in section 3.3.

### 3.2.10 Countdown Order

An Order to enter into a Countdown as further described in section 3.4.

More detailed information about the types of Orders described in sections 3.2.1 to 3.2.8 **Error! Reference source not found.** and how the Platform executes Orders is set out in section 4 ("Order Execution Policy"). If you have any questions, please contact the Client Management Team.

## 3.3 Binaries

### 3.3.1 Key terms of Binaries

A Binary is a cash settled contract that allows you to speculate on whether a specified event will or will not occur within or at the end of a set timeframe. More information on the different types of Binaries can be found on our Platform.

The Amount at risk on any individual Binary (the "Binary Amount") will be deducted from the Cash in your Account at the point that Binary is opened. If your Binary is left to run to the end of the "Binary Expiry" and your prediction is correct, your Binary Amount will be returned to your Account, along with an additional Amount (the "Maximum Binary Profit"). If your Binary is left to run to the end of the Binary Expiry and your prediction is incorrect, you will lose all of your Binary Amount. If the Binary is closed prior to the end of the Binary Expiry at a more favourable Price than the Binary Opening Price you will receive back your Binary Amount plus your Binary Profit calculated in accordance with paragraph 3.3.6. If the Binary is closed at a less favourable Price than the Binary Opening Price you will receive back a portion of your Binary Amount.

The maximum loss and maximum profit of any Binary will remain unchanged over the life of the Binary.

### 3.3.2 Products

You will be able to see which Products you can place Binaries on and access relevant information on each of these Products, including the relevant Attributes (such as the Strike Prices, Settlement Prices, Binary Expiries, Maximum Exposure Limit and the minimum and maximum Binary Amount and Binary Size (if applicable)), through our Platform.

You may only enter into Binaries via our Platform during the Trading Hours specified in the Product Library for Binaries on the relevant Product. It is your responsibility to monitor the Trading Hours specified in the Product Library from time to time.

### 3.3.3 Prices and Settlement Prices.

The Settlement Price is the reference price used to determine whether the specified event has happened and will be described or displayed on our Platform. The Settlement Price is relevant only for determining whether or not you have won or lost a Binary and not, as explained in more detail below, for determining the amount of your profit or loss.

The Price at which a particular Binary may be executed (which does determine the amount of your profit or loss) is expressed as a Sell Price (represented by the lower figure) followed by a Buy Price (represented by the higher figure) between zero (0) and one hundred (100). Where a Price is nearer to 100 it means the event is more likely to happen, and nearer to 0 the event is less likely to occur.

The Price at which a Binary will be executed may be less favourable to you than the Price displayed on our Platform when you place the Order (for instance, due to market movements between the time you submit the Order and the time that our Platform executes your Order). You are responsible for checking the Price at which an Order may have been executed, if the Order is accepted by our Platform.

Binaries are subject to rapid price movements. As such, notwithstanding anything in this section 3.3.3, if the Price at which a Binary will be executed differs from the Price displayed on our Platform when you place the Order by more than the tolerance set by CMC in our discretion the Order will be rejected. Depending on the direction of movement of the Price, this may be to your advantage or disadvantage.

The direction of your Binary (buy or sell) determines which of the Buy Price or Sell Price your Binary will be entered into or closed at, as follows:

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- (a) if you expect that the event will happen, your Order to enter into the Binary should be a 'buy', and the Binary will be entered into at the Buy Price and, subject to section 3.3.5, closed at the Sell Price; or
- (b) if you expect that the event will not happen, your Order to enter into the Binary should be a 'sell' and the Binary will be entered into at the Sell Price and, subject to section 3.3.5, closed at the Buy Price.

All Binaries will be denominated in the Account Currency.

## 3.3.4 Orders.

To enter into a Binary, you must place an Order on our Platform that identifies the Product and specifies the type of Binary, whether you wish to enter into a buy Binary or sell Binary, the Binary Expiry, the Strike Price and the Binary Size.

All Binaries will be designated by Binary Size.

An Order to enter into a Binary will only be deemed to be received by our Platform at the time at which our Platform actually receives it, which may not be immediately after you submit that Order (for example, there may be a delay due to poor internet connectivity).

If the conditions of an Order to enter into a Binary are met, but at that time your Available Cash is lower than the Binary Amount, the Binary will not be entered into.

When a Binary is opened, the Binary Amount immediately becomes payable and a corresponding change will be made to the Cash in the relevant Account. If your prediction is correct or the Binary is subsequently cancelled or becomes void the Binary Amount will be returned to the Cash in your Account.

All Binaries of the same type on your Account which are in the same Product and have the same Binary Expiry are aggregated and subject to netting for the purposes of calculating the size of your Position in the relevant Product. Orders used to enter Binaries of the same type, in the same Product and with the same Binary Expiry will, if and when executed:

- (a) open a new Binary, even if there is already an open Binary in the same direction; or
- (b) if there is one or more open Binaries in the opposing direction, reduce the Position by closing the Binaries on a first in, first out basis.

We may combine or consolidate multiple Binaries when we take the Reserved Actions described in section 11.5(a). We reserve the right to instruct our Platform to close any Binary when we take the Reserved Actions described in sections 11.5(a), 11.5(c), 11.5(f), 11.5(i) and 11.5(m), exercise our rights under section 11.2.4 or exercise our termination rights under section 11.2.5, in accordance with the Agreement.

## 3.3.5 Closing Binaries.

Subject to this section 3.3.5, you may place an Order on our Platform to fully or partially close any individual Binary during Trading Hours by either:

- (a) using the "close Binary" function in relation to that Binary or the "close Position" function in relation to all your Binaries on a Product, or
- (b) placing an Order for a new Binary in the opposite direction but of the same type, in the same Product and with the same Binary Expiry as the existing relevant Binary.

Binaries may not be closed during the Pre-Close Period.

Our Platform will automatically close and settle all Binaries on expiration of the relevant Binary Expiry at:

- (c) a Price of one hundred (100) if the event occurs; and
- (d) a Price of zero (0) if the event does not occur.

## 3.3.6 Profit Or Loss.

Your maximum potential loss for any individual Binary is limited to the size of the Binary Amount. The Binary Amount will be specified on our Platform and is calculated as follows:

On a buy Binary:

**Binary Amount = Binary Size x Binary Opening Price**

On a sell Binary:

**Binary Amount = Binary Size x (100 - Binary Opening Price)**

The Maximum Binary Profit for any individual Binary will be specified on our Platform and will be unchanged over the life of the Binary. It reflects the increase in your Cash (after your Binary Amount has been returned) that would be gained at the end of the Binary Expiry if your Binary prediction is correct and is calculated as follows:

On a buy Binary:

**Maximum Binary Profit = Size x (100 - Binary Opening Price)**

On a sell Binary:

**Maximum Binary Profit = Size x (Binary Opening Price - 0)**

As well as the maximum loss and Maximum Binary Profit values (calculated in accordance with this section 3.3.6), your potential profit or loss on an individual Binary at any given time can be calculated as follows:

On a buy Binary:

**Binary Profit or Binary Loss = Size x (current Sell Price - Binary Opening Price)**

On a sell Binary:

**Binary Profit or Binary Loss = Size x (Binary Opening Price – current Buy Price)**

When a winning Binary is settled by our Platform at the expiry of the relevant Binary Expiry in accordance with this section 3.3.6, an Amount equal to your Binary Amount plus the Maximum Binary Profit will immediately become due to you and a corresponding change will be made to the Cash in your Account.

When you close a Binary during the relevant Binary Expiry in accordance with this section 3.3.6, an Amount equal to your Binary Amount:

- (a) plus any Realised Profit; or
- (b) minus any Realised Loss;

(as applicable) will immediately become due to you and a corresponding change will be made to the Cash in your Account.

**3.3.7 Position Limits, Product Limit, Maximum Exposure Limit and Maximum Total Exposure Limit**

In addition to any maximum Binary Amount specified in the Product Library, Orders and Binaries in respect of any Product may be subject to Position Limits, a Maximum Exposure Limit, a Product Limit and/or a Maximum Total Exposure Limit restricting the number or exposure to CMC of the Binaries and/or Positions on the Account at any time. These limits are set by us in our sole discretion and may vary between Accounts.

We are entitled to vary the Position Limits, Maximum Exposure Limits, Product Limit and Maximum Total Exposure Limit at any time in accordance with section 11.2.3 and it is your responsibility to ensure that you know what the current Product Limit, Maximum Exposure Limits and Position Limits are before entering into any Binary.

If, at the time an Order to enter into a Binary would otherwise be executed, the execution of that Order would result in a breach of a Position Limit, Product Limit, Maximum Exposure Limit or the Maximum Total Exposure Limit, the Order will not be executed. It will be shown as a rejected Order on the Account.

**3.3.8 Loss Limits**

The loss limit feature on the Platform allows you to set a maximum loss that you can incur on your Account over a specified time period in respect of Binaries. You can set multiple loss limits for the following intervals: 24 hours, 7 days and 1 month. Once set, the Platform will attempt to prevent you from placing a Binary Order where the maximum potential loss that could be realised from entering into the Binary breaches a loss limit that you have set. When determining whether a loss limit could be breached winnings are netted against losses. You can access the loss limit feature through your account settings.

**3.3.9 Pricing Errors.**

From time to time a Pricing Error may occur (including a Circumstance Outside Our Control) which prevents our Platform from determining a Price for a Binary or the applicable Settlement Price.

If we become aware of a Pricing Error during the life of the Binary, we may, if it is fair and reasonable in the circumstances, declare the Binary void and return the Binary Amount to the Cash in your Account.

If we become aware of such Pricing Error at or after the expiration of a Binary with a Binary Expiry equal to or less than 2 hours, we will look at the age of the last tradable Price and/or the last available Settlement Price (as applicable) and either:

- (a) cancel the Binary and return the Binary Amount to the Cash in the relevant Account if the last tradable Price and/or the last available Settlement Price (as applicable) is older than half (50%) of the Binary Expiry of the relevant Binary; or
- (b) subject to 3.3.9(a), if there is no tradable Price and/or no available Settlement Price (as applicable) within the last 30 seconds of the Binary, settle the Binary at such Price as we determine to be fair and reasonable, based on the last tradable Price available and/or the last available Settlement Price (as applicable) immediately prior to the Pricing Error.

If we become aware of such a Pricing Error at or after expiry of a Binary with a Binary Expiry of more than 2 hours, we will look at the age of the last tradable Price and/or the last available Settlement Price (as applicable) and, if there has been no tradable Price and/or no available Settlement Price (as applicable) within the last 30 seconds of the Binary, settle the Binary as we determine to be fair and reasonable, based on the next tradable Price available and/or the next available Settlement Price (as applicable) immediately after the Pricing Error.

**3.3.10 Account Close-Out.**

Binaries will not be closed during Account Close-Out.

**3.4 Countdowns****3.4.1 Countdowns**

A Countdown allows you to speculate on whether the Settlement Price of a Product will have moved up or down at the end of a specified timeframe. The only criteria for determining whether you win, lose or draw a Countdown is whether, corresponding with or against your prediction, the Settlement Price of a Product at the point of time of expiry of the Countdown is above, below or equal to the relevant Countdown Opening Price.

## 3.4.2 Entering in a Countdown

When you enter into a Countdown you must decide on the amount that you wish to be subject to the Countdown, referred to as the Stake. The Stake will be deducted from the Cash in your Account at the point the Countdown is opened.

If your Countdown prediction is incorrect you will lose your Stake. If your Countdown prediction is correct, your Stake will be returned to your Account, along with the Countdown Profit which is calculated by multiplying your Stake by the Win Percentage, which is the percentage as specified in the Product Library for the relevant Product.

If your Countdown prediction is neither correct nor incorrect (i.e. the Settlement Price is equal to the Countdown Opening Price when the Countdown expires), a portion of your Stake equal to the Stake multiplied by the Draw Percentage specified in the Product Library for that Product will be returned to your Account.

You will be able to see which Products you can place Countdowns on and access relevant information on each of these Products, including the relevant Attributes (such as the Win Percentage, Draw Percentage, minimum and maximum Stakes (if applicable), and the possible Countdown timeframes), through the Product Library. All Countdowns will be denominated in the Account Currency.

If the conditions of an Order to enter into a Countdown are met, but at that time your Available Cash is lower than the Stake, the Countdown will not be entered into.

When a Countdown is opened, the Stake immediately becomes payable and a corresponding change will be made to the Cash in the relevant Account. If the Countdown is subsequently cancelled or becomes void the Stake will be returned to the Cash in your Account.

All Countdowns open on the same Product at the same time on an Account are aggregated and subject to netting for the purposes of calculating the size of your Position in the relevant Product. Orders used to enter Countdowns in the same Product will, if and when executed, open a new Countdown, even if there is already an open Countdown in the same Product in the opposing direction.

Once a Countdown has been entered into, it cannot be closed by you. All Countdowns will be closed and settled by our Platform automatically on expiration of the Countdown.

For the avoidance of doubt, the Countdown Opening Price and Settlement Price are relevant only for determining whether you have won or lost a Countdown and not, as explained in more detail in section 3.4.3, for determining the amount of your profit or loss

## 3.4.3 Profit or Loss

Your potential loss for any individual Countdown is limited to the size of the Stake.

The potential profit for any individual Countdown will be specified in the Product Library and will be unchanged over the life of the Countdown. It is denominated in the Account Currency and is calculated as follows:

Countdown Profit = Stake x Win Percentage

The Payout displayed on our Platform will reflect the increase in your Cash that would be gained on a winning Countdown (i.e. if your Countdown prediction is correct) and is calculated as follows:

Payout = Stake + Countdown Profit

When a winning Countdown is settled, any Payout will immediately become due to you and a corresponding change will be made to the Cash in your Account.

If a Countdown is neither winning nor losing, but expires at the Price at which it was opened, the Draw Percentage will immediately become due to you and a corresponding change will be made to the Cash in your Account.

## 3.4.4 Loss Limits

The loss limit feature on the Platform allows you to set a maximum loss that you can incur on your Account over a specified time period in respect of Countdowns.

You can set multiple loss limits for the following intervals: 24 hours, 7 days and 1 month. Once set, the Platform will attempt to prevent you from placing a Countdown Order where the maximum potential loss that could be realised from entering into the Countdown breaches a loss limit that you have set. When determining whether a loss limit could be breached winnings are netted against losses. You can access the loss limit feature through your account settings.

## 3.4.5 Pricing Errors

From time to time an event may occur (including Circumstances Outside Our Control) in relation to the underlying asset(s) of a Product which prevents our Platform from determining a Price for a Countdown (a "Pricing Error").

If we become aware of such Pricing Error during the life of the Countdown, that Countdown will be declared void and the Stake will be returned to the Cash in your Account.

If we become aware of such Pricing Error at or after the expiration of a Countdown, we will look at the age of the last tradable Price and either:

- (a) cancel the Countdown and return the Stake to the Cash in the relevant Account if the last tradable Price is older than half (50%) of the timeframe of the relevant Countdown; or
- (b) if there is no tradable Price within the last 15 seconds of the Countdown or within a period of less than three quarters (75%) of the timeframe of the relevant Countdown, settle the Countdown at such Price as we determine to be fair and reasonable, based on the last tradable Price available immediately prior to the Pricing Error.

### 3.4.6 Account Close-Out.

Countdowns will not be closed during Account Close-Out.

## 3.5 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 section 11.2.3 ("Amendments to Prices, Variable Rates and Attributes") 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 your Account.

## 4 Order Execution Policy

In this section we summarise the process by which the Platform and/or our Client Management Team will execute your Orders. 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

You must contact our Client Management Team to enter into or close a Trade in relation to a Manual Product or which requires a Manual Order. Our Client Management Team can also place Orders on your behalf through the Platform on Products which are not Manual Products and/or which do not require a Manual Order.

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. When you place an Order through our client management team to enter into or close a Trade in relation to a Manual Product or which otherwise requires a Manual Order, a member of our Client Management Team will provide the relevant Price and other related terms for that Order which you will be free to accept or reject.

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 the factors outlined elsewhere in this PDS.

#### 4.2.1 Market Order

During the Trading Hours for a Product, a Market Order to **sell** will be executed at the **first available Sell Price** (for the relevant size of the Order) and a Market Order to **buy** will be executed 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 section 11 ("CMC Markets discretions") 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 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.

#### 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.

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

### 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 Prices 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 or affect the ability to quote Prices. Please refer to sections 10.9 ("Information technology") and 11.7 ("Circumstances Outside Our Control") 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 relevant 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, including consideration of whether any applicable Product Limit, Position Limits, Order Cluster Limits, GSLO Limits and/or GSLO Order Cluster Limits would be breached and/or your Account Revaluation Amount would be insufficient to cover your Total Margin, 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 section 10.9 ("Information technology") and 11.7 ("Circumstances Outside Our Control") as well as section 7.1 ("Corporate Actions and Adjustments").

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 6.3 ("Account Close-Out") and 11.5 ("Reserved Actions") 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 section 6.3.4.

#### 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 Fees and costs when trading in CMC Markets Products

This section is about the different fees and costs that may be applicable when trading Products. These can include costs incurred at the time of trading and other costs in respect of each Trade that remains open at the end of each Calendar Day. All of these fees and costs can impact the cost of doing business with you, which is a key consideration and therefore needs to be taken into account by you.

You must pay each fee and cost applicable to your Account and any Trade and/or Position at the time, in the amounts and in the manner specified in the Agreement.

The following is a summary of the fees and costs that may be payable when trading in Products. A further explanation of each fee and cost type can be found below:

5.1 - Spread costs;

5.2 - Commissions and GSLO Premiums;

5.3 - Holding Costs;

5.4 - Market data fees; and

## 5.5 - Administration charges.

CMC Markets may vary the fees and costs outlined in this PDS, our FSG, the CMC Markets Rates Schedule and the Product Library from time to time by posting a notice and/or supplementary or new PDS, FSG or CMC Markets Rates Schedule on CMC Markets' Website or on the Platform and/or by updating the Product Library.

### 5.1 Spread Costs

When trading in certain Products with CMC Markets you will notice that the Product that you request a Price in has a lower price and a higher price at which you can place your Order. These two Prices are termed the Sell Price (represented by the lower figure) and the Buy Price (represented by the higher figure).

As CMC Markets is a market maker, these Prices represent where CMC Markets will buy Products at (Sell Price) and sell Products at (Buy Price) and these Prices may not be the same as prices quoted in the relevant Underlying Market.

At any time, the Sell Price and the Buy Price represent the current Price to sell Products and the current Price to buy Products at that time in a Trade with CMC Markets. When your Order is executed at one of these Prices, in order for you to break even or realise a profit or loss, the Price you exit your Trade at needs to be at least equal to the original Sell Price or Buy Price that you entered in at; if you trade at the Buy Price, the Trade Revaluation Price needs to reach the Sell Price and vice versa. This can be seen as a cost of trading and should be factored into your trading decisions.

### 5.2 Commissions and GSLO Premiums

You will be charged Commission each time you enter into a Trade in certain Products. There may be a minimum Commission as well as a Commission based on the size of the Trade. Details of any applicable Commission for a Product are set out in the Product Library.

You will be charged a GSLO Premium each time you place a Guaranteed Stop Loss Order (including by modifying another type of Pending Order) in respect of a Product. Details of GSLO Premium rates are specified in the Product Library.

If applicable, the Commission for a Trade will be debited from your Account at the time the Order is executed. GSLO Premiums are due and payable and will be debited from your Account immediately upon placing a Guaranteed Stop Loss Order (including by modifying another type of Pending Order). Commissions and GSLO Premiums are charged in the relevant Product Currency before being converted into your Account Currency at the CMC Currency Conversion Rate and applied to your Account. It is your responsibility to ensure you have sufficient Cash in your Account to pay any Commission and/or GSLO Premium in full. Failure to ensure that you have sufficient Cash in your Account to pay any Commissions and/or GSLO Premium will be a Specified Event and may result in Account Close-Out in accordance with section 6.3.

Any changes to Commission and GSLO Premiums will be automatically imposed by the Platform. You will have the choice as to whether or not you place an Order based on the Commission and/or GSLO Premium applicable to your Order at that time.

### 5.3 Holding Costs

For certain Products, in respect of each Margin Trade that remains open at the end of each Calendar Day (i.e. 5pm New York time, with the local time equivalent varying depending on daylight savings), a Holding Cost will be calculated and applied. This cost applies regardless of whether you are long or short on a Trade. Whether or not a Holding Cost applies in respect of a particular Product will be stated in the Product Library. Holding Costs can be positive or negative.

The Platform will calculate the Holding Cost as follows:

#### On a buy Trade

$$\text{Holding Cost} = \frac{(\text{Units} \times \text{Opening Trade Price} \times \text{Holding Rate Buy})}{365} \times \text{CMC Currency Conversion Rate}$$

#### On a sell Trade

$$\text{Holding Cost} = \frac{(\text{Units} \times -1 \times \text{Opening Trade Price} \times \text{Holding Rate Sell})}{365} \times \text{CMC Currency Conversion Rate}$$

Any Holding Cost will be applied to your Account at the Holding Time for the relevant Product, details of which are displayed in the Product Library. You must have sufficient Cash in your Account at the relevant Holding Time to meet any Holding Cost.

If the Cash in your Account is above the Offset Threshold, we may, in our sole discretion, apply an Offset to reduce the amount of any Holding Cost(s) due from you. Details of any applicable Offset Threshold will be shown on the Platform.

### 5.4 Market data fees

If you activate certain Products on the Platform, you may be required to pay a market data fee. The market data fee covers fees CMC Markets must pay to its price vendors for use of market data in deriving its pricing for certain Products.

Please note that you may pay different market data fees depending on whether you are classified as a Private Investor or a Non-Private Investor. Please contact the Client Management Team to discuss your options if you do not believe that you have been classified correctly.

Details about applicable market data fees can be found on the Platform.

## 5.5 Administration charges

Please refer to our FSG for information on Administration charges.

## 5.6 Summary table

The following table summarises the typical costs and fees for each type of Product as at the date of this PDS. The actual costs and fees which apply to Products and your Account are available in the CMC Markets Rates Schedule, the FSG and/or the Product Library.

The actual Position Margin which applies to Products on your Account are available in the Product Library. The Product Library is updated from time to time and is available on the Platform, via our Website or from the Client Management Team.

| Product        | Spread | Commission | GSLO Premium | Holding Cost | Typical Tier 1 Margin Rate | Market data fees |
|----------------|--------|------------|--------------|--------------|----------------------------|------------------|
| Shares         | ✓      | ✓          | ✓ (Optional) | ✓            | 5%                         | ✓ (Optional)     |
| Indices        | ✓      | ✗          | ✓ (Optional) | ✓            | 0.2%                       | ✗                |
| Commodities    | ✓      | ✗          | ✓ (Optional) | ✓            | 3%                         | ✗                |
| Currencies     | ✓      | ✗          | ✓ (Optional) | ✓            | 0.2%                       | ✗                |
| Treasuries     | ✓      | ✗          | ✓ (Optional) | ✓            | 0.25%                      | ✗                |
| Forwards (All) | ✓      | ✗          | ✓ (Optional) | ✗            | -                          | ✗                |
| Binaries       | ✓      | ✗          | ✗            | ✗            | -                          | ✗                |
| Countdowns     | ✗      | ✗          | ✗            | ✗            | -                          | ✗                |

## 6 Your Margin obligations

### 6.1 Margin

#### 6.1.1 Position Margin

If you wish to place an Order to enter a Margin Trade, the increase or decrease in your Position Margin resulting from that Order is described as your Trade Margin.

Your Position Margin 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.

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 | Margin Rate |
|                                |                                  |             |

# Product Disclosure Statement

|   | covered by GSLOs |     |
|---|------------------|-----|
| 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 Australian dollars, would require a Position Margin of \$3,437.50. This is calculated as follows:

| Tier  | Portion of Position in each Tier in Units (Tier Size) excluding Units covered by GSLOs | Margin Rate (%) | Units x Margin Rate for each Tier | Position Margin  |
|-------|--|-----------------|-----------------------------------|--|
| 1     | 1,000  | 10%             | 1,000 x 10% = 100                 | 1,250 x \$2.75 (Level 1 Mid-Price) x 1 (CMC Currency Conversion Rate) = \$3,437.50 |
| 2     | 2,000  | 15%             | 2,000 x 15% = 300                 |  |
| 3     | 2,000  | 20%             | 2,000 x 20% = 400                 |  |
| 4     | 1,500  | 30%             | 1,500 x 30% = 450                 |  |
| 5     | 0  | 50%             | 0                                 |  |
| Total | 6,500 units  |                 | Total = 1,250                     |  |

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, where:

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

and

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

We may also require you to have an additional Amount deposited in your Account to secure your future obligations to us, referred to as Independent Margin.

### 6.1.2 Prime Margin

In respect of any whole or portion of a Margin Trade covered by a Guaranteed Stop Loss Order ("GSLO Trade"), 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 \$2,750 per Unit and the Account Currency is Australian dollars, the Prime Margin required would be \$750 (1000 Units x (2.75 – 2.00) x 1).

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.

### 6.1.3 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 6.1.3(a) and a negative figure in respect of Amounts under paragraph 6.1.3(b)).

## 6.2 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, particularly if we have permitted a negative Independent Margin on your Account.

## 6.3 Account Close-Out

Please note that this section should be read in conjunction with section 16.10 ("Account Close-Out – Manual Products").

### 6.3.1 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 6.3, during any Account Close-Out the Platform will attempt to close Standard Trades before closing GSLO Trades.

### 6.3.2 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.

# Product Disclosure Statement

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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.

## 6.3.3 Full Account Close-Out (excludes Manual Products)

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 6.3.6 and 6.3.7, 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.

## 6.3.4 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 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 6.3.4(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.

## 6.3.5 Alternative Account Close-Out (excludes Manual Products)

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 6.3.4 will be initiated by the Platform and, subject to sections 6.3.6 and 6.3.7, 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.

#### 6.3.6 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;
- (c) you having made a payment into your Account that has been credited to your Account or the Cash in your Account increasing as a result of receiving a Binary Profit or Countdown Profit after an Initial Close-Out or any Subsequent Close-Out and before the next Subsequent Close-Out was due to commence; or
- (d) the combined effect of any of (a) to (c) 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 6.3.7, Subsequent Close-Outs in respect of GSLO Trades may continue.

#### 6.3.7 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;
- (c) you having made a payment into your Account that has been credited to your Account or the Cash in your Account increasing as a result of receiving a Binary Profit or Countdown Profit after an Initial Close-Out or any Subsequent Close-Out and before the next Subsequent Close-Out was due to commence; or
- (d) the combined effect of any of (a) to (c) 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 6.3.6, Subsequent Close-Outs in respect of Standard Trades may continue.

#### 6.3.8 Large Position Close-Out

Notwithstanding sections 6.3.3, 6.3.4 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 6.3.3, 6.3.4 and the Account Close-Out preferences you have specified on our Platform.

#### 6.3.9 General

Standard Trades relating to the same Product may be aggregated by the Platform during Account Close-Out, in which case each relevant Trade will be closed at the Close-Out Price for the aggregate number of Units.

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 under pursuant to section 11.2.5.

You should also note that:

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- 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.
- 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.
- 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.

## 6.3.10 Close-Out – Binaries and Countdowns

For the avoidance of doubt, any open Binaries or Countdowns will not be closed during Account Close-Out.

## 6.4 Margin Examples

Examples of how Margin is calculated are displayed below and on our Website including at <http://www.cmcmarkets.com.au/en/cfd-trading/cfd-trading-costs/margin>.

| Example    |                      |         |                   |                    |                              |  |              |
|------------|----------------------|---------|-------------------|--------------------|------------------------------|--|--------------|
| CFD type   | Product              | Units   | Level 1 Mid-Price | Tier 1 Margin Rate | CMC Currency Conversion Rate | Calculation  | Trade Margin |
| Shares     | BHP                  | 250     | 45.50             | 5%                 | 1                            | $250 \times 45.50 \times 5\% \times 1$               | AUD 568.75   |
| Index      | Australia 200        | 10      | 4745.4            | 0.2%               | 1                            | $10 \times 4745.4 \times 0.2\% \times 1$             | AUD 94.91    |
| Commodity  | Crude Oil West Texas | 500     | 99.721            | 0.75%              | 0.9372                       | $500 \times 99.721 \times 0.75\% \times 0.9372$      | AUD 350.47   |
| Currency   | GBP/USD              | 100,000 | 1.64025           | 0.2%               | 1.54525                      | $100,000 \times 1.64025 \times 0.2\% \times 1.54525$ | AUD 506.92   |
| Treasuries | Euro Bund            | 1,000   | 135.50            | 0.25%              | 1.33575                      | $1000 \times 135.50 \times 0.25\% \times 1.33575$    | AUD 452.49   |



## 7 Adjustment Events

This section deals with other factors you should consider when trading Products.

### 7.1 Corporate Actions and Adjustments

A Corporate Action or Adjustment Event may from time to time occur in relation to an Underlying Reference Instrument. Where such a Corporate Action or Adjustment Event occurs, we will determine whether it has or will have a material effect either on the market value of the Underlying Reference Instrument or on the value of the Trade or Position. If a Corporate Action or Adjustment Event occurs, we will take appropriate action to:

- (a) replicate the effect on your Order(s) or Margin Trade(s) or Position(s) that the Corporate Action or Adjustment Event will have on the Underlying Reference Instrument; and/or
- (b) reflect any action taken by counterparties to trades in respect of such Underlying Reference Instrument that we have entered into in order to hedge or offset our exposure to you; and/or
- (c) preserve the economic equivalent of the rights and obligations of you and us under the relevant Margin Trade or Position immediately prior to the Corporate Action or Adjustment Event.

Subject to this section 7.1, following a Corporate Action or Adjustment Event, the types of action that we may in our sole discretion take include (but shall not be limited to) the following:

- (d) suspend or close any Margin Trade where the Underlying Reference Instrument has been affected;
- (e) cancel or suspend any Order (including Pending Orders) where the Underlying Reference Instrument has been affected;
- (f) require additional Position Margin, Independent Margin, Prime Margin and/or the payment by you of any foreseeable costs incurred by CMC Markets (or any of our Associates) in relation to the Order (including Pending Orders) or Margin Trade where the Underlying Reference Instrument has been affected;
- (g) change the Trade Revaluation Price of an Order (including a Pending Order) or Margin Trade where the Underlying Reference Instrument has been affected;
- (h) make appropriate calculations, adjustments, Deductions or credits from or to your Account(s);
- (i) withdraw the Product, where the Underlying Reference Instrument has been affected, from our Platform; and/or
- (j) make appropriate adjustments to the Target Price of any Guaranteed Stop Loss Order and/or require additional Prime Margin where the underlying asset(s) of the relevant Product has been affected

and we will give you notice on our Platform of any applicable action that we decide to make as soon as reasonably practicable, which for the avoidance of doubt may be after the relevant Corporate Action or Adjustment Event or after the relevant action which we may take in our discretion under this section 7.1.

If we determine that any calculations, adjustments, credits or debits under this section 7.1 cannot be made in a commercially reasonable manner or at all, we may suspend or close the affected Positions, cancel or suspend any Order or require additional Position Margin or Independent Margin. A Corporate Action or Adjustment Event may constitute a Specified Event. CMC Markets also reserves the right to request any reasonably foreseeable associated costs incurred by CMC Markets in connection with any suspension of a Product or its Underlying Reference Instrument.

With regards to Share CFDs, to qualify for a Corporate Action or Adjustment Event you must hold the Product at the close of that Product's Trading Hours on the day immediately preceding the ex-date, that is the date on which a dividend is declared or distributed. With Index CFDs, you must hold the Product at the end of the Calendar Day immediately preceding the ex-date of the relevant constituent of the Index.

Whilst a Corporate Action or Adjustment Event is processed, the Platform will not generate Prices or accept Orders for the relevant Product. Where possible we will process Corporate Actions and Adjustment Events outside the relevant Trading Hours.

CMC Markets is under no obligation to adjust the terms of any Trade in connection with a Corporate Action. You should remain aware of Corporate Actions that have occurred and that may impact your Positions. Please note that CMC Markets is under no obligation to monitor Corporate Actions or bring them to your attention.

### 7.2 Insolvency

If any issuer whose shares form the basis of a Product becomes insolvent, is otherwise dissolved or is subject to any event which has an analogous effect, we reserve the right to close any Position on that Product within one month of such insolvency, dissolution or event and you agree that we may do so. If you have a Position on any such Product, we shall provide you with notice in writing of that insolvency or dissolution.

The Price at which Positions shall be closed under this section 7.2 is in general zero. However, the Position will be closed at a higher Price if the underlying shares can still be sold on a liquid market at such higher Price. We will notify you in writing of the date and Price that your Position shall be closed.

CMC Markets reserves the right to request additional Position Margin, Independent Margin and/or any reasonably foreseeable associated costs incurred by CMC Markets in connection with any suspension of a Product or its relevant Underlying Reference Instrument(s).

### 7.3 Voting rights

You are not entitled to voting rights or other rights held by the registered holders of Underlying Reference Instruments in respect of any Trade.

## 7.4 Trading halts and suspensions

You will not be able to enter into any new Trades where there is a trading halt in the Underlying Reference Instrument or trading in respect of the Underlying Reference Instrument has otherwise been suspended in the Underlying Market. Where trading in a product has been halted or suspended CMC Markets may exercise certain discretions, see section 11 (“CMC Markets Discretions”) for more information.

Subject to our rights under Section 11, if a Product or its Underlying Reference Instrument is suspended for any reason, the Price of all Margin Trades connected with that Product shall generally be zero. CMC Markets reserves the right to request additional Position Margin, Independent Margin and/or any reasonably foreseeable associated costs incurred by CMC Markets (or any of our Associates) in connection with any suspension of a Product or its relevant Underlying Reference Instrument.

## 8 Account administration

### 8.1 Operating your Account through the Platform

You, an Authorised Person or your Introducing Adviser may use the Platform to monitor Trades at any point in real time, as well as view all Trades, Orders and Account History, including details of any Commission charged. You agree to use the Platform to:

- (a) confirm all Trades entered into with CMC Markets; and
- (b) monitor your obligations to CMC Markets.

You must keep all security information relating to your Account confidential. You are responsible for all Orders and instructions and for the accuracy of all information sent electronically using any Account Sign In Details that have been linked to your Account (for example, by an Authorised Person). If you suspect or are aware your Account Sign In Details are no longer confidential, you must notify our Client Management Team as soon as possible (see contact details in section 1.2).

### 8.2 Authorised Persons

If you are a body corporate, unincorporated association, trust or partnership, a client of an Introducing Adviser or an individual who wants to appoint an attorney, you must notify us in writing of any person who is authorised to act on your behalf (an “Authorised Person”) in relation to this Agreement and your Account. You and/or the Authorised Person will be required to complete such further documentation as we may reasonably require (including the Authorised Person completing an Application) and we may require evidence that the Authorised Person has authority and is appropriate to act on your behalf.

We may revoke or refuse to accept the appointment of an Authorised Person if we know or reasonably suspect that such appointment would result in a breach of the Agreement and/or Applicable Law. You must immediately notify us in writing of any changes to the appointment and/or authority of any Authorised Person.

We shall be entitled to act upon the oral, electronic or written instructions of any Authorised Person or any person who reasonably appears or purports to be an Authorised Person, notwithstanding that the person is not, in fact, so authorised. In particular, we shall be entitled to act upon any instructions or Orders transmitted using your Account Sign In Details unless you have notified us in accordance with section 2.4 that you know or suspect that an unauthorised person has or may have access to your Account.

Any action in relation to the Agreement taken by an Authorised Person appointed by you in accordance with this PDS or any person who reasonably appears or purports to be an Authorised Person shall be deemed to be an action by you.

Any information provided by us to an Authorised Person appointed by you in accordance with this PDS or any person who reasonably appears or purports to be an Authorised Person will be deemed to have been provided by us to you.

Notwithstanding our right set out above to rely and act on any communications and/or instructions from an Authorised Person appointed by you in accordance with this PDS, we will not be under any duty to open or close any Trade or accept any Order or other communication or instructions from such Authorised Person if we reasonably believe that the Authorised Person may be acting in excess of their authority. Nothing in this section of PDS will be construed as placing us under a duty to enquire about the authority of any Authorised Person who reasonably appears or purports to represent you.

Where you have appointed an Introducing Adviser, discretionary investment manager or a similar person as an Authorised Person to act on your behalf and that person also acts on behalf of other clients of CMC Markets then the Authorised Person may decide to place a single, aggregated order with us in respect of a Product and allocate the order amongst you and its other clients. In such circumstances, the portion of the order allocated to you will represent your Order, which will have been executed at the corresponding Price on the Price Ladder for the size of the aggregated order. The Authorised Person may decide to place such orders for various reasons, for example, to ensure timely execution which may be to your benefit. We are not responsible for the aggregation and allocation of such orders, which shall be the sole responsibility of the Authorised Person, but you should note that such aggregation and allocation may operate to your disadvantage. If the Authorised Person aggregates such orders, the Price you obtain may be inferior to the Price you could have obtained had you placed a separate Order yourself at that time.

### 8.3 Joint Accounts.

If you open a Joint Account:

- (a) references to you, our client, your and yourself are references to any one or all persons in whose name the Joint Account is held;
- (b) we may act upon instructions received from any one person who is, or reasonably appears or purports to be, named on that Joint Account;
- (c) we may disclose information (including, for the avoidance of doubt, personal information) provided by one Joint Account Holder to one or all of

the other persons in whose name the Joint Account is held;

- (d) we may give any notice or communication to any one or all persons in whose names that Joint Account is held and any notice or communication, made to any one person, shall be deemed as having been made to all Joint Account Holders;
- (e) each Joint Account Holder shall be jointly and severally liable for any financial obligations (including losses, fees or charges) arising on their Joint Account. This means that any monies owed to us in relation to the Agreement shall be payable in full by one or any of the other persons in whose names that Joint Account is held;
- (f) the death of any Joint Account Holder will be a Specified Event and the Joint Account will be closed and the balance paid equally to the survivor(s) and the relevant Joint Account Holder's estate; and
- (g) our rights under the Agreement, including but not limited to our rights to take a Reserved Action shall apply in respect of all Joint Account Holders and the occurrence of a Specified Event in respect of one Joint Account Holder will allow us to exercise any rights we may have under the Agreement.

After a Joint Account has been opened, you may not add or remove persons named on that Joint Account. If you wish to change the Joint Account Holders you must close the Joint Account and open a new one.

#### 8.4 CMC Currency Conversion

All Deductions and credits applied to your Account will be in your Account Currency, regardless of the Product Currency. Where the Product Currency is different to your Account Currency, all calculations of Deductions and credits will be undertaken in the Product Currency and converted into your Account Currency at the CMC Currency Conversion Rate and then applied to your Account. This does not mean that you can ignore the potential impact of currency exchange rates when you enter into a Trade that is denominated in a currency other than your Account Currency – you should factor this into your trading decisions.

The Platform will retain information about the CMC Currency Conversion Rate used for any conversion that results in a change to your Cash or Total Margin.

#### 8.5 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 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 8.2 (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 an 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 on your Account, or to ensure that your Account Revaluation Amount is above the Close-Out Level applicable to an Account;
- (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 8.7) or exercise our right of Set-Off (under section 8.8) 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.

## 8.6 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. See section 10.3 ("Account Currency") for more information.

## 8.7 Our right to deduct money from your Account

Any money due to us under the Agreement, or required to be deducted by Applicable Law (including for tax purposes), may be deducted from any money held by us in respect of your Account (this is our right to make a "Deduction").

## 8.8 Our right of Set-Off in relation to your Accounts

In addition to any other right(s) we have to refuse or delay your request for a withdrawal from your Account or make a Deduction, we may, at any time at our discretion and without notice to you, apply any positive Cash balance on your Account or on any money due to you from us against any money due to us (or any of our Associates) from you (this is our right of "Set-Off"). We may apply the CMC Currency Conversion Rate to convert the relevant Cash balances and any money due to you or us into the same currency. If we exercise our right of Set-Off, we will give you notice of the Amount of any debt that remains unsatisfied and you must immediately pay such debt to us.

## 8.9 Netting of payment obligations between us and you

If at any time:

- (a) you owe us and we owe you the same amount of money in the same currency, then both your and our obligation will each be automatically satisfied and thus discharged; or
- (b) you owe us and we owe you a different amount of money in the same currency, then whichever of you or us that owes more may pay the excess to the other party and both your and our obligations will be satisfied and discharged.

## 8.10 Taxes

Should any change in the basis or scope of taxation occur at any time which directly results in us having to make any payment(s) for withholding taxes or similar levies owed or payable by you under Applicable Law in respect of any of your Trades, then we reserve the right to deduct any such payment(s) from your Account or otherwise require you to pay or reimburse us for such payment(s).

We are entitled to deduct or withhold from any payment made under the Agreement or credited to your Account, any tax required by law to be deducted or withheld from any such payment or credit.

Your tax treatment in relation to Trades may differ according to your personal circumstances and the tax legislation in your jurisdiction (which may change). You may also be liable for other taxes and charges that are not imposed or withheld by us, including bank fees for transfers of money or assets, and fees to internet service providers. You are solely responsible for the timely payment of such taxes and charges. You should

seek independent advice if you are in any doubt as to what further taxes and charges may apply to you as a result of your trading activities. See section 13 ("Taxation considerations") for more information.

### 8.11 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 this PDS before the change takes effect.

Notwithstanding the preceding paragraph, any changes to Commission will be automatically imposed by the Platform in accordance with section 11.2 ("Amendments and Termination"). 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 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 (see section 11.4 "Specified Events") and may result in Account Close-Out.

### 8.12 How do you close an Account?

You can close your Account by contacting our Client Management Team (see contact details in section 1.2). Please see 11.2.5 ("Closing your Account(s) or terminating the Agreement") for more information about how your Account can be closed.

## 9 Client money

### 9.1 Introduction to client money

Any money received from you will be deposited and held by us on trust in a segregated trust account established, maintained and operated in accordance with the Australian Client Money Rules. Your money may be held in one or more trust accounts with other client money. We will not be liable for the solvency or any act or omission of any bank holding the trust accounts.

**All client money held by CMC Markets is fully segregated. This means that all client money, including any Margin, is held on trust in the segregated trust account. We do not use client money for the purpose of meeting obligations incurred by us when Hedging with other counterparties. Any obligations incurred by us in connection with such transactions are funded by CMC Markets from our operating cash account. In addition, client money is not used to meet the trading obligations of other Clients.**

We may invest any of the money held in trust as permitted by the Australian Client Money Rules, and you irrevocably and unconditionally authorise us to undertake any such investment.

Unless otherwise agreed in writing:

- (a) we will be solely entitled to any interest or earnings derived from client money being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest and earnings being payable from the segregated trust account as and when we determine;
- (b) upon realisation of an investment of client money, the initial capital invested must either be invested in another investment permitted by the Australian Client Money Rules or deposited by us into a segregated trust account operated in accordance with Australian Client Money Rules;
- (c) in the event that the amount received upon realisation of an investment of the client money is less than the initial capital invested, we will pay an amount equal to the difference into a segregated trust account for the benefit of the Client, except where any such difference is the result of amounts paid out of the investment to us in accordance with the terms of this PDS;
- (d) we will not charge a fee for investing client money in accordance with the Australian Client Money Rules; and
- (e) you authorise us to withdraw, deduct or apply any interest or earnings derived from your money held in any segregated trust account or invested by us. This includes:
  - (i) making payment for, or in connection with the adjusting or settling of dealings in Products;
  - (ii) the payment of Holding Costs, interest or other amounts due to CMC Markets, its Associates or other Persons connected with CMC Markets from the relevant segregated trust account or investment account, as the case requires and as CMC Markets determines; or
  - (iii) to pay, withdraw, deduct or apply any amounts from client money held in any segregated trust account or invested by us as permitted by the Australian Client Money Rules.

### 9.2 Protections afforded by the Australian Client Money Rules

**In accordance with the Australian Client Money Rules, any money received by us on your behalf in relation to dealings in Products must be paid into a segregated trust account on the day it is received by CMC Markets, or the next Business Day. As soon as that money is deposited into that account, it is protected in the event, for example, that CMC Markets became insolvent, merged with another licensee or ceased to carry on some or all of the activities authorised by the licence.**

Money withdrawn or deducted from the segregated trust account in accordance with section 9.1 is not protected. **In addition, until your realised and unrealised profits are moved into the segregated trust account (which occurs on a daily basis), they are not protected in the same way.**

As CMC Markets is the product issuer, you are exposed to the financial and business risks, including credit risk associated with trading with CMC Markets. If CMC Markets were to become insolvent, CMC Markets may be unable to meet some of its obligations to you. Refer to Section 10.4 (“Warning about counterparty risk”) for more information.

In the event that the above occurred, money would be dealt with as follows:

- (a) money in the segregated trust accounts is held on trust for the Persons entitled to it, and is payable in the order set out in paragraph (c) below;
- (b) if money in the segregated trust accounts is invested, the investment is likewise held in trust for each Person entitled to money in the account; and
- (c) money in the segregated trust accounts would be paid in the following order:
  - (i) money that has been paid into the accounts in error;
  - (ii) payment to each Person who is entitled to be paid money from the accounts;
  - (iii) if there is not enough money in the accounts to be paid according to the above paragraphs, the money in the accounts must be paid in proportion to the amount of each person’s entitlement; and
  - (iv) if there is money remaining in the trust accounts after payments made according to the above paragraphs, the remaining money is payable to CMC Markets.

## 9.3 Separate Accounts

Except as otherwise noted at section 14.5 (“Debts”) and section 8.8 (“Our right of Set-Off between your Accounts and obligations”) 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.

## 10 Significant risks of trading CMC Markets Products

This section is about the major risks that can apply to trading Products. You should spend time reading and understanding this section and then working out how this applies to your personal circumstances, including your trading strategy. Please also see the additional risks set out in section 16.15.

**CMC Markets Products are speculative products that can be highly leveraged and may carry significantly greater risk than non-leveraged investments such as ordinary share trading. You should carefully read this section and then consider whether trading in Products is right for you given your personal circumstances (financial, taxation and otherwise) before you begin trading with us.**

### 10.1 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 11 (“CMC Markets discretions”) for further information.

### 10.2 Gapping

Financial markets may fluctuate rapidly and Prices of our Products are no exception. Any movements in our Prices will have a direct effect on your Account. Sometimes markets move so quickly that Gapping occurs.

Gapping occurs where there is a sudden shift in price from one level to another. This can be caused, for example, by unexpected economic events or market announcements, particularly where these occur outside Trading Hours. There may not always be an opportunity for you to place an Order between the two Price levels, or for the Platform to execute a Pending Order at a Price between those two levels. All markets have limited Trading Hours which can impose a significant risk to your ability to place Orders and close Trades.

If Gapping occurs in the Underlying Market, it may also occur in the Price of the relevant Product and may mean you are unable to close out your Trade or open a new Trade at the Price at which you have placed your Order or may have liked to place your Order. In addition, there is no predetermined amount by which the adjusted Price of a Product can vary. Please see 4.2 (“How the Platform handles the different types of Orders”) for more information.

In addition, where you have a Stop Loss Order or Trailing Stop Loss Order, these may not be executed at the Target Price you have selected and as a result your Realised Loss could exceed the loss you anticipated when these Orders were placed.

### 10.3 Account Currency

Your Account is maintained in your Account Currency.

If you are trading in a Product that is denominated in a currency different to your Account Currency, any Margin, Holding Costs, Deductions, credits, Adjustments, Realised Profits, Realised Losses and Unrealised Profits or Losses will be converted to your Account Currency at the CMC Currency Conversion Rate at the relevant time (and in respect of Unrealised Profits or Losses, in real time). Depending on the CMC Currency Conversion Rates (which may be different to those available elsewhere) and currency fluctuations, this may have an impact on your Account Value on an ongoing basis (and therefore on whether or not your Trades might be automatically closed), and on any eventual profits that you make or losses that you incur.

### 10.4 Warning about counterparty risk

As CMC Markets is the Product issuer, you are exposed to the financial and business risks, including the credit risk associated with trading with CMC Markets. If CMC Markets becomes insolvent, CMC Markets may be unable to meet its obligations to you.

**CMC Markets has risk management and compliance systems in place to manage its risks including but not limited to financial, operational and credit risks. Funds are held with reputable financial institutions. CMC Markets has policies around monitoring Client Positions and Close-Out Levels. The CMC Markets Group monitors market risk on a daily basis against set limits.**

**Before entering a relationship with a new Hedging counterparty the CMC Markets Group undertakes a due diligence process. This process will include a review of a number of key factors that relate to the risk of dealing with the counterparty. These include the counterparty's credit rating, reputation, market presence, funding arrangements, stock availability, trading platforms, reporting processes and fees and charges.**

CMC Markets will transfer monies owed to Clients (which may include Client gains) to the segregated trust account (daily), from our operating cash account. Prior to segregation, you are an unsecured creditor in respect of monies owed which you should be aware of in the (unlikely) event that CMC Markets were to become insolvent.

CMC Markets maintains a written policy to ensure it maintains adequate financial resources and complies with the financial requirements of its Australian Financial Services Licence. The steps that are taken to ensure this include:

- Performing a daily adjusted surplus liquid funds calculation, ensuring that we meet the minimum liquid capital requirement set by ASIC; and
- Performing a daily client cash segregation calculation, ensuring that we hold adequate cash in our client trust account in order to meet our obligations to the client. All client cash is maintained in fully segregated trust accounts separate to CMC's operating account.

If you require further information about CMC Markets' financial position, please contact our Client Management Team and request a copy of our audited financial statements. These will be provided free of charge.

### 10.5 Risks associated with OTC derivatives

When you enter into any Trade with us through the Platform, you will be entering into an off-exchange (sometimes known as an over-the-counter, or 'OTC') derivative, which is non-transferable. This means you will enter into Trades directly with us, and also that those Trades (or 'Positions') can only be closed with us. This involves greater risk than investing in a financial instrument such as a share which is transferable, or dealing in an exchange-traded derivative, because your ability to open and close Trades is dependent on the Platform being in a position to accept Orders from you and to execute them. In certain circumstances this may not be possible (see section 10.1 ("Trading may be affected by certain factors") for further information).

As there is no cooling off regime associated with OTC derivatives, subject to section 2.20 ("Errors"), you are not able to cancel a Trade once it has been entered into.

In addition, all of your Trades with us are settled in cash, and you do not have any rights to any Underlying Reference Instrument.

### 10.6 We act as a market maker

Although the Prices generated by the Platform will take into account current exchange and market data from various sources, they are not taken directly from any source. This means that our Price may be different to any current exchange or market price, or another financial product provider's price, for the relevant Underlying Reference Instrument. The profits or losses that you make from trading with us will depend on our prices, and not prices prevailing or shown anywhere else.

### 10.7 Potential loss caused by Spread

Because of the difference between the Buy Price and Sell Price of a Product (where applicable), the relevant Price must move favourably before you can break even. In other words, even if the Price does not move at all and you close out your Position, you will make a loss to the extent of the Spread and of any CMC Markets fees and costs which apply to the Products. Furthermore, the Spread may be larger at the time you close out the Position than it was at the time you opened it.

See section 5.1 ("Spread Costs") for more information.

### 10.8 Conflicts of interest

CMC Markets, its Associates or other Persons connected with CMC Markets may have an interest, relationship or arrangement that is material in relation to any Product entered into with us. You agree that we may conduct such business without your prior consent.

In addition, we may provide services to third parties whose interests may be in conflict or competition with your interests. CMC Markets, its Associates or other Persons connected with CMC Markets and the employees of any of them may, or may act on behalf of other Clients who may, take positions opposite to yours or may be in competition with you to acquire the same or a similar position. From time to time we may effect Trades with or through our Associates in connection with the Products and Services we provide.

We will not deliberately favour another Person over you, but will not be responsible for any loss which may result from such competition.

CMC Markets is a Product issuer, not a broker. Accordingly, you will be trading Products directly with us, and not on any financial market. As a Product issuer, we set the Prices that refer to, but may not always be the same as, those in the Underlying Market. We will always act as a principal, not as an agent, for our own benefit in respect of all Trades with you.

CMC Markets may also conduct trades as principal in the Underlying Reference Instruments on which Products are based, including shares and futures. In particular, the CMC Markets Group may at its sole discretion, Hedge our liability to you in respect of your Positions by undertaking trades in the Underlying Reference Instruments in the Underlying Markets. However, we have no obligation to do so and are under no obligation to inform you as to whether or not we have done so. These trading activities may affect (positively or negatively) the Prices at which you may trade Products.

## 10.9 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 section 11.7 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 and, if necessary, suggest alternative ways for you to place or modify Manual Orders.

You are responsible for making sure that you are able to access the Platform or contact our Client Management Team when you need to and when they are available. This responsibility includes having access to a device that can connect to the Platform and maintaining the device so that it functions properly and ensuring that you have the means to contact our Client Management Team.

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. Except in relation to Manual Orders, our service is primarily provided online, therefore 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. (e.g. because (i) our Client Management Team is busy helping other clients, (ii) members of our Client Management Team who speak your language are busy helping other clients, (iii) there is a technical problem with the telephone system, or (iv) you call outside our opening hours). In relation to Manual Orders, we will do our best to make the Client Management Team available when required by you, but during periods of high demand and due to other Circumstances Outside Our Control we cannot promise that you will always be able to access our Client Management Team immediately.

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.

## 10.10 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 Move 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.**

**Losses from your Trades:** The amount of any loss for an individual Margin Trade will be the amount that you owe us when that Trade is closed. Even over a short space of time this amount may exceed the amount of any Margin that you used to enter into the Trade. This is a feature of leveraged (also known as 'geared' or 'margin'd') instruments – you can lose more than your initial payment.

Opening a leveraged trade means that you are only required to deposit a proportion of the total trade value to open that trade, and therefore you are able to take a larger position than your capital otherwise would enable you to. The remaining portion of the total trade value is leverage.



The higher the leverage the greater the impact that market fluctuations will have on your profits and losses. Consequently, the higher the leverage, the higher the risk involved.

Therefore, the impact of any Price movement on your Account will depend on the Trade size as well as the leverage of your Trade, rather than the amount of your Position Margin. A small movement in Price may have a large impact on your Account if you have entered into a highly leveraged Trade. In addition, when entering into a short Trade (i.e. a 'sell' Trade) it is possible to lose significantly more than the opening Trade value, since the amount by which the Price could increase may be greater than the initial Price at which you opened the Trade. Therefore, short Trades can be riskier than long Trades.

Certain trades may have no Margin requirements (i.e. have 100% leverage). This carries high risk as without any Margin you will owe us the full value of your position when your Trade is closed and you will be expected to meet any trading losses immediately. You should therefore ensure that you (i) carefully consider the size of your Position; (ii) closely monitor the potential loss that you may suffer (as your losses may increase significantly even over a short period of time); and (iii) have sufficient available funds to cover any such losses. To minimise losses, you should consider using Stop Loss Orders so that Trades are closed before your losses exceed a certain level (please note that Stop Loss Orders are not guaranteed).

**Costs incurred through trading:** Depending on the Trades you enter into, and how long you hold them for, we may require you to pay Holding Costs. These Holding Costs will be incurred on a daily basis when you keep a Trade on our products open overnight. In some cases, and particularly where you keep Trades open for a long time, the aggregate of these Holding Costs may exceed the amount of any profits or increase your loss. Please refer to section 5.3 for further information on how Holding Costs are calculated.

### 10.11 Scope of Market Regulation

As the Products are contracts with CMC Markets and are not traded on a licensed market, some of the protections associated with licensed markets are not available for trading in our Products. For example, trading on the ASX generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades.

The National Guarantee Fund does not apply to trading in our Products, nor any other compensation fund operated by an Underlying Market.

CMC Markets is, however, regulated in Australia by ASIC, holds Australian Financial Services Licence No. 238054 and is subject to the Australian Client Money Rules. See section 9.2 ("Protections afforded by the Australian Client Money Rules") for more information.

### 10.12 Different products pose different risks

We offer numerous Products, which are derived from very different Underlying Reference Instruments. Each of these products poses specific risks which can differ widely from other products, for instance with respect to the range and speed of market fluctuations or with respect to their liquidity. Therefore, you should ensure that you understand the specific risks of a Product before you open a Trade on that Product.

Where a Product's Underlying Reference Instrument is itself a complex financial product that has its own multiple underlying instruments (a 'basket' of instruments) this will have an impact on the risk of the product. The risk involved in a basket product will depend on the risks involved in its constituents. If the basket constituents share similarities (for example they all relate to the same sector or country) then this can make the Product riskier. Also, if riskier constituents are given a higher weighting within the Product, this will make the Product riskier. If you choose to use a basket Product then you should make sure that you understand the risks involved in all the different constituents, the risks involved in the overall combination of constituents that make up the Product, and the risks involved in how the constituents are given their respective weightings.

### 10.13 Risks of trading on credit

If you fund your Trades with us on credit, your risk will be significantly increased and if you make a loss using that money, you will still have to repay your credit including interest. Therefore, you must not rely on being able to redeem borrowed funds with any profits from Trades with us.

### 10.14 Your Trades are at risk of being closed automatically

At all times, your Account Revaluation Amount must stay above the Close-Out Level otherwise **all** your Margin Trade Positions may be closed by the Platform. However, **we do not guarantee such closure and you must not rely on it.** It is your responsibility to monitor your Positions closely and you will be able to monitor your Account Revaluation Amount through the Platform. Closely monitoring your Positions is very important because you might need to make immediate additional payments to avoid a Close-Out by the Platform. If we have set a Close-Out Warning Level for your Account, the Platform will attempt to notify you when your Account Revaluation Amount falls below the Close-Out Warning Level, although you should not rely on the Platform giving you this warning. To prevent closure of your Positions, you should deposit a sufficient amount of money into your Account to cover any potential losses or costs from your Trades. It is important to note that even an amount that you previously deposited and which appeared to be more than sufficient at the time, can very quickly become insufficient due to rapidly changing market conditions.

See section 6.3 ("Account Close-Out") for more information.

## 11 CMC Markets discretions

### 11.1 General Discretions

We may, acting reasonably, exercise a variety of discretions under this PDS in respect of your trading in Products. These discretions are described in more detail below or are set out in other parts of this PDS. For example where we:

- (a) change the way a Product Price is calculated;

- (b) change a Buy Price or Sell Price;
- (c) amend the Product Library;
- (d) withhold any payments;
- (e) change the Margin Rate for a Product or require Independent Margin;
- (f) close some or all of your Positions;
- (g) determine what a materially incorrect Price is;
- (h) open an Account;
- (i) close your Account;
- (j) limit the size of your Trades;
- (k) limit the size of your Account balance;
- (l) accept, amend, cancel or reject your Order; and
- (m) pass on any additional costs that CMC Markets incurs in executing your business or maintaining your Account including, but not limited to increased market data fees. We will inform you of any additional charges before they are applied to your Account.

In exercising such discretions we will have regard to our commercial objectives, which include:

- (n) complying with our legal obligations as a holder of an Australian Financial Services License;
- (o) maintaining our reputation as a product issuer;
- (p) responding to competitive market forces; and
- (q) managing all forms of risk including but not limited to operational risk, credit risk and market risk.

You expressly agree that we are not under any obligation to exercise any discretion in your interests or for your benefit.

Where we exercise our discretions, we may, or where required by law will, give you written or oral notice of our decision.

## 11.2 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.

### 11.2.1 Amendments to the Agreement in general

We may amend any part of the Agreement, including the Close-Out Level(s), Reset Level and Prime Reset 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 this 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 an updated PDS, 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 11.2.2 (“Amendments to Margin Rates and Independent Margin”), 11.2.3 (“Amendments to Prices, Variable Rates and Attributes”) and 11.2.4 (“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 11.2.5 (“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 10.1 (“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.

### 11.2.2 Amendments to Margin Rates and Independent Margin

In addition to our rights under section 11.2.3 (“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(s).

### 11.2.3 Amendments to Prices, Variable Rates and Attributes

Subject to section 11.2.2 (“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 11.2.3; 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 and/or Binaries 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.

#### 11.2.4 Removal of Products

Subject to section 11.5 ("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, 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.

#### 11.2.5 Closing your Account 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 immediately. 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, 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 section 8.7 to make a Deduction or under section 8.8 to exercise our right of Set-Off.

### 11.3 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 Corporations Act;
- (j) CMC Markets considers that you may be in breach of any Applicable Law;
- (k) you or CMC Markets is so requested by ASIC or any other regulatory agency or authority;
- (l) any of the circumstances set out in section 11.4 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.

## 11.4 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 under in accordance with this PDS;
- (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) an Error occurs;
- (n) we reasonably suspect that you are using or attempting to use our Platform for any Improper Use;
- (o) 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;
- (p) 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;

- (q) any of the representations or warranties you give being, or becoming, untrue; 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.

### 11.5 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 Binary or close any Countdown 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 11.2.5 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.

### 11.6 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 this PDS or any other Agreement you have with us.

### 11.7 Circumstances Outside Our Control

A Circumstance Outside Our Control is the actual existence of, or our reasonable belief of the existence or imminence of, any circumstance that is beyond our reasonable control, for which we are not prepared and for which we could not reasonably have been prepared, and which prevents us from being able to provide the Platform, quote Prices and/or perform any of our obligations under the Agreement.

Circumstances Outside Our Control include:

- (a) changes in Applicable Law or any action taken by an Official Body,
- (b) events or circumstances on any relevant financial market (including a lack of sufficient trading activity) that impair or remove the ability of the Platform and/or our Client Management Team to operate on a normal and orderly basis, including to generate and/or quote a correct Price, or any Price;

- (c) acts or omissions of any third party financial institution with whom we deal which have the effect that we are unable or it is impractical for us, after using reasonable efforts, to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset we deem necessary or appropriate to Hedge our price risk relating to Trades;
- (d) errors, failures or disruptions in our systems or any other infrastructure (including infrastructure under the control of third parties) on which we are substantially dependent, including where we receive incorrect data, or we do not receive relevant data;
- (e) natural disasters and emergencies, including, but not limited to floods, earthquakes and other acts of God;
- (f) man-made emergencies, including, but not limited to fire, explosions, criminal acts, riots, war, armed conflict, imposition of sanctions and terrorist attack;
- (g) third-party default, including, but not limited to any labour dispute, strike, industrial action or dispute, lockout, and non-performance by suppliers or subcontractors; and
- (h) any other exceptional event or circumstance over which we have no control.

If we reasonably determine that there is a Circumstance Outside Our Control:

- (i) we will give you notice of such determination as soon as it is practicable and in accordance with Applicable Law;
- (j) we will do our best, and it will be our primary goal, to resume our provision of the Platform and/or performance of our obligations under the Agreement as soon as possible. However, there may be some situations where this is not reasonably possible without significant delay, or not possible at all, in which case we will inform you of any proposed course of action that we intend to take, which will be with a view to minimising any adverse impact of the Circumstance Outside Our Control on both you and us;
- (k) provided it is fair and reasonable, we may take an appropriate Reserved Action under section 11.5 with a view to minimising any adverse impact of the Circumstance Outside Our Control on both you and us;
- (l) if applicable, we will handle any Binaries in accordance with paragraph 3.3.9 and Countdowns in accordance with paragraph 3.4.5; and
- (l) any failure by us to perform our obligations under the Agreement caused by a Circumstance Outside Our Control will not be considered to be a breach of the Agreement.

Where we are able to resume our provision of the Platform, quoting Prices and/or performance of our other obligations under the Agreement following a Circumstance Outside Our Control:

- (m) the value of any Margin Trade you held immediately before the Circumstance Outside Our Control (which has not been closed, suspended or cancelled by us under section 11.3 or 11.5) will be calculated in accordance with the relevant Price as at the time we are able to resume our provision of the Platform, quoting Prices and/or performance of our obligations under the Agreement;
- (n) if any conditions specified by you in respect of an Order or Margin Trade immediately before the Circumstance Outside Our Control (which has not been cancelled or closed by us under section 11.5 ("Reserved Actions")) have been met, the relevant Margin Trade may be entered into or closed immediately after we resume our provision of the Platform and/or performance of our obligations under the Agreement; and
- (o) you are responsible for re-instating any Order that we cancelled under section 11.3 or 11.5 during the Circumstance Outside Our Control, and for cancelling any Pending Order that is yet to be executed.

## 12 Dispute resolution

### 12.1 Internal complaints handling system

On receipt of a complaint, the CMC Markets employee that receives the complaint will make every effort to resolve the issue, and, if they are unable to do so, the matter will be referred to a senior member of the relevant CMC Markets division for further investigation.

If you are dissatisfied with the outcome, you will be requested to provide:

- (a) written notice specifying the nature of the complaint, the desired outcome and what action you think will settle the complaint; and
- (b) all relevant material to support the complaint

Complaints should be addressed to the Complaints Officer and sent to CMC Markets.

The Complaints Officer will, on receipt of written notice:

- (c) within five Business Days, provide a written acknowledgement of receipt and an indication of the timeframe in which CMC Markets will respond to your complaint;
- (d) consider and investigate the circumstances surrounding your complaint;
- (e) advise you of the criteria and processes applied by CMC Markets in dealing with complaints;
- (f) on request, provide you with any relevant, non-confidential, material relating to the complaint; and
- (g) communicate directly with you, with a view to resolving the complaint in a fair and timely manner.

No later than 45 days following receipt of written notice, the Complaints Officer must:

- (h) notify you in writing of the decision in relation to your complaint;
- (i) provide you with written reasons for the decision;

- (j) outline to you the remedies, if any, available to you; and
- (k) advise you of any other avenues for complaint and the timeframes involved in those avenues.

Where you have any redress (financial or otherwise), we will provide that redress promptly.

If the complaint is not resolved within 45 days following the receipt of written notice, the Complaints Officer will inform you of the reasons for the delay.

We will respond to any communication, complaint, claim or dispute in English. Any translation provided shall be for convenience only and to the extent there is a conflict between the English version and any translation, the English version shall prevail.

Please contact our Client Management Team if you need more information on how complaints are handled by CMC Markets (see contact details in section 1.2).

## 12.2 External dispute resolution process

If the dispute or difference can't be resolved by us through our internal complaints handling system (see section 12.1), you may refer the dispute or difference to Financial Ombudsman Service (FOS), which is an independent disputes resolution scheme of which CMC Markets is a member.

You may lodge your complaint with FOS by sending the necessary documents and information to:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Australia

**Phone:** 1300 780 808 **Fax:** (03) 9613 6399 [www.fos.org.au](http://www.fos.org.au)

Before FOS will deal with your complaint you must have first lodged a formal complaint with us and given us time to resolve the complaint.

Please refer to our dispute handling procedures on our Website for further information.

## 13 Taxation considerations

### 13.1 Introduction

The following is a summary of the Australian Taxation Office (ATO) Taxation Ruling 2005/15 in regards to trading in CFDs, and is based on the taxation laws as at the date of this PDS.

CMC Markets does not provide financial or tax advice and this summary does not address all of the possible scenarios that may arise. It is important to note that the tax position of each taxpayer will be dependent on personal circumstances and you should consult your own taxation adviser before trading Products.

### 13.2 Taxation ruling

Taxation Ruling 2005/15 describes the income tax and capital gains tax consequences of trading in financial contracts for difference, such as CFDs. A summary of Taxation Ruling 2005/15 is set out below. A copy of Taxation Ruling 2005/15 is available at [ato.gov.au](http://ato.gov.au), as is the *Income Tax Assessment Act 1997* ("ITAA 1997").

#### 13.2.1 Gains and losses from trading in CFDs

The ATO's view is that any gain you make from trading in a CFD will be assessable income while any loss you make from trading in a CFD will be an allowable deduction provided that:

- (a) the CFD trade is entered into as an ordinary part of carrying on a business;
- (b) the profit is obtained, or the loss is incurred, as a consequence of a business operation or commercial transaction for the purpose of profit making; or
- (c) the profit was made in carrying on, or carrying out, a profit-making scheme.

#### 13.2.2 Capital gains tax (CGT)

Where gains and losses are not considered as assessable or allowable (see above), those gains and losses would be an assessable capital gain or capital loss. A gain or loss from a financial contract for difference arising from 'gambling' will not be assessable income or deductible expense. Similarly, a capital gain or capital loss arising from 'gambling' will be disregarded.

To the extent that a gain from trading in a Product as a result of a CGT event is assessable, a capital gain arising from the event is reduced. To the extent that a loss made from trading in a CFD is deductible, the reduced cost base of the asset is reduced, thereby also reducing the amount of the capital loss.

In calculating any capital gain or loss, you will be entitled to take into account the costs of acquiring, holding and disposing of the CFD.

### 13.3 Interest and adjustments for dividends

Interest charged on debit balances. Any interest on debit balances on your Account you pay to CMC Markets will be deductible.

## 13.3.1 Holding Costs you pay or receive due to holding a CFD

Holding Costs you may pay or receive due to holding a CFD will form part of the net gain or loss you make when trading in the CFD.

## 13.3.2 Adjustments for distributions

Any adjustments made to your Account due to a distribution being paid on an Underlying Reference Instrument on which a CFD you hold is based, will form part of the net gain or loss you make when trading in the CFD.

## 13.4 Non-Australian tax residents

You should also note that the above comments apply to residents of Australia for taxation law purposes. If you are a non-resident of Australia for taxation purposes (that is, non-Australian tax resident), or unsure of your residency status for taxation purposes, you should also consult your own professional tax adviser.

## 13.5 Other taxes and fees

You agree to pay all applicable GST and other taxes and all other fees reasonably incurred by CMC Markets in connection with any Trade and any fee or charge which is subject to GST. Any future imposition of stamp duty or other tax, which may from time to time be levied in respect of Products, will be for the account of, and payable by, you.

We are entitled to deduct or withhold from any payment made under the Agreement or credited to any Account, any tax required by law to be deducted or withheld from any such payment or credit. If you make any payment under the Agreement which is subject to such deduction or withholding, you must pay to us an additional amount to ensure that the amount that we actually receive is equal to the full amount we would have received had no deduction or withholding been made.

## 13.6 Taxation of financial arrangements

The Tax Laws Amendment (Taxation of Financial Arrangement) Act 2008 ("TOFA") may apply to taxpayers who meet certain size thresholds or to taxpayers who elect to fall within the TOFA provisions. The TOFA Act only applies to income years commencing on or after 1 July 2010, unless an election to adopt the TOFA provisions early has been made. If the TOFA provisions are applicable to you, then the consequences of trading in financial contracts for difference such as CFDs, may be different from that outlined in this section. You should consult your own taxation adviser before trading in any Products.

## 13.7 FATCA

The Foreign Account Tax Compliance Act (FATCA) was enacted by the United States to improve compliance with US tax laws. Under subsequent intergovernmental agreement between the US and Australia, Australian financial institutions are required to collect certain information on US persons including their social security number. CMC Markets then forwards this information to the ATO on an annual basis. The ATO then provides the information to the IRS.

FACTA doesn't change any substantive tax rights that the United States or Australia has in respect of its citizens or residents and is simply an exchange of information between the two governments on US persons.

## 14 Other considerations

### 14.1 Your declarations and assurances

When you apply to open an Account, access the Platform, attempt to place an Order, make a payment into or a withdrawal of money from your Account or give us any other instruction, we are entitled to rely on the following declarations and assurances as having been confirmed by you to be true and accurate (and you must notify us immediately in writing if this is not the case):

- (a) you are, and will remain, in full compliance with Applicable Law, and nothing under Applicable Law prohibits or restricts you from entering into Trades or fulfilling your obligations under the Agreement;
- (b) all information that you supply to us from time to time (whether via your Application or otherwise) is complete, true, accurate and not misleading in any respect that would affect our decision as to whether or not to open an Account for you and/or accept your Orders and you will inform us immediately, in writing, of any change to the information you have previously provided to us that could affect our dealings with you;
- (c) your use of the Platform and/or your dealing through our Client Management Team is not for any Improper Use;
- (d) if you are an individual, you are at least 18 years old;
- (e) if you are a body corporate, unincorporated association, trust or partnership you are validly existing in accordance with Applicable Law and have obtained all necessary consents and authorisations under your constitutional or organisational documents;
- (f) except where we have agreed otherwise in writing, you act on your own behalf and not as the agent, attorney, trustee or representative of any other person;
- (g) you are not located in, incorporated in, or a resident of, any jurisdiction where it may be unlawful to access the Platform or enter into Trades, including the United States of America;
- (h) your Orders and/or Trades are not for the purposes of or in connection with any placing, issue, distribution, offer, take-over, merger or other similar corporate finance type transaction;



- (i) you are not connected with the issuer of any Underlying Reference Instrument of a Product in respect of which you have placed an Order or Trade, including as a director, employee, agent, contractor or professional adviser of such issuer;
- (j) you fully own or, in the case of an accepted joint bank account, jointly own, all money you may transfer to us in accordance with the Agreement, and no other person has any interest in such money; and
- (k) you acknowledge and accept that we may make Deductions from your Account in accordance with section 8.7 and that we may exercise our right to Set-Off any money due to you from us against any money due to us from you in accordance with section 8.8;
- (l) you have a suitable device (including a mobile device, if applicable) and adequate internet connectivity to enable you to access your Account through the Platform and the e-mail account that corresponds to your e-mail address.
- (m) that, if you have been classified as a Private Investor for the purposes of trading with us and your use of market data and similar information that we provide or make available, all of the following conditions must be met:
  - (i) you or any Authorised Person do not access market data or similar information in the course of your employment or in connection with any form of trade or business, or otherwise access or use market data or similar information for a purpose other than personal use;
  - (ii) you or any Authorised Person are not registered with any securities agency, regulatory or self-regulatory body for the purposes of the Agreement;
  - (iii) you or any Authorised Person do not engage in a financial service business or are employed as a financial adviser for the purposes of the Agreement; and
  - (iv) you or any Authorised Person do not engage in the business of accessing or aggregating our market data or similar information and redistributing or otherwise furnishing that information to any third parties.
- (n) you are not a US Person; and
- (o) you will comply with any reporting requirements under Applicable Law.

## 14.2 Assignment

You may not assign any of your rights or obligations under the Agreement to any Person without our prior written consent. You may not give a charge over any rights to deposits held by us. We may assign our rights or delegate any of our obligations under the Agreement and any Trades to any Person on giving not less than one month's notice to you.

## 14.3 Clients may be treated differently

We may, in our discretion, treat Clients differently in situations including but not limited to where we quote Prices and apply fees and costs.

## 14.4 Sharing of Spread and other amounts

CMC Markets may profit from the Spread, the application of Holding Costs and other charges on Trades. In addition, we may share the Spread, Holding Costs and other charges or benefits with our Associates or other third parties or receive remuneration from them in respect of Products. We may also share such amounts with Introducing Advisers and referrers for the introduction or referral of Clients to CMC Markets. Details of such remuneration or sharing will be disclosed according to any Applicable Laws.

For information about how CMC Markets' employees and directors are paid, please refer to our FSG.

## 14.5 Debts

Where you have opened more than one Account with us, we will treat your Accounts as aggregated for the purposes of satisfying your obligations to us to pay to us any debit balances you may owe. This means any credit balance, including money deposited as Margin, on one Account may be used to discharge any of debit balances in respect of another Account.

Please note that CMC Markets does not aggregate Accounts for the purpose of calculating your Margin Requirements or Close-Out Level.

Without limiting our other rights under the Agreement any amount payable by us (or any of our Associates) to you will, at our election and without prior notice to you, be Set-Off against any other amounts ('Other Amounts') payable by you (or any of our Associates) to us (whether or not arising under a Product, matured or contingent and irrespective of the currency, place of payment or place of booking of the obligation). To the extent that any Other Amounts are so set off, those Other Amounts will be discharged promptly.

## 14.6 Indemnity and liability

You must indemnify us on demand and keep us indemnified against all losses, taxes, expenses, costs and liabilities whatsoever (present, future, contingent or otherwise and including reasonable legal fees) which may be suffered or incurred by us as a result of or in connection with:

- (a) your breach of any of the terms of the Agreement;
- (b) CMC Markets entering into any Trade with you;
- (c) CMC Markets exercising its rights following the happening of a Specified Event; or
- (d) your giving of any representation or warranty that is incorrect or untrue,

unless and to the extent only that such losses, taxes, expenses, costs and liabilities are suffered or incurred as a result of CMC Markets' negligence, fraud or dishonesty.

This indemnity will survive termination of your Agreement with us. Importantly, we will not be liable for:

- (e) any direct or indirect loss, expense, cost or liability suffered or incurred by you as a result of or in connection with the provision of Products and/or Services by one of our employees unless such loss, expense, cost or liability is suffered or incurred as a result of the employee's negligence, fraud or dishonesty;
- (f) any loss suffered or incurred by you as a result of any error in any Order or instruction which is, or appears to be, from you or any Person authorised by you to give instructions to us; or
- (g) any direct or indirect loss, expense, cost or liability suffered or incurred as a result of your use of or the Platform or any loss, expense, cost or liability which is caused by delay.

## 14.7 Limitation of liability in respect of the Platform

CMC Markets does not accept any liability in respect of the operation of the Platform, whether for any breach of a provision of any relevant legislation, negligence, injury, death, lost profits, loss of files, data or use, economic loss, loss of reputation or losses or damages incidental or consequential to the operation of the Platform, except to the extent that it is caused by the negligence, fraud or dishonesty on the part of CMC Markets or its employees, agents or representatives.

You require mobile communications network coverage and internet access to use the applications that enable you to access the Platform via mobile devices (so-called "apps"). We are not responsible for any delays, delivery failures, 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, including but not limited to the internet. Orders and other communications may be subject to limitations, delays and other problems inherent in the use of such mobile or other communications networks and facilities.

All warranties as to the description, quality, performance or fitness for the purposes of the Client of the Platform or any component of any such Platform are disclaimed and excluded. Liability for a breach of a condition or warranty in respect of the Products or Services, express or implied, and which cannot be excluded, is limited to the maximum extent permitted by law (at CMC Markets' option) to resupplying the Products or Services or to the cost of resupplying the Products or Services.

While we have taken all reasonable steps to ensure the accuracy and completeness of any features or third party content available on the Website, the Platform or through the Client Management Team, they are provided on an "as is" and "if available" basis. We exclude any warranties, undertakings or representations (either express or implied) related to such features and third party content to the full extent permitted under Applicable Law, including but not limited to:

- (a) with respect to any third party market data or similar information provided to you in connection with your use of the Website, the Platform or the service provided by our Client Management Team:
  - (i) we are not responsible or liable if any such market data or similar information is inaccurate or incomplete in any respect;
  - (ii) we do not guarantee the timeliness of market data or similar information;
  - (iii) we are not responsible or liable for any actions that you take or do not take based on such market data or similar information;
  - (iv) you will use such market data or similar information solely for the purposes set out in the Agreement;
  - (v) we provide market data or similar information for general purposes only and market data or similar information should not be used as the sole basis for any investment decision; and
  - (vi) you will use such market data or similar information solely in compliance with Applicable Law;
- (b) with respect to the information contained in the features or third party content; this information is indicative and may be out of date at any given time. All analysis, resulting conclusions and observation are based upon past performance, patterns and data and will not reflect future performance; and
- (c) with respect to any of the features and information provided to you in connection with your use of the platform (including through our Client Management Team):
  - (i) we are not providing trading or investment advice;
  - (ii) we are not responsible if any features or information are inaccurate or incomplete in any respect;
  - (iii) we are not responsible or liable for any actions you take or do not take based on such features and information;
  - (iv) you will use the features and information solely for the purpose for which they are intended; and
  - (v) you will use the features and information solely in compliance with Applicable Law.

## 14.8 Outsourcing

We may use external service providers in relation to any of our operations in accordance with Applicable Law, who may include Associates or other third parties.

## 14.9 Rights and remedies

Our rights and remedies contained in the Agreement are cumulative and not exclusive of any rights or remedies provided by law.

Nothing in this PDS is intended to confer on any Person other than you or CMC Markets any right to enforce any term of the Agreement.

No delay, waiver or omission on our part in exercising any right, power or remedy provided by law or under the Agreement, or partial or defective exercise thereof, will impair or prevent further or other exercise of such right, power or remedy, or operate as a waiver of such right, power or remedy.

If we agree to waive a term of your Agreement, this will not be construed as waiver of a future breach of the same term, unless agreed by us in writing.

## 14.10 Notices and Communication

Subject to other sections of this PDS, any notice or other communication given or made under or in connection with the matters contemplated by this PDS will, except where oral communication is expressly provided for, be in writing and will be sent to you/us. All communication between you and us, and all documents and information provided under the Agreement and the other documentation described in this PDS will be in English and you confirm that you possess proper knowledge and understanding of the English language. Any translations are provided for convenience only and you agree that to the extent there is a conflict between the English version and any translation, the English version shall prevail.

Any such notice will be deemed to have been received:

- (a) if delivered personally or by hand, at the time of delivery;
- (b) if posted, within three Business Days of posting;
- (c) if posted on our Website, immediately at the time the information is made available;
- (d) if verbal, whether by phone or face to face, when actually given;
- (e) if by leaving a message on an answering machine or voicemail, one hour after the message was left;
- (f) if sent by facsimile, one hour after completion of its transmission; and
- (g) if sent by email, one hour after sending.

You may alter the address (including the email address) to which we send communications to you by giving us written notice. However, such alteration will only be effective on the later of the date specified in the notice and the time it was deemed to be received under this section.

In this PDS, where we refer to communication with you in writing, it includes notice sent by email to the last email address notified by you to us and notification on the Platform.

You agree and acknowledge that you are solely responsible for ensuring we have your current address, phone number and email address.

## 14.11 Changes to this PDS

We may amend this PDS at any time by written notice to you. Any amendments to this PDS can be found on our Website. If amendments are materially adverse to you, we will issue a supplementary or replacement PDS.

## 14.12 Superannuation funds

Complying superannuation funds must seek advice from your financial or legal adviser to ensure the superannuation fund is authorised to trade in our Products.

## 14.13 Jurisdiction

The law governing all dealings with us is the law of New South Wales, Australia.

## 14.14 Foreign jurisdiction

The distribution of this PDS (and any related documents) in jurisdictions outside Australia may be restricted by law and therefore Persons into whose possession this PDS (and any related documents) comes should seek advice on and observe any such restrictions. Failure to comply with relevant legislation may violate those laws. This PDS does not constitute an offer or invitation in relation to a Product in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

## 14.15 Illegality

If at any time any term of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining terms of this Agreement under the law of that jurisdiction nor under the law of any other jurisdiction will be in any way affected.

## 14.16 Communication of Orders

The mere transmission of an Order or instruction by you does not give rise to a binding contract between CMC Markets and you. Any Order made by you is subject to CMC Markets accepting your Order and such Order having been recorded as accepted and confirmed to you by CMC Markets.

You will be responsible for all internet Orders and internet instructions, and for the accuracy of all other Orders.

## 14.17 Legal and regulatory requirements

Despite any term of the Agreement in providing our services, we will be entitled to take any action we consider necessary in our discretion to ensure compliance with the law. By trading in Products, you agree to strictly comply with all Applicable Laws. If we reasonably consider you have not done so, we may terminate any Trade with you immediately or withhold payment of any amount to you without notice.

## 14.18 Labour standards and environmental, social and ethical considerations

We do not take labour standards, or environmental, social or ethical considerations into account when offering Products.

## 14.19 Privacy Statement

We will require you to provide personal information in the course of transacting with us. CMC Markets collects, maintains, uses and discloses personal information in the manner described in our Privacy Statement. Our Privacy Statement is available on our Website or by calling our Client Management Team (see contact details in section 1.2).

## 14.20 Interpretation

The definitions contained in the Glossary in section 15 apply to this PDS unless the context otherwise requires. In this PDS, unless the contrary intention appears:

- (a) the singular includes the plural and vice versa;
- (b) where a word or phrase has a defined meaning any other part of speech or grammatical form in respect of such word or phrase has a corresponding meaning;
- (c) headings are inserted for convenience only and do not affect the interpretation of this PDS;
- (d) a reference to any party includes a reference to that party's executors, administrators, successors, substitutes and permitted assigns and any person taking by way of novation;
- (e) a reference to any thing (including any amount) is a reference to the whole or any part of it and a reference to a group of persons is a reference to any one or more of them;
- (f) a reference to the words 'including', 'for example' or 'such as' when introducing an example, does not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (g) a reference to 'trading' in Products describes any activity that involves entering into a trade by 'opening' a Trade, altering a Trade or terminating a trade by 'closing' a Trade. We have used phrases such as 'trading Products' and 'trade Products' for simplicity's sake to refer to any opening, establishment, alteration to, and closing of, a Trade;
- (h) if a Confirmation and any other document forming part of the Agreement are inconsistent, the Confirmation will prevail to the extent of that inconsistency;
- (i) the parties agree that the various documents comprising the Agreement constitute one single agreement between the parties. Each transaction contemplated by the various documents comprising the Agreement is entered into (as applicable) in reliance on the fact that each of the documents comprising the Agreement relating to those transactions form a single agreement between the parties, and the parties would not otherwise enter into any transaction contemplated by them; and
- (j) unless otherwise provided for in any document comprising the Agreement, if the day on which or by which a party must do something under the Agreement is not a Business Day, the parties agree that the party may do it on or by the next Business Day.

## 14.21 Intellectual Property

Unless otherwise indicated, the Platform, the Website and all of its software, algorithms, design, text, content, data, arrangement, organisation, graphics, compilation, magnetic translation, digital conversion, equipment, and any and all other electronic, computer, technical and information communications technology devices and equipment, networks, servers, applications, codes (including source and object codes) and data centres which are contained in or relate to the Platform, together with all technical documentation and information necessary for the use of any of the above ("Elements") are protected under applicable Intellectual Property Rights and we and/or our licensors are the owner or the licensee (as applicable) of all such Intellectual Property Rights in the Platform and the Elements. All such rights are hereby reserved. The posting of the Platform and any Elements on the Platform does not constitute a waiver of any right in the Platform or such Elements. Except as expressly granted in the Agreement, you do not acquire any rights, title or interest in or to the Platform or the Elements.

We hereby grant you a personal, non-exclusive, royalty-free revocable and non-transferable licence, to access and make personal and non-commercial use of the Platform for the limited purpose of trading in accordance with the Agreement. No other rights are granted in respect of the Platform. In the event you do or attempt to do any of the prohibited matters set out in this section 14.21 or we reasonably suspect that you have done or attempted to do any of these prohibited matters, the terms of this licence and the Agreement shall be automatically revoked and you shall have no further rights in or to the Platform or any of the Elements.

You must not:

- (a) copy, reproduce, translate, duplicate, or use the Platform except as expressly provided for in the Agreement;
- (b) permit any other person to copy, reproduce, translate, duplicate or use the Platform except as expressly permitted in the Agreement;
- (c) create or develop any hyperlink or other form of internet weblink to the Platform except with our express prior written consent;
- (d) modify, adapt, alter, translate, enhance, reverse engineer, decompile, decode, disassemble or reverse assemble (except and solely to the extent an Applicable Law expressly and specifically prohibits such restrictions), or create derivative works of the Platform or any of the Elements (or cause or permit any of the foregoing);
- (e) modify, adapt or alter the operation of the Platform in any way (other than as intended by the Agreement);
- (f) distribute, re-distribute, sell, re-sell, transmit, re-transmit, publish, make available, re-produce, sub-licence, transfer, rent, lend, re-circulate,

repackage, disclose, display or make commercial use of the Platform, the Website, any of the Elements or any of the materials provided by us in relation to the Agreement (either in whole or in part);

- (g) download or copy your Account information other than if required to do so by an Official Body or for personal use in accordance with the provisions of the Agreement;
- (h) download or copy Account information relating to any other Client;
- (i) carry out any data collection, or use data mining, screen-scraping, optical recognition software, image makers, robots or any other similar or like data gathering and extraction tools on the Platform or the Elements;
- (j) use any software, algorithm, robot, applications, tools, codes or computer or electronic devices or equipment on the Platform for non-human and/or high frequency trading;
- (k) make use of the Platform or any of the Elements for automated purposes;
- (l) knowingly introduce any software viruses, trojans, worms, logic bombs, time bombs, "back doors" or back door devices, "drop dead devices", malware, or any other material, software or code which:
  - (i) is or is likely to be malicious or technologically harmful, destructive, or disabling or anything analogous to the foregoing to the Platform or any of the Elements;
  - (ii) damages, disrupts, impairs, erases or adversely affects the normal operation of the Platform or any of the Elements;
  - (iii) assists in or enables theft or alteration of data or content from the Platform or any of the Elements; or
  - (iv) provides unauthorised access to the Platform or any of the Elements.
- (m) permit or cause unauthorised access or attempt to gain unauthorised access to the Platform or any of the Elements, including the server on which the Platform or any of the Elements is stored or any server, computer or database connected to the Platform or any of the Elements;
- (n) attack the Platform via a denial-of-service attack or a distributed denial-of-service attack; or
- (o) do, or permit, any act or thing (or omit to do any act or thing) analogous to any of the foregoing,

and any of the above acts may be a Specified Event that entitles us to take a Reserved Action (see sections 11.4 and 11.5).

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 Platform or to your downloading of any material posted on it, or on any Website linked to it.

## 15 Glossary

This Glossary is to be read in conjunction with this PDS.

### Absolute Close-Out Level

The Amount displayed on the Platform, as further described in section 6.3.1.

### Account

Your account(s) on the Platform which you use to trade with CMC Markets.

### Account Close-Out

The process described in section 6.3 in which 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 Currency

The currency in which your Account is denominated and in which all Deductions and credits will be made in accordance with this PDS. The Account Currency is the currency selected by you from the options specified by CMC Markets at the time you open the Account.

### Account History

The history of Orders, Trades and other adjustments to your Account available on the Platform.

### 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 2.17.

### Account Sign In Details

The email address and password you use to login to your Account on the Platform.

### Account Value

The sum of your Cash and any Net Unrealised Profit or Loss that is displayed on the Platform and updated in real time and calculated as further described in section 2.16.

### Adjustment Event

In respect of an Index CFD, any change to the index or the announcement of a successor index.

### Agreement

The various documents setting out the terms on which CMC Markets will provide Products and Services to you, including the PDS, the FSG, the CMC Markets Rates Schedule, the Product Library, CMC Markets Privacy Statement, any Confirmations and any additional terms and conditions issued by CMC Markets in connection with the Products and/or Services.

### 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 and as further described in section 6.3.4.

### Amount

An amount of money in the Account Currency.

### Applicable Laws

- (a) Applicable provisions of laws and regulations including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to You and CMC Markets, this Agreement, our Website or the Platform and the transactions contemplated by this Agreement;
- (b) Applicable laws, procedures, standards and codes of practice that apply in relation to You and CMC Markets, this Agreement and the transactions contemplated by this Agreement, including the Corporations Act, the Australian Securities and Investments Commission Act 2001 (Cth), ASIC Policy, the Privacy Act 1988 (Cth) and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth); and
- (c) Applicable rules, regulations, customs and practices from time to time of any exchange, licensed financial market, clearing house, licensed clearing and settlement facility, or other organisation or market involved in the conclusion, execution or settlement of a transaction or CFD and

any exercise by any such exchange, clearing house or other organisation or market of any power or authority conferred on it.

## Application

The Application and Account opening documentation completed by you and submitted to CMC Markets whether electronically or in hard copy.

## ASIC

Australian Securities & Investments Commission or any regulatory body which replaces it or performs its functions.

## Associate

- A Person who is an officer, employee, agent, representative or Associate of a party;
- a 'related body corporate' (as defined in the Corporations Act) of a party such as an Introducing Adviser; or
- a Person who is an officer, employee, agent, representative or Associate of a related body corporate of a party.

## ASX

ASX Limited operating as Australian Securities Exchange.

## ATO

The Australian Tax Office.

## Attributes

The various limitations and restrictions (as applicable) that apply to Orders and Trades in respect of each Product, including Binary Expiries, Commission, Draw Percentage, Expiry Dates, GSLO Premiums, GSLO Premium Refunds, GSLO Minimum Distances, GSLO Limits and GSLO Cluster Limits, Key Dates, Independent Margin, Margin Rates, Maximum Exposure Limit, Maximum Total Exposure Limit, minimum and maximum Binary Amount and Binary Size, minimum and maximum Margin Trade Size, minimum and maximum Stake size, Tier Threshold and, Maximum Trade Size, Trading Hours, permitted Trade direction, Order Cluster Limits, Position Limits, Product Limits, and Win Percentage which we may amend from time to time in accordance with sections 11.2.2 ("Amendments to Margin Rates and Independent Margin") 11.2.3 ("Amendments to Prices, Variable Rates and Attributes").

## AUD, A\$ and \$

Australian dollars, unless specified otherwise in this PDS.

## Australian Client Money Rules

The provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client money and property.

## Australian Financial Services Licence

Licence required by CMC Markets to trade and make a market in financial products.

## Authorised Person

Any one or more person(s) appointed by you in accordance with section 8.2.

## Auto Roll-Over

The process by which a Margin Trade on a particular Forward (and any Pending Order on that Forward) is closed automatically by the Platform and an equivalent Margin Trade is automatically entered into (and an equivalent Pending Order, except any Limit Order or Stop Entry Order, is placed) on a Forward with the same Underlying Reference Instrument(s) and the next arising Expiry Date, as described more fully in the Order Execution Policy.

## Available Equity

The Amount that is calculated in accordance with section 0.

## Binary

A derivative product entered into between you and us through the Platform that allows you to speculate with limited risk on whether a specific event will or will not occur within or at the end of a set timeframe.

## Binary Amount

The maximum Amount that you could lose on a Binary calculated in accordance with section 3.3.6.

## Binary Expiry

The timeframe of a Binary, as specified on our Platform.

## Binary Loss

The Amount calculated in accordance with section 3.3.6.

## Binary Opening Price

In respect of a Binary, the Price at which the Binary was entered into, in accordance with paragraph 3.3.3

## Binary Profit

The Amount calculated in accordance with section 3.3.6, where that Amount is positive

## Binary Size

The Amount that you wish to risk per point of movement in the Price of a Binary, also referred to as Size on the Platform.

## Boundary

In respect of any Market Order or Stop Entry Order, the price level specified by you when placing the Order which would result in the Order being automatically cancelled by the Platform if the Price of the relevant Product at the time the Order would otherwise be executed is:

- (a) in the case of an Order to buy, greater than the price level specified by you; or
- (b) in the case of an Order to sell, less than the price level specified by you.

## Business Day

Means:

- (a) in relation to Orders and Trades, any day on which the Platform is generating Prices in relation to the relevant Product; and
- (b) for all other purposes, any day that is not a Saturday, Sunday, public holiday or bank holiday in Sydney, New South Wales, Australia.

## Buy Price

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

## Calendar Day

Each day of the year ending at 5pm New York time.

## Cash

An Amount calculated in accordance with section 2.14 ("What is your Cash?").

## Cash Settlement Date

The date and time at which any Margin Trade in relation to a particular Forward which has reached its Expiry Date, will be closed and settled by an Amount becoming due and payable by you to us or by us to you.

## CFD

A contract for difference, including any cash settled contract which is valued by reference to an Underlying Reference Instrument, that CMC Markets offers to its Clients through the Platform from time to time under the Agreement.

## Circumstance Outside Our Control

Has the meaning set out in section 11.7.

## 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.

## Client

A client of CMC Markets.

## Client Management Team

The CMC Markets team which answers Client queries. The Client Management Team can be contacted by calling 1300 303 888 (only in Australia).

## Close-Out Level

The level calculated in accordance with section 6.3.1, at which the Platform may close all or a portion of your Margin Trades, as necessary.



## Close-Out Percentage Level

The percentage displayed on the Platform that is used to calculate your Standard Close Out Level (if applicable) in accordance with, section 6.3.1.

## 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 number of Units) 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.

## Close-Out Warning Level

The warning level that we may set on the Platform in accordance with section 6.3.9

## CMC Currency Conversion Rate

The relevant currency exchange rate at which values in a Product Currency will be converted into the Account Currency.

## CMC Markets

CMC Markets Asia Pacific Pty Ltd ABN 11 100 058 213.

## CMC Markets Group

CMC Markets Plc (Registered number 05145017) and its associated entities.

## CMC Markets Privacy Statement

The Privacy Statement explains how the CMC Markets Group collects, maintains, uses and discloses your personal information. The CMC Markets Privacy Statement can be found at [cmcmarkets.com.au](http://cmcmarkets.com.au).

## CMC Markets Rates Schedule

CMC Markets Rates Schedule includes information such as overnight financing rates and is available on our Website.

## Commission

The rate of commission (which may include a minimum commission amount) applicable to a Trade in a particular Product (as applicable), as set out in the Product Library and which we may amend from time to time in accordance with section 11.2.3 of the PDS.

## Commodity CFD

A CFD where the Underlying Reference Instrument is a future that is traded over natural products extracted either by the mining industry or in agriculture.

## Complaints Officer

Our internal complaints officer, as described in section 12. All complaints should be marked to the attention of the Complaints Officer and sent to us using the contact details in section 1.2.

## Confirmation

A form of notification, which will be provided through the Platform. We will not send you any confirmations of Orders or Trades by any other means, including by post or e-mail.

## Corporate Action

Any action or event, whether temporary or otherwise, in relation to an Underlying Reference Instrument of a Product, or in relation to the issuer of such Underlying Reference Instrument, which would have an effect on the value, legal characteristics or ability to trade the Underlying Reference Instrument or a financial derivative based on or referencing such Underlying Reference Instrument, including: distributions or the grant of entitlements to existing holders of rights in the Underlying Reference Instrument, dividend payments, the granting of rights to purchase, subscribe or receive any asset(s) (whether for free, on preferential payment terms or otherwise) or cash, placings, rights issues, bonus/scrip issues, capitalisation issues and similar issues, mergers or takeovers relating to the issuer of the Underlying Reference Instrument, sub-divisions, splits, reductions (including share buy-backs), consolidations, reclassifications, restructurings, cancellation or suspension of listing of the Underlying Reference Instrument or the issuer of the Underlying Reference Instrument, and any action or event analogous to any of the foregoing or otherwise that may have a diluting or concentrative effect on the value of the Underlying Reference Instrument.

## Corporations Act

Corporations Act 2001 (Cth).

## Countdown

A Product where your profit or loss is a fixed amount dependent on whether the Price of an Underlying Reference Instrument goes up or down over a specified timeframe as further described in section 3.4.

## Countdown Opening Price

The reference Price applicable when a Countdown is entered into, generated by and displayed on the Platform.

## Countdown Profit

The profit received on a Countdown where you have correctly predicted the outcome as further described in section 3.4.2

## Currency CFD

A CFD where the Underlying Reference Instrument is a pair of currencies and the exchange rate between them.

## Deduction

Any money due to us under the Agreement, or required to be deducted by an Applicable Law (including for tax purposes).

## Draw Percentage

The percentage specified in the Product Library that will be used to determine the amount to be returned to your Account in respect of a Countdown that expires at an unchanged level as further described in section 3.4.2.

## Elements

Has the meaning set out in section 14.21 (“Intellectual Property”).

## Error

Material errors, mistakes and omissions that are, or should be reasonably obvious to you in your capacity as our Client. Please see section 2.20 for more information.

## Expiry Date

The last possible date and time at which any Margin Trade or Pending Order in relation to a particular Forward will automatically expire, as specified in the Product Library.

## Forward

A Product with a fixed Expiry Date.

## FOS

The Financial Ombudsman Service.

## FSG

CMC Markets’ Financial Services Guide for Products issued under this PDS, including any supplementary or replacement Financial Services Guide.

## 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 6.3.

## Gapping

The exposure to loss from failure of market prices or rates to follow a ‘smooth’ or continuous path due to external factors such as world, political, economic and specific corporate events.

## GSLO Cluster Limit

The maximum permitted size of an Order Cluster where the relevant Pending Orders contain Guaranteed Stop Loss Orders, as specified in the Product Library.

## GSLO Limit

The maximum buy or sell Position (as applicable) covered by any Guaranteed Stop Loss Order(s) in respect of the relevant Product, as specified in the Product Library.

## GSLO Premium

The Amount required to be paid to us to place a Guaranteed Stop Loss Order (including by modifying another type of Pending Order) in respect of a Product, calculated as specified in the Product Library.

## 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.

## GST

Goods and Services Tax.

## Guaranteed Stop Loss Order or GSLO

An instruction to place an Order in accordance with the relevant conditions set out in section 4.2.7.

## Hedge/Hedged/Hedging

An investment made in order to reduce the risk of adverse price movements in a financial instrument, by taking an offsetting position in a related financial instrument.

## Holding Cost

The Amount calculated in accordance with section 5.3. Historic Holding Costs can be found in the Product Library.

## Holding Rates

Together, the Holding Rate Buy and Holding Rate Sell, which may be amended from time to time in accordance with section 5.3.

## Holding Rate Buy

With respect to a Product for which a Holding Cost applies, the rate that is applied in respect of buy Margin Trades that are held at the Holding Time, specified in the Product Library.

## Holding Rate Sell

With respect to a Product for which a Holding Cost applies, the rate that is applied in respect of sell Margin Trades that are held at the Holding Time, specified in the Product Library.

## Holding Time

With respect to any particular Product, the time at which any Holding Cost will be calculated and charged to your Account, as specified in the Product Library from time to time.

## Improper Use

Any use of the Platform or activity in relation to an Order (including a Pending Order) or a Trade that amounts to:

- (a) an unlawful act or a breach of Applicable Law, whether directly or indirectly;
- (b) a breach of the Agreement;
- (c) a failure to observe reasonable commercial standards of fair dealing; or
- (d) dishonesty or malice.

Examples of Improper Use include:

- (e) acts that amount to insider trading, making misleading statements, market manipulation, market abuse, money laundering, terrorist financing, breach of trade sanctions, fraud, or any acts or omissions with analogous effect;
- (f) using any device, hardware, software, algorithm, strategy, collusion or deception, the use of which is intended, whether directly or indirectly, to cause or influence us to provide the Platform or accept any Order or Trade in a way in which or on terms on which we would not otherwise do so;
- (g) using the Platform and Prices other than for the purposes of entering into Trades with us; or
- (h) opening, accessing, using or controlling more than one Account without our knowledge.

## Independent Margin

The Amount specified by us from time to time which:

- (a) you are required to hold in your Account over and above your Total Position Margin (a positive Independent Margin); or

(b) reduces the Amount which you are required to hold in your Account to less than your Total Position Margin (a negative Independent Margin), at any given time, as shown on the Platform.

## **Index CFD**

A CFD where the Underlying Reference Instrument relates to a share index future.

## **Initial Alternative Close-Out**

The initial closing of Margin Trades by the Platform during an Alternative Account Close-Out, as described in section 6.3.5

## **Initial Close-Out**

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

## **Initial Full Close-Out**

The initial closing of Margin Trades by the Platform during a Full Account Close-Out, as described in section 6.3.3.

## **Introducing Adviser**

Any intermediary who offers a financial service to enable you to trade with CMC Markets.

## **Joint Account**

An Account held in the name of two or more persons.

## **Joint Account Holder**

Any one or all persons (as applicable) in whose name a Joint Account is held.

## **Key Dates**

Any Expiry Date, Last Roll-Over Date or Last Trade Opening Date in relation to Orders and Margin Trades on a particular Forward, as specified in the Product Library.

## **Last Roll-Over Date**

The last possible date and time at which a Margin Trade or Order on a particular Forward may be subject to a Manual Roll-Over or de-selected (or re-selected) for an Auto Roll-Over, as specified in the Product Library.

## **Last Trade Opening Date**

The last possible date and time at which you can enter into or extend a Margin Trade or modify an existing Order (including a Pending Order) on a particular Forward, as specified in the Product Library. For the avoidance of doubt, Orders (including Pending Orders) and Margin Trades in the relevant Forward may be cancelled or closed after this date.

## **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.

## **Limit Order**

An Order to buy or sell a specified amount of a Product by entering into a Margin Trade at a specified price in accordance with relevant conditions as set out in section 4.2.

## **Manual Roll-Over**

The process by which a Margin Trade on a particular Forward (and any Pending Order on that Forward) is closed by the Platform at your specific request and an equivalent Margin Trade is entered into (and an equivalent Pending Order is placed) on a Forward with the same Underlying Reference Instrument(s) but with the next available Expiry Date.

## **Margin**

The value of your funds which you allocate towards Margin Trades you open and may continue to hold, on the Platform.

## Margin Rate

With respect to any Margin Trade, the percentage rate applicable to each Tier, as specified in the Product Library from time to time.

## Margin Trade

A CFD on a Product, which seeks to confer similar economic benefits to an investment in the relevant Underlying Reference Instrument, entered into between you and us through the Platform.

## Market Order

An order placed to buy or sell a CFD in accordance with relevant conditions as set out in section 4.2.

## Maximum Binary Profit

The maximum profit on any particular Binary, which will be specified on the Platform and calculated in accordance with section 3.3.6.

## Maximum Exposure Limit

The maximum permitted size of the exposure for CMC Markets arising from all Binaries on an Account of the same type, in the same Product and with the same Binary Expiry, as specified in the Product Library.

## Maximum Total Exposure Limit

The maximum permitted size of the exposure for CMC Markets arising from all Binaries on an Account.

## Maximum Trade Size

In respect of a Product is the maximum Units you may buy or sell in a single Trade.

## National Guarantee Fund (NGF)

The National Guarantee Fund administered by the ASX.

## Net Unrealised Loss

An Amount that is the aggregate of Unrealised Profit Or Loss for all Margin Trades on your Account and which would be payable by you to us if those Trades were closed at that time.

## Net Unrealised Profit

An Amount that is the aggregate of Unrealised Profit Or Loss for all Margin Trades on your Account and which would be payable by us to you if those Trades were closed at that time.

## Net Unrealised Profit Or Loss

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 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.

## 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.

## Non-Private Investor

Means that you meet one of the conditions set out below:

- (a) Your Account has not been opened in a personal capacity (i.e. the Account has been opened in connection with a trade or business or in connection with a trust that has a professional trustee);
- (b) You are currently registered or qualified as a professional securities trader or investment adviser with any national or state exchange, regulatory authority, self-regulatory body, securities agency, professional association or professional body;
- (c) You currently act as an investment adviser; or
- (d) You use your Account for any purpose other than the management of your personal funds including (but not limited to) acting as a trader to the public or for the investment of corporate funds.

## Official Body

Any local, state, national or supra-national public body that is relevant to our Platform and our financial trading activities with you, including the Australian and NSW governments, ASIC and other relevant financial services regulatory bodies, the Reserve Bank of Australia, the ATO, a state fair trading body, the police, Interpol, the courts, the Australian Customs Service and/or any other tax authority, which is in existence from time to time.

## Offset

The adjustment that may be made to the Holding Rates applicable to Products for the purposes of section 5.3.

## Offset Threshold

The Cash level above which an Offset may be applied.

## Opening Trade Price

In respect of a Margin Trade, the Price at which such Trade was entered into, in accordance with section 2.6 ("Prices").

## Order

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

## Order Cluster

One or more Pending Orders in the same direction on a particular Product which all have a Target Price within the Order Cluster Range.

## Order Cluster Limit

The maximum permitted size of an Order Cluster, as specified in the Product Library.

## Order Cluster Range

The range of Target Prices for Pending Orders in the same direction relating to a particular Product, as specified in the Product Library, which may be expressed as a percentage and/or as an absolute value.

## Order Execution Policy

The policy under which we execute Orders set out in section 4 ("Order Execution Policy").

## OTC

Over the counter. OTC products are not traded on an exchange but are negotiated between two parties. Please see section 10.5 for further information.

## Other Amount

Has the meaning given to this term in section 14.5 ("Debts").

## Payout

Has the meaning set out in section 3.3.2.

## PDS

Product Disclosure Statement.

## Pending Order

An order with a Target Price that has not been executed since that Target Price was specified.

## Person

Reference to a Person includes body corporate, unincorporated associations, partnerships and individuals.

## Platform

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

## Position

The net sum of all current (or open) Trades in a particular Product at any given time.

## Position Limit

The maximum buy or sell Position (as applicable) permitted by the Platform for the relevant Product, as specified in the Product Library.

## 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 section 6.1.

## Position Margin Rate

The rate expressed as a percentage and shown on our Platform, that is calculated in accordance with section 6.1

## Pre-Close Period

The period of time (as specified on our Platform) before the Binary Expiry during which you will be unable to open, close or amend a Binary.

## Price

The Buy Price or Sell Price of a Product, which is generated by the Platform from time to time, including for Margin Trades only, by reference to the Price Depth.

## Price Depth

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

## Price Ladder

The portion of an Order ticket that displays multiple Buy Prices and Sell Prices for a Product, to reflect the Price Depth for different sized Orders in that Product, as generated by the Platform from time to time.

## Pricing Error

An event in relation to the underlying asset(s) of a Product which prevents our Platform from determining a valid Price.

## Prime Close-Out Level

An amount equal to your Prime Margin Requirement multiplied by your Prime Close-Out Percentage Level, as further described section 6.3.1.

## 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).

## Prime Margin

With respect to a GSLO Trade, the Amount calculated in accordance with section 6.1.2.

## Prime Margin Requirement

With respect to GSLO Trades, an Amount equal to Total Prime Margin plus Independent Margin (if any) as further described in section 6.3.1.

## Prime Reset Level

In relation to any 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.

## Privacy Statement

The Privacy Statement of CMC Markets, which explains how we collect personal information and maintain, use and disclose that information. It also includes some information about your rights.

## Private Investor

Means that you meet all of the conditions set out below:

- (a) Your Account has been opened in a personal capacity. (i.e. the Account has not been opened in connection with a trade or business or in connection with a trust that has a professional trustee);
- (b) You are not currently registered or qualified as a professional securities trader or investment adviser with any national or state exchange, regulatory authority, securities agency, self-regulatory body, professional association or professional body;
- (c) You do not currently act in a capacity as an investment adviser, whether or not you have at some point been qualified to do so; and
- (d) You use your Account solely for the management of your personal funds and not for any other purposes including as a trader to the public or for the investment of corporate funds.

## Product

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

## Product Currency

The currency in which a particular Product is denominated.

# Product Disclosure Statement

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## Product Library

The section of the 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.

## Product Limit

The maximum number of open Trades, Positions and/or Pending Orders that could result in opening a new Position that you can have on your Account at any given time, as specified in the Product Library.

## Realised Loss

With respect to:

- (a) a Margin Trade, an Amount equal to the Unrealised Profit Or Loss at the time at which such Trade is closed, where the Amount is negative; and
- (b) a Binary, the Binary Loss calculated in accordance with 3.3.6 at the time the Binary is closed.

## Realised Profit

With respect to:

- (a) a Margin Trade, an Amount equal to the Unrealised Profit Or Loss at the time at which such Trade is closed, where the Amount is positive; and
- (b) a Binary, the Binary Profit calculated in accordance with 3.3.6 at the time the Binary is closed.

## Reduce Only

A restriction placed on your Account or a Product (as applicable) that prevents you from increasing your Position(s). You will be permitted only to place Orders to close Trades and/or cancel any Pending Orders.

## Relevant Interest Rate

The interest rate calculated with reference to the interbank overnight cash borrowing rate applicable to the currency that a Product is valued in.

## Reserved Action

An action described in section 11.5.

## 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 multiplied by the percentage displayed on the Platform at any given time.

## Roll-Over

Any Auto Roll-Over or Manual Roll-Over.

## Sell Price

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

## Services

The services to be provided by CMC Markets under the Agreement.

## Set-Off

Has the meaning set out in section 8.8 ("Our right of Set-Off between your Accounts and obligations").

## Share CFD

A CFD where the Underlying Reference Instrument is a security of a company.

## Shield Mode

An Account setting with the features described in section 2.22.

## Settlement Price

The reference price used to determine whether or not you have won or lost a Binary or a Countdown (as applicable), which is displayed or described on our Platform.

## Specified Event

An event as set out in section 11.4.



## Spread

The difference between the Buy Price and the Sell prices of a CFD.

## Stake

The amount that you wish to be the subject of a Countdown.

## Standard Close-Out Level

An amount equal to Total Margin multiplied by your Close-Out Percentage Level as further described section 6.3.1.

## Standard Trade

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

## Stop Distance

In respect of a Trade to which a Trailing Stop Loss Order is attached, the distance, as specified by you, between the most favourable Price in respect of that Trade and the Target Price, as modified by the Platform.

## Stop Entry Order

An order to buy or sell a specified amount of a Product at a specified price in accordance with the relevant conditions as set out in section 4.2.

## Stop Loss Order

An instruction to place an Order in accordance with the relevant conditions set out in section 4.2 ("How the Platform handles the different types of Orders").

## Strike Price

The target Settlement Price which is the subject of a Binary.

## 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 6.3.4.

## Subsequent Close-Out

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

## Subsequent Full Close-Out

Any closing of Margin Trades by the Platform during any Full Account Close-Out that is subsequent to the Initial Full Close-Out, as further described in section 6.3.3.

## Take Profit Order

An instruction to place an Order in accordance with the relevant conditions set out in section 4.2 .

## Target Price

The Price at which you wish to enter into or close a Margin Trade (as appropriate) as specified in a Stop Loss Order, Trailing Stop Loss Order, Limit Order, Stop Entry Order or Take Profit Order.

## Tier

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

## Tier Size

With respect to your Position in any Product, the portion of that Position, expressed as a number of Units, falling within a particular Tier.

## 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.

## Tradable

In respect of any Product, or any Trade in respect of that Product, means that the relevant Product is within its applicable Trading Hours and is not otherwise suspended.

## Trade

A trade entered into between you and us through the Platform. Unless specified or the context suggests otherwise, all references to Trades include Margin Trades, Binaries and Countdowns.

## Trade Margin

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

## Trading Hours

In respect of a Product, the times during which the Platform generates Prices and during which you may place Orders for Trades on that Product, as specified in the Product Library from time to time. For any particular Forward, the Trading Hours shall apply subject to the Key Dates for the relevant Product set out in the Product Library.

## Trailing Stop Loss Order

An instruction to place an Order in accordance with the relevant conditions set out in section 4.2 ("How the Platform handles the different types of Orders").

## Treasury CFD

A CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Reference Instrument, which relates to a traded government debt instrument.

## Unauthorised to Trade

A restriction placed on your Account which suspends your ability to place any Order or Trade or to give any instruction in relation to your Account.

## Underlying Instrument Entity

An entity that is the issuer of an Underlying Reference Instrument.

## Underlying Market

The Underlying Market in which the Underlying Reference Instrument is traded.

## Underlying Reference Instrument

The asset, security, commodity, futures contract, index or sector, with reference to which the value of a Product is determined.

## Units

The number of CFDs that are the subject of a Margin Trade.

## Unrealised Profit Or Loss

The Amount calculated in accordance with section 2.19. The Unrealised Profit Or Loss displayed on the Platform, at any time, may not accurately reflect the Realised Profit or Realised Loss that would be gained or incurred if you closed one or all of your 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.

## US Person

A current or former citizen or national of, or individual currently or formerly resident in, the United States of America, a partnership or corporation organized in the United States of America or under the laws of the United States of America or any State thereof, a trust if (i) a court within the United States of America would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more US Persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that was a citizen, national or resident of the United States of America.

## Variable Rates

The rates that vary automatically from time to time without notice being given to you, and which apply to Trades entered into on that Product, that is, the Relevant Interest Rate, the CMC Currency Conversion Rate, Holding Rates, the Offset Threshold and any Offset.

## We, us or our

References to 'we', 'us' or 'our' should be treated as references to CMC Markets Asia Pacific Pty Ltd.

## Website

[www.cmcmarkets.com.au](http://www.cmcmarkets.com.au)

## Win Percentage

The percentage specified in the Product Library that will be used to determine the Countdown Profit in respect of a particular Product as further described in section 3.4.2.

## You

References to 'you' and 'your' should be treated as references to the Client (or his or her representative, where applicable) and includes individuals, companies or other entities that we may permit to open Accounts from time to time.

## 16 Sales Trader Service Specific Terms

This section sets out specific terms and conditions that apply to the Sales Trader service being offered to you through this PDS and governs the relationship between you and us whereby we will permit you to trade through our Client Management Team in addition to trading directly through the Platform.

This section supplements the Agreement between you and us as described in the PDS. In order to highlight the specific features and benefits of the Sales Trader service and the differences between our standard service this section 16 amends the PDS as set out below.

### 16.1 General

In general and where the context allows, references in the PDS to performing an action on or through the Platform also include performing that action through our Client Management Team.

### 16.2 Client Management Team

Any information provided by our Client Management Team is provided only to assist you in exercising your own judgement when making a Trade with us and does not constitute personal financial product advice, nor are we responsible for any decisions that you make.

When you contact our Client Management Team in order to place, modify or close a trade, our Client Management Team can (subject to being available and in their absolute discretion):

- (a) Quote Prices, Price Depth and the Price Ladder to you;
- (b) Place Orders on your behalf;
- (c) Waive or amend a Product Limit;
- (d) Amend attributes at your request or with your consent;
- (e) Cancel an Order if it would be executed outside a Boundary;
- (f) Place Limit Orders outside of Trading Hours;
- (g) Set and/or waive Order Cluster Limits, GSLO Cluster Limits and GSLO Limits; and
- (h) Roll-Over Forwards.

### 16.3 Authorised Persons

Our Client Management Team shall be entitled to act upon the oral, electronic or written instructions of any Authorised Person or any person who reasonably appears or purports to be an Authorised Person, notwithstanding that the person is not, in fact, so authorised. In particular, we shall be entitled to act upon any instructions or orders transmitted using your Account Sign-in, whether via the Platform or through our Client Management Team unless you have notified us that you know or suspect that an unauthorised person has or may have access to your Account.

### 16.4 Trading through our Client Management Team

Where we have provided access to the Sales Trader service to you and have not withdrawn that service, in addition to entering into Trades through the Platform you may contact our Client Management Team in relation to placing an Order in respect of a Manual Product. We may in our sole discretion refuse any request to enter into any Trade or Order in relation to a Manual Product, regardless of whether or not you have previously entered into Trades or placed Orders on that particular Manual Product.

### 16.5 Accessing our Client Management Team

In addition to accessing the Platform, it is your responsibility to ensure that you have the necessary means of contacting our Client Management Team. We will do our best to make the Client Management Team available when required by you, but during periods of high demand and due to other Circumstances Outside Our Control we cannot promise that you will always be able to access our Client Management Team immediately. In such circumstances, we strongly recommend that you send us an e-mail at [trading@cmcmarkets.com.au](mailto:trading@cmcmarkets.com.au) detailing your request. You should note that we may need to suspend the availability of our Client Management Team and we do not guarantee access to our Client Management Team. Where possible we will suggest alternative ways for you to place or modify Manual Orders. You agree that CMC Markets will not be liable to you for any loss as a result of any delay you may experience in speaking to our Client Management Team.

**You will be able to obtain information regarding your trading activity carried on through our Client Management Team when you access your Account through the Platform, however you will not be able to place, modify or take any other actions on Manual Orders through the Platform. Manual Orders can only be placed, modified, rolled-over or closed through our Client Management Team.**

### 16.6 Manual Products

Information on any Manual Product will only be available through the Product Library once you have contacted our Client Management Team in order to commence trading in that Manual Product.

Information about an executed Trade with respect to Manual Products will be available once it has been input by our Client Management Team.

### 16.7 Orders and Order Execution

You must contact our Client Management Team to enter into or close a Trade in relation to a Manual Product or a Trade which requires a Manual Order. Our Client Management Team can also place Orders on your behalf through the Platform on Products which are not Manual Products

and/or which do not require a Manual Order. Unlike Trades placed by you on the Platform for Products which are not Manual Products, Trades in Manual Products are not fully automated.

When you place an Order through our Client Management Team to enter into or close a Trade in relation to a Manual Product or which otherwise requires a Manual Order, the member of the Client Management Team will quote the relevant Price and other related terms for that Order which you will be free to accept or reject.

An Order (including a Pending Order and a Manual Order) placed through our Platform (whether by you directly or through a member of the Client Management Team) will only be deemed to be received by our Platform at the time at which our Platform actually receives it, which may not be immediately after you submit that Order (for example, due to poor internet connectivity or the time it takes for our Client Management Team to input the Order into the Platform on your behalf).

To enter into or close a Trade on a Manual Product or which requires a Manual Order, you must contact our Client Management Team. You will need to specify the Product and agree with the member of the Client Management Team 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 (as applicable), the number of Units (which may be calculated by the member of the Client Management Team based on the amount you specify), any Boundary (if relevant) and the Stop Loss Order and/or Take Profit Order that you wish to apply to that Trade (if any) along with any other information relevant to the Order. Once a member of our Client Management Team has accepted and/or executed your Order, the member of our Client Management Team will input the relevant information onto the Platform.

A Manual Order will be deemed to be received when the relevant member of the Client Management Team has confirmed the Order in writing or verbally to you.

Manual Orders may only be modified or cancelled through our Client Management Team. Trades on Manual Products which require a Manual Order to be closed can only be closed through our Client Management Team.

Orders and/or Trades placed and/or entered into through our Client Management Team (including Limit Orders which may be placed outside of Trading Hours) will generally also be executed on a 'first come, first served basis'.

The Price at which an Order will be executed may be less favourable to you than the Price displayed on our Platform and/or the Price provided by our Client Management Team when you placed the Order (for instance due to market movements between the time you and/or our Client Management Team, acting on your behalf, submit the Order and the time that the Platform executes your Order).

Order Cluster limits may, in our sole discretion, be waived for Manual Orders placed or Trades entered into through our Client Management Team.

## 16.8 Errors

Further to section 2.20 of the PDS ("Errors") additional examples of Error include a member of our Client Management Team quoting, inserting or recording incorrect information (including an incorrect Price, Order type, direction or Product) when placing or receiving an Order (particularly a Manual Order). You are responsible for checking the Price at which an Order may have been executed, if the Order is accepted by the Platform or our Client Management Team.

## 16.9 Commission and other charges

We may in our sole discretion waive our fees, Commission, costs or charges (in whole or in part) when an Order is placed through a member of our Client Management Team. In circumstances where we are prepared to waive our fees, Commission, costs or charges a member of our Client Management Team will notify you at the time the Order is placed.

## 16.10 Account Close-Out – Manual Products

Manual Products that require a Manual Order to close may not be included in the automatic Account Close-Out process and accordingly the Full Account Close-Out and Alternative Account Close-Out processes described in sections 6.3 will generally exclude Manual Products. A member of the Client Management Team will take the necessary action to close out Trades in a Manual Product at their discretion and in accordance with any relevant instructions provided by you where commercially reasonable in the circumstances.

If following any Account Close-Out as described in section 6.3 your Account Revaluation Amount for an Account is still at or below the Close-Out Level, our Client Management Team will initiate Manual Product Account Close-Out.

As an alternative to Account Close-Out and Manual Product Account Close-Out, our Client Management Team may agree with you that if and when your Account Revaluation Amount for an Account falls below the Close-Out Level for that Account, the Client Management Team will be able to suspend or override any Account Close-Out initiated by the Platform and initiate Manual Account Close-Out, if they see fit in their sole discretion. In the event of a Manual Account Close-Out, our Client Management Team will manually close all or a portion of the Margin Trades and/or Positions on the Account (in relation to any Product, including Manual Products) as far as they see fit in their sole discretion taking into account any prior instructions you have given regarding the sequence of closure(s) of Margin Trades and/or Positions on the Account.

### 16.10.1 Manual Product Account Close-Out

If following any Account Close-Out as described in section 6.3.3, your Account Revaluation Amount for an Account is still at or below the Close-Out Level, our Client Management Team will, subject to paragraph 16.10.3 below, take the following actions (referred to collectively as "Manual Product Account Close-Out"):

#### Step 1 - Initial Manual Product Close-Out

(a) each Tradable Standard Trade in respect of Manual Products will be closed at the applicable Manual Price; and

- (b) subsequently, if either the Absolute Close-Out Level or the Prime Close-Out Level has been breached, each Tradable GSLO Trade in respect of Manual Products will be closed at the applicable Manual Price.

## Step 2 – Subsequent Manual Product 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 in respect of a Manual Product that was not previously Tradable becomes Tradable, each such Standard Trade will be closed at the applicable Manual 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 in respect of a Manual Product that was not previously Tradable becomes Tradable, each such GSLO Trade will be automatically closed at the relevant Manual Price.

## Step 3 – Additional Subsequent Manual Product Close-Outs

- (e) Subsequent Manual Product Close-Outs will be continually repeated until there are no remaining Margin Trades on your Account. Standard Trades relating to the same Manual Product may be aggregated by our Client Management Team during the Initial Manual Product Close-Out and/or any Subsequent Manual Product Close-Out.

### 16.10.2 Manual Account Close-Out by our Client Management Team

If your Account Revaluation Amount for an Account falls to an Amount at or below the Close-Out Level at any point in time, and our Client Management Team have previously agreed with you that they may suspend or override any Account Close-Out initiated by the Platform, our Client Management Team may, as they see fit in their sole discretion, take any or all of the following actions (referred to collectively as “**Manual Account Close-Out**”):

- (a) suspend or override any Account Close-Out initiated by the Platform;
- (b) manually close all or a portion of the Margin Trades and/or Positions on your Account in respect of any Tradable Products (including Manual Products), at the applicable Price (the “**Initial Manual Close-Out**”); and
- (c) subject to paragraph 16.10.3 below, as and when a Product that was not previously Tradable becomes Tradable, close all or a portion of any remaining Margin Trades and/or Positions at the applicable Price, (each one or both of these actions being a “**Subsequent Manual Close-Out**”); and
- (d) subject to section 16.10.3 below, repeat the Subsequent Manual Close-Out until there are no remaining Margin Trades on your Account.

### 16.10.3 Suspension of Manual Product Account Close-Out – Standard Trades

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

- (a) the Manual Account Close-Out;
- (b) any change to your Net Unrealised Profit or Loss;
- (c) you having made a payment into your Account that has been credited to your Account or the Cash in your Account increasing as a result of receiving a Binary Profit or Countdown Profit after an Initial Manual Close-Out or any Subsequent Manual Close-Out, and before the next Subsequent Manual Product Close-Out was due to commence; or
- (d) the combined effect of (a) to (c) above,

then, following the completion of any Initial Manual Close-Out or Subsequent Manual Close-Out (as applicable) that is underway at the time of such an increase in your Account Revaluation Amount (if applicable), our Client Management Team may, as they see fit in their sole discretion, stop the Manual Account Close-Out in respect of Standard Trades. However, please note that, subject to section 16.10.4, Subsequent Close-Outs in respect of GSLO Trades may continue.

### 16.10.4 Suspension of Manual Product Account Close-Out – GSLO Trades

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

- (a) the Manual Account Close-Out;
- (b) any change to your Net Unrealised Profit or Loss;
- (c) you having made a payment into your Account that has been credited to your Account or the Cash in your Account increasing as a result of receiving a Binary Profit or Countdown Profit after an Initial Manual Close-Out or any Subsequent Manual Close-Out, and before the next Subsequent Manual Product Close-Out was due to commence; or
- (d) the combined effect of (a) to (c) above,

then, following the completion of any Initial Manual Close-Out or Subsequent Manual Close-Out (as applicable) that is underway at the time of such an increase in your Account Revaluation Amount (if applicable), our Client Management Team may, as they see fit in their sole discretion, stop the Manual Account Close-Out in respect of GSLO Trades. However, please note that, subject to section 16.10.3, Subsequent Close-Outs in respect of Standard Trades may continue.

### 16.10.5 General

Trades relating to the same Products may be aggregated by our Client Management Team during the Initial Manual Close-Out and/or any Subsequent Manual Close-Out.

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

For the avoidance of doubt, even if your Account Revaluation Amount increases above the Close-Out Level following an Initial Manual Close-Out or any Subsequent Manual Close-Out, our Client Management Team may, as they see fit in their sole discretion, continue the Manual Account Close-Out and close all or a portion of any remaining Trades and/or Positions on your Account.

Our Client Management Team may in their sole discretion modify any aspect of the Account Close-Out Process in respect of Manual Products where you have notified us of your preferences (for example in relation to the order in which your Trades are to be closed). However, we do not guarantee that we will be able to meet any or all of your preferences. If you have not specified any preferences our client management team will close your Margin Trades and/or Positions in such manner and sequence as they see fit in their sole discretion.

### 16.10.6 Close-Out – Binaries and Countdowns

For the avoidance of doubt, any open Binaries or Countdowns will not be closed during Account Close-Out.

## 16.11 Reserved Actions – Manual Products

In addition to the Reserved Actions set out in the PDS, upon the occurrence of a Specified Event we may also:

- (a) Impose any additional terms in relation to any Manual Order that we deem necessary in the circumstances;
- (b) Restrict or remove your ability to place Manual Orders and/or place any Orders through our Client Management Team and/or restrict or remove the service provided by our Client Management Team entirely, whether temporarily or permanently;
- (c) Remove any Product from the service provided by our Client Management Team and/or remove your ability to place Trades on a particular Product from an Account;
- (d) Downgrade your Account and/or remove access to the Sales Trader service.

When taking a Reserved Action we will also, as far as our Client Management Team see fit in their sole discretion, take into account any prior instructions you may have given our Client Management Team regarding the sequence of closure(s), cancellation(s) and/or suspension(s) of Trades and/or Orders (including Pending Orders and Manual Orders) and/or Positions (in whole or in part) on your Account.

## 16.12 Amendments to Manual Orders

We may, in our discretion, make amendments in relation to a Manual Order as requested by you or with your consent.

## 16.13 Removal of Sales Trader service

We may in our sole discretion remove the Sales Trader service at any time. We will provide you with reasonable notice in writing, where possible, of this decision. If the Sales Trader service is removed, on and from the date specified in the notice:

- (a) all Orders to enter into and close Trades must be placed through the Platform (rather than through our Client Management Team);
- (b) no new Manual Orders may be placed; and
- (c) any and all Trades or Pending Orders on Manual Products must be closed and/or cancelled.

We will aim to provide you with at least ten (10) Business Days' notice in which to close any Trade in relation to a Manual Product, however, where in our reasonable opinion it is necessary and fair to do so, 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 Trades in respect of any Manual Product following our decision to remove the Sales Trader service. If you do not do this, we will cancel any Pending Orders and close any Trades in respect of that Manual Product at the time and in the manner specified in the notice.

## 16.14 Changing your Account status or terminating your access to the Sales Trader service

In addition to our rights to downgrade an Account as a Reserved Action, we may change any Account status and/or terminate your access to the Sales Trader service by giving you notice in writing, which 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 specifies otherwise, you will be allowed to close any Manual Orders during the time between (i) when we give you the notice; and (ii) when your Account status is due to be changed and/or your access to the Sales Trader service is due to terminate in accordance with the notice. If you do not do this or giving you notice is not possible, we will cancel any Pending Orders relating to Manual Products and close any Manual Orders on your Account taking into account any prior instructions you may have provided regarding the sequences of closures(s), cancellation(s) and/or suspension(s) of Trades and/or Orders on your Account as our Client Management Team see fit in their sole discretion.

If we have valid reasons for doing so, we may downgrade an account and/or terminate your access to the Sales Trader service with less than ten (10) Business Days' notice, including immediately. We will cancel any Pending Orders relating to Manual Products and close any Manual Orders on your Account at the time and in the manner specified in the notice and, as far as reasonably practicable, taking into account any prior instructions you have provided to our Client Management Team.

## 16.15 Additional Risks

### 16.15.1 Access to the Client Management Team.

Trades on Manual Products can only be opened and closed through our Client Management Team. We will do our best to make the Client Management Team available when required by you, but during periods of high demand and due to other circumstances outside our control we cannot promise that you will always be able to access the Client Management Team immediately. This may prevent you from taking quick actions and increase the risks associated with those Products.

Where we need to suspend the availability of our Client Management Team we will attempt to suggest alternative ways for you to place or modify Manual Orders.

### 16.15.2 Negative Independent Margin

If we allow a negative Independent Margin on your account, this is not a credit facility or a loan. It does not restrict your losses or financial liability and you are still liable to pay all losses to us that are due and payable. We may amend or remove any negative Independent Margin at any time in accordance with this PDS.

## 16.16 Liability

In addition to the circumstances set out in 14.7 we will not be liable to you for any loss which arises as a result of:

- (a) any delay you may incur in speaking to our Client Management Team, for instance because they are busy helping other Clients; or
- (b) unclear or ambiguous instructions from you leading to errors in respect of your Trades, including a member of our Client Management Team quoting, inserting or recording incorrect information (including an incorrect Price, Order type, directions or Products) when placing an Order (particularly a Manual Order).

## 16.17 Additional Glossary Terms

In addition to the terms defined in the Glossary of this PDS, the following terms are used in respect of the Sales Trader service.

|  |  |
|--|--|
| <b>Initial Manual Close-Out</b>            | The initial closing of Trades in any CMC Products by our client management team during any Manual Account Close-Out, as described in section 16.10.1.  |
| <b>Initial Manual Product Close-Out</b>    | The initial closing of Trades in Manual Products by our client management team during any Manual Product Account Close-Out, as described in section 16.10.1.   |
| <b>Manual Account Close-Out</b>            | The closure of the whole or a portion of your Trades and/or Positions in any CMC Products (including Manual Products) by our Client Management Team as described in section 16.10.   |
| <b>Manual Order</b>                        | An Order:<br>(i) in relation to a Manual Product; or<br>(ii) which requires the consent of our Client Management Team to vary the terms of the Agreement in relation to that Order (including Pending Orders) or Trade and, in particular, to vary any of the Attributes or the Price generated by the Platform. |
| <b>Manual Price</b>                        | The Buy Price or Sell Price (as applicable) quoted to you by a member of our Client Management Team in relation to a Manual Order, which may differ from the relevant Buy Price or Sell Price generated by the Platform for an identical Order.  |
| <b>Manual Product</b>                      | A Product in respect of which we will only accept Orders or allow you to enter into Trades through our Client Management Team.   |
| <b>Manual Product Account Close-Out</b>    | The closure of the whole or a portion of your Trades and/or Positions in Manual Products by our client management team, as described in section 16.10.   |
| <b>Subsequent Manual Close-Out</b>         | Any closing of Trades in any Products by our Client Management Team during any Manual Account Close-Out that is subsequent to the Initial Manual Close-Out, as further described in section 16.10.   |
| <b>Subsequent Manual Product Close-Out</b> | Any closing of Trades in Manual Products by our client management team during any Manual Product Account Close-Out that is subsequent to the Initial Manual Product Close-Out, as further described in section 16.10.  |

In addition, the following terms defined in the Glossary are modified as noted below:

**Price** includes Manual Price.

**Product** includes Manual Product.



Order includes Manual Order.

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