

**Product
Disclosure
Statement
CommSec
CFDs**



We're here to help

To find out more, call us on **1300 307 853**, from 8am Monday to 6am Saturday, email us at cfd@commsec.com.au or visit our website at commsec.com.au.

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Important Information

Contracts for difference (CFDs) are speculative products that are highly leveraged and carry significantly greater risk than ungeared investments such as share trading. You should not invest in CFDs unless you are experienced in derivatives and understand and are comfortable with the risks of investing in CFDs.

You should obtain your own financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.

This Product Disclosure Statement (PDS) relates to trading in CFDs by our Australian resident customers on individual shares, stock indices, currencies, futures contracts, commodities and such other CFDs as may be notified to you from time to time.

This PDS is important and should be read in its entirety. Before you open a CFD Account with us and invest in CFDs, you should read and understand this PDS, in particular Section 5 "Significant Risks", and determine whether this product is suitable for you.

This PDS also contains other important information about the costs of CFDs and the significant risks, characteristics, features and benefits of CFDs. This PDS is current as at the time of issue. Information in this PDS is subject to change from time to time. Where information is not materially adverse to you, we will update the information by posting a notice on our website at commsec.com.au. You can request a paper copy, without charge, of updated information by telephoning **1300 307 853**.

The Contract Details, which covers a list of contracts available for trading and technical information on the market details for our CFDs, the associated costs for the CFDs and any amounts that we may require you to pay or amounts that we will pay you in respect of your CFD Account with us, are available on our website at commsec.com.au.

CommSec is the issuer of this product. CommSec is a wholly owned but non-guaranteed subsidiary of the Commonwealth Bank of Australia ABN 48 123 123 124 AFSL 234945 and is a Participant of the ASX Group and Chi-X.

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1. Regulatory Disclosure Benchmarks for OTC CFDs

The Australian Securities and Investment Commission (ASIC) has developed seven disclosure benchmarks for over-the-counter (OTC) CFDs that can help retail investors understand the risks associated with CFDs, assess their potential benefits and decide whether investment in CFDs is suitable for them.

More information about the disclosure benchmarks can be found in ASIC Regulatory Guide 227 issued in August 2011. The table below sets out the benchmarks with details of how CommSec meets, or why CommSec does not meet, each one. CommSec is committed to maintaining compliance with the disclosure benchmarks as indicated; any change in CommSec's compliance with these benchmarks will be notified to you via our website at commsec.com.au.

Disclosure benchmark	Meet benchmark?	Related information
<p>Client qualification</p> <p>Addresses the issuer's policy on investors' qualification for CFD trading</p>	Yes	<p>CommSec will assess your client qualifications when you apply to open a CFD Account.</p> <p>The client qualification process includes a knowledge and experience questionnaire and a financial capacity assessment.</p> <p>Further information can be found in Section 6.1 Opening a CFD Account of this PDS.</p>
<p>Opening collateral</p> <p>Addresses the issuer's policy on the types of assets accepted from investors as opening collateral</p>	Yes	<p>CommSec only accepts cash as opening collateral for CFD accounts.</p> <p>Further information about depositing funds is available in Section 8.4 Funding a CFD Account of this PDS.</p>
<p>Counterparty risk – hedging</p> <p>Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging</p>	Yes	<p>CommSec's counterparty risk policy is designed to protect CommSec and our clients from any sudden changes in the liquidity, credit quality or solvency of our hedging counterparty.</p> <p>Further information can be found in Section 5.1 Counterparty risk - hedging of this PDS.</p>

Disclosure benchmark	Meet benchmark?	Related information
<p>Counterparty risk – financial resources</p> <p>Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements</p>	<p>No</p>	<p>CommSec maintains and applies policies to ensure we meet all our regulatory obligations in relation to risk, capital and reporting, including the requirements of an Australian Financial Services Licensee.</p> <p>Further information can be found in Section 5.2 Counterparty risk – financial resources of this PDS.</p>
<p>Client money</p> <p>Addresses the issuer’s policy on client money</p>	<p>Yes</p>	<p>CommSec has a detailed client money policy. CommSec does not use money deposited by one investor to meet the margin or settlement requirements of another client, and indeed this is prohibited under the Governing Legislation. Client money will be held in a client money account and otherwise dealt with in accordance with the requirements of the Governing Legislation.</p> <p>Further information can be found in Section 8.3 Client money of this PDS.</p>
<p>Suspended or halted underlying Instruments</p> <p>Addresses the issuer’s practices in relation to investor trading when trading in the underlying Instrument is suspended or halted</p>	<p>Yes</p>	<p>CommSec usually will not allow new positions to be opened when trading in the underlying Instrument has been halted or suspended in accordance with the rules of the relevant Underlying Market. For the avoidance of any doubt, an underlying Instrument is not halted or suspended from trading merely because the relevant Underlying Market has ceased trading overnight or is closed on a particular day or at a certain time (for example, public holidays).</p> <p>Further information can be found in Section 7.1 Commission and Spread of this PDS.</p>
<p>Margin Calls</p> <p>Addresses the issuer’s practices in the event of your CFD Account entering into Margin Call</p>	<p>Yes</p>	<p>CommSec maintains and applies a written policy in relation to Margin Call practices and our discretions relating to close-outs.</p> <p>Further information can be found in Section 6.7.6 Margin Call of this PDS.</p>

2. What is a CFD?

A contract for difference (CFD) is an agreement which allows you to make a profit or loss from fluctuations in the price of an underlying Instrument without actually owning that Instrument. The CFD is a contract between you and CommSec as the product issuer. You cannot trade CFDs through an exchange; rather, a CFD is a private Transaction between you and CommSec. Accordingly, you can only enter into the Transaction by contacting CommSec. Once a CFD is entered into, you can only close it by contacting CommSec.

Under a CFD, one party is entitled to be paid an amount of money, or is required to pay an amount of money, depending on movements in the price or value of the underlying Instrument. This Transaction concludes with the parties settling the difference between the value of the underlying Instrument at the time the CFD was entered into and the value of the underlying Instrument at the time the CFD is closed. During the term of the CFD, it will be marked-to-market against the price of the underlying Instrument to reflect any changes in the value of the underlying Instrument during the term of the CFD, a payment will generally have to be made by you to CommSec, or to you by CommSec.

CFD trading allows you to take leveraged long or short positions without having to take or make delivery of the underlying Instrument. To protect our position, you must hold a cash deposit (known as the Margin) in your Account as collateral. The amount of the Margin fluctuates daily depending on the contract value of the CFD where the Margin is based on a percentage of the value of the underlying Transaction.

Although a CFD generally replicates the price movement of the underlying Instrument, you have no right or obligation to acquire or deliver the Instrument itself and do not have any of the rights of the shareholders of the underlying Instruments, such as voting rights or dividends. Although you are not directly entitled to receive any dividends or other distributions which may be paid in respect of the underlying Instrument, certain cash adjustments may be made to your CFD Account on or as a result of a dividend or other distribution in respect of the underlying Instrument. This mirrors the economic effect of holding the underlying Instrument (see Section 6.8 and 6.9 for more information).

3. Overview of OTC CFDS

<p>The issuer of this PDS and the CFDS</p>	<p>This PDS and the CFDS are issued by Commonwealth Securities Limited ABN 60 067 254 399 (CommSec).</p> <p>CommSec's contact details are:</p> <p>Commonwealth Securities Limited Locked Bag 22 Australia Square NSW 1215 Telephone: 1300 307 853</p> <p>Our registered office is:</p> <p>Ground Floor Tower 1 201 Sussex Street Sydney NSW 2000</p> <p>CommSec's Australian Financial Services Licence number is 238814.</p>
<p>Available markets and underlying listed securities</p>	<p>CommSec offers CFDS on individual shares, stock indices, currencies, futures contracts, commodities and such other CFDS as may be notified to you from time to time. You can find the latest Contract Details at commsec.com.au.</p>
<p>Opening a CFD Account</p>	<p>To open a CFD Account, you need to have an existing CommSec share trading account or a CommSec Margin Loan account. To obtain a share trading account application form, call us on 13 15 19 or complete an online application form at commsec.com.au.</p> <p>Before opening a CFD Account with CommSec, you should ensure that you have read this PDS and the Financial Services Guide (FSG) and understand the CFDS offered in accordance with this PDS.</p> <p>After doing this, if you are satisfied that CFD trading is appropriate for you, you can open a CFD Account by completing and signing the CFD Application Form online at commsec.com.au and returning it to CommSec. CommSec reserves the right to refuse to open a CFD Account for any applicant.</p> <p>We offer two types of accounts: Limited Risk and Trader.</p> <p>The two types of accounts have different features, including but not limited to margining procedures, Margin rates, trading limits and risk protection features. Further details can be found in Section 6.1 of this PDS.</p>
<p>Minimum CFD Account balance</p>	<p>To activate your CFD Account you must deposit at least AU\$500. Once your CFD Account is open, there is no ongoing minimum account balance required. However, if you enter into a CFD or subscribe to market data you must ensure that the amount in your CFD Account is sufficient to meet all payments when due.</p>
<p>Base currency</p>	<p>You deposit Australian dollars into your CFD Account. This is the base currency of your CFD Account. You can only deposit and withdraw in Australian dollars.</p> <p>When your position is closed, any foreign currency profit and loss will be converted to Australian dollars before being applied to your CFD Account. This includes any charges such as funding, commission or dividend adjustments.</p> <p>CommSec also offers a daily, weekly or monthly currency conversion setting.</p>

Entering into a CFD transaction	<p>You can enter into a CFD transaction either via our Electronic Trading Platform or by contacting CommSec by telephone.</p> <p>You can enter into either a long position (buying) or a short position (selling).</p> <p>Further details can be found in Section 6.2 of this PDS.</p>
Closing a CFD position	<p>With most CFDs, you can hold the position for as long as you like. Some CFDs have a set expiry date, upon which the position will be closed automatically (Expiry Transaction). These CFDs can be closed before the expiry date, or rolled into another contract if one is available, provided you do so before the Last Dealing Time.</p> <p>CommSec also has the right to close out a CFD position in certain circumstances including, but not limited to, when you do not meet a margin call within the required timeframe or when your CFD Account is in default.</p> <p>Your CFD position will also be closed out if your Guaranteed Stop or Non-Guaranteed Order is triggered.</p> <p>Further details can be found in Section 6.3, 6.6 and 6.7.6 of this PDS.</p>
Long and short positions	<p>If you take a long position you generally profit from a rise in the underlying Instrument's price during the term of the CFD and you generally make a loss if the underlying Instrument's price falls during the term of the CFD.</p> <p>If you take a short position, you generally profit from a fall in the underlying Instruments price during the term of the CFD, and you make a loss if the underlying Instrument's price rises during the term of the CFD.</p>
Currency denomination	<p>The contract value of each CFD, all debits and credits in respect of the CFD and the closing value of the CFD are denominated in the relevant Currency of the CFD contract Instrument (Contract Currency).</p> <p>If any of your positions are denominated in a Currency other than Australian dollars, they will be continually valued at the applicable interbank mid-market spot Exchange Rate. Your Statement will then value all your positions in Australian dollars.</p>
Margin requirements	<p>Margin must be held in your Account for each CFD you enter into and is determined by CommSec at our sole discretion. The Margin requirement is calculated as a percentage of the Contract Value of the CFD.</p> <p>Additional Margin will be payable by you to CommSec should your positions deteriorate and there are insufficient funds available in your CFD Account to meet Margin requirements in your CFD trading account.</p> <p>If a Stop Order or Guaranteed Stop Order applies to a CFD position, the CFD position may be closed before Additional Margin payments are required.</p> <p>You must bring your CFD Account above Margin requirements by 2pm on the next Business Day, or such lesser time as CommSec may require and as notified to you. If you fail to do so, CommSec may close out open CFD positions and close open CFD orders without further notice to you. CommSec will notify you that you are required to pay Additional Margin by email or other electronic means.</p> <p>Margin payments are required to be in the form of cleared funds into your Account.</p> <p>Current Margin rates are available from the Electronic Trading Platform or at commsec.com.au.</p> <p>Further details and exceptions can be found in Section 6.7 of this PDS.</p>

<p>Withdrawing money from your CFD Account</p>	<p>You may request a withdrawal of money from your CFD Account online at commsec.com.au or by contacting CommSec by telephone. If CommSec receives a withdrawal request, we will determine in our absolute discretion whether to agree to such a withdrawal. You will only be able to make a withdrawal from your CFD Account in Australian dollars and if you have available funds.</p>
<p>Fees payable</p>	<p>The costs involved in opening a CFD position will vary depending on the contract traded. Costs may include Commissions, Spreads, stock borrowing charges, Currency conversion charges and Exchange fees.</p> <p>Further details can be found in Section 7 of this PDS or online at commsec.com.au.</p>
<p>The risks of CFDs</p>	<p>CFDs can be highly leveraged and carry a high level of risk. Highly leveraged means that using them can greatly magnify gains or losses in the underlying Instrument. You can lose more than your deposits. You should seek independent advice and consider carefully whether CFDs are appropriate for you given your experience, financial objectives and situation, needs and circumstances.</p> <p>The significant risks involved in trading CFDs include:</p> <ul style="list-style-type: none"> • Leverage risk • Counterparty risk • Market risk • Currency risk • Operational and system risk <p>Further details can be found in Section 5 of this PDS.</p>
<p>The benefits of CFDs</p>	<p>You can use CFDs in a number of ways with potential benefits, including:</p> <ul style="list-style-type: none"> • Hedging of exposure to a position in the underlying Instrument • Trade with a view to profiting from market fluctuations • Leverage • Diversification <p>Further details can be found in Section 4 of this PDS.</p>
<p>Tax implications of CFDs</p>	<p>The general Australian taxation implications of CFDs offered by CommSec are set out in Section 8.7 of this PDS.</p>
<p>Further information</p>	<p>For further information, contact your financial, legal, taxation or other professional adviser, or contact CommSec on 1300 307 853.</p>

4. Benefits

CFDs are highly leveraged products that carry significant risk. They are traded by those who are experienced in equity and/or derivatives and understand and accept the risks of trading in CFDs. Investors and traders matching this profile may use CFDs for a range of purposes.

Hedging	Traders can use CFDs to hedge their exposure to the underlying Instrument. For example, if you have existing holdings of underlying shares, you can use CFDs as a risk management tool to help reduce exposure to loss when the price falls by taking a short CFD position. If the price of the underlying shares you hold falls, the short CFD position will wholly or partly offset the losses incurred on the physical holdings.
Profiting from trading view	Some people trade with a view to profiting from fluctuations in the price or value of the underlying Instrument. For example, short-term investors who are looking to profit from intra-day and overnight market movements in the underlying shares may trade share CFDs. CFD traders may not wish to sell or purchase the underlying shares themselves, but may instead be looking to profit* from market movements in the shares concerned.
Diversification	Trading CFDs may potentially offer greater portfolio diversification through exposure to different asset classes such as foreign exchange, commodities and international equity markets.
Leverage	CFDs allow people to trade on a leveraged basis. You are able to outlay a relatively small amount (in the form of a Margin) to secure exposure to the underlying Instrument.

* The risk of loss in trading in derivatives or leveraged products can be substantial. You should carefully consider whether trading in such products is appropriate for you in light of your objectives, financial situation and circumstances and needs.

5. Significant Risks

Trading in CFDs is speculative and carries a high level of risk. Returns are volatile. You should seek independent advice and consider carefully whether CFDs are appropriate for you before entering into the CFD Agreement, given your experience, financial objectives and situation, needs and circumstances.

The following is only a summary of the significant risks involved in trading CFDs. CommSec strongly recommends that you obtain independent advice before proceeding with a transaction. You should also consider seeking independent advice before entering into the CFD Client Agreement, as it is an important legal document which is legally binding on you. **Please read the “Thinking of trading contracts for difference (CFDs)?” booklet from ASIC. Please pay close attention to the self assessment questions.**

Leverage	The high degree of leverage that is involved in CFDs because of small Margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.
Loss of margin (your collateral)	<p>You could sustain a loss substantially greater than the Margin required to establish and maintain a CFD position. In addition, you could be required to pay further funds representing losses and other fees on your open and closed CFD positions.</p> <p>If you hold a Guaranteed Stop Order against your position, you could lose the entirety of the Margin required to establish and maintain the CFD position.</p>
Additional Margin	<p>If the price of the underlying Instrument moves against your CFD position, you may be required, at short notice, to deposit Additional Margin into your Account in order to maintain your position.</p> <p>The amount of the Additional Margin may be substantial. If you fail to provide the Additional Margin when required, your position may be liquidated at a loss and you will be liable for any shortfall in your CFD Account resulting from that failure.</p>
Counterparty risk	<p>You will be exposed to the financial risk associated with dealing with CommSec. If the financial conditions of CommSec were to deteriorate, then CommSec might not be able to fulfill our obligations to you. You could become an unsecured creditor in our administration or liquidation and you would not have any recourse to any underlying Instrument.</p> <p>Further details can be found in Sections 5.1 and 5.2 of this PDS.</p>
Operational risk	Operational risk is inherent in every CFD Transaction. For example, disruptions in our or our hedging counterparty’s operational processes (such as communications, computers and computer networks) or external events may lead to delays in the execution and settlement of a CFD Transaction.
External market forces	Financial markets can change rapidly. Prices of Instruments and securities, including shares, depend on a number of factors, such as interest rates, demand and supply, actions by the company or issuer concerned and actions of government. International share markets, particularly developing markets, may be more volatile than the Australian market. In some cases underlying Instruments may be suspended from trading or have their quotations withdrawn from the Exchange where they are traded. These factors will directly affect a CFD’s value.

Corporate Events	<p>We do not aim to make a profit from you from the outcome of Corporate Events. We aim to reflect the treatment we receive, or would receive if we were hedging our exposure to you in the Underlying Market. However, the treatment you receive may be less advantageous than if you owned the underlying Instrument.</p> <p>Further details can be found in Section 6.10 of this PDS.</p>
CommSec's powers on default, indemnities and limitations on liability	<p>If you fail to pay any amounts payable to CommSec, or fail to perform any obligation included in the CFD Client Agreement or breach any of the terms of the CFD Client Agreement, we have extensive powers to take steps to protect our position, as set out in this PDS and the CFD Client Agreement. These powers include the power to close out positions and the power to charge default interest. Under the CFD Client Agreement you also indemnify CommSec, our Associated Companies, directors, officers, employees, agents and authorised representatives against certain losses and liabilities. Further, CommSec's liability to you is expressly limited as set out in the CFD Client Agreement. You should read the CFD Client Agreement carefully and if necessary, obtain legal advice to understand these matters.</p>
Liquidity	<p>Under certain conditions, it may become difficult, costly or impossible for you to close out a position. This can happen when there is a significant change in the price or value of the underlying Instrument over a short period. Also, if you close a CFD while the underlying Instrument is subject to a Corporate Event, there may be a delay before any proceeds are credited to your CFD Account. Some international markets may have lower trading volumes than the primary international markets. This may increase the risk that the liquidity of an Instrument is decreased or removed.</p>
Political risk	<p>Political changes in a country can have a significant impact on the value of Instruments quoted on an Exchange in that country. Political risks may arise, for example, from a change in government, change in economic policy, trade restrictions, nationalisation of industries or instability in the region.</p>
Regulatory environment	<p>The level of government regulation in a country in which an Instrument is quoted may be less than the level of regulation which applies in Australia. This may lead to increased fluctuations in, and may adversely affect, the value of an Instrument.</p>
Interest rate fluctuations	<p>The interest adjustments that are relevant to your open CFD positions will be affected by fluctuations in the applicable interest rate.</p>

<p>Foreign exchange exposure</p>	<p>When you enter into a CFD, all Margins, profits, losses, debits and credits that relate to the CFD are calculated, and are payable, in the contract Currency. Accordingly you will be exposed to foreign exchange rate fluctuations during the term of a CFD which is not denominated in Australian dollars. In addition, upon closing a CFD position the realised profit or loss is converted to Australian dollars. Until the foreign currency balance is converted to Australian dollars, fluctuations in the relevant foreign exchange rate may affect your ultimate profit or loss made on the CFD position in Australian dollars.</p> <p>Foreign exchange markets can change rapidly. Exchange Rates depend on a number of factors including, for example, interest rates, Currency supply and demand and actions of the government. In some situations, exchanges of Currency may be suspended. There are also operational risks associated with a foreign exchange transaction. For example, disruptions in our operational processes, such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a foreign exchange transaction. You should be aware of these risks when considering foreign exchange CFD transactions.</p>
<p>Involuntary close-out</p>	<p>CommSec has the right to close out a CFD without notice in a number of circumstances. Accordingly, you may not be able to anticipate or control the time at which a CFD position is closed out. It is possible that close-out may occur when you have insufficient funds in your CFD Account to cover payment of any amounts payable by you.</p> <p>Further details can be found in Section 6.7.6 of this PDS.</p>
<p>Non-Guaranteed Orders</p>	<p>If the price of the underlying Instrument moves suddenly, your Non-Guaranteed Order such as a stop loss may not be filled, or may be filled at a different price to that specified by you. You may suffer losses as a result.</p> <p>In addition, due to technical reasons or other restrictions which apply in a particular jurisdiction, a Non-Guaranteed Order you place on the Electronic Trading Platform may not be processed even where the parameters of the contingent order have been met.</p>
<p>Proscribed entities</p>	<p>As Australia is a member state of the United Nations, we are obliged to implement United Nations Security Council sanctions. Consequently, CommSec may be prohibited from dealing with certain persons or entities. This means that if it appears that you are, or act on behalf of, a proscribed person or entity, then CommSec may be required to suspend, cancel or refuse our services or close or terminate any arrangement with you. We may also be required to freeze your assets. You could incur significant costs as a result of these actions.</p>

5.1 COUNTERPARTY RISK – HEDGING

As CommSec is the sole counterparty to our clients, you may sustain a financial loss in the unlikely event that we become insolvent. CommSec has detailed procedures for the management of market risk through hedging, which reduces the risk of insolvency and ultimately our overall risk. Our hedging counterparty risk policy is designed to protect us and our clients from any sudden changes in the liquidity, credit quality or solvency of our current hedging counterparty. Our up-to-date hedging policy can be found on our website at **commsec.com.au**.

When you place a CFD trade with us, we enter into a corresponding position in the market with our current hedging counterparty.

CommSec is able to provide the following information on our hedging policy:

- CommSec monitors its chosen hedging counterparty against a range of control measures aimed at reducing our exposure to their default.
- CommSec reserves the right to, at any time without notice, take action to protect itself against hedging counterparty risk including but not limited to the use of derivative or insurance contract positions to protect against market risk and/or hedger default. We also have the ability to choose to substitute our hedging counterparty at any time.
- CommSec hedges 100% of our client positions through the use of a back-to-back position with our current hedging counterparty. We do not take any direct market risk exposure.

If the current hedging counterparty's liquidity and/or solvency deteriorate, CommSec may reduce or cease activities at its sole discretion with that hedging counterparty. This may mean that CommSec and our clients' open orders and positions may be reduced or closed. CommSec may also withdraw available CommSec funds held with the current hedging counterparty.

5.2 COUNTERPARTY RISK – FINANCIAL RESOURCES

CommSec maintains and applies a written policy for monitoring compliance with our AFSL financial licensing requirements. This includes adherence to risk, capital and reporting requirements under the Act, the ASX Clear Operating Rules and ASIC Market Integrity Rules as a market participant of Australian Securities Exchange Limited (ASX), and Chi-X Australia Pty Ltd, and clearing participant for ASX Clear Pty Ltd. In practice, our financial resources requirements are monitored and reported internally on a daily basis and reported formally to ASX on a monthly basis. These parties also measure CommSec's risk to capital requirements daily; stress testing is conducted daily which measures risk using various scenarios of extreme market movements.

CommSec partly does not meet this disclosure benchmark with regards to publishing audited financial statements. This is because CommSec is a wholly owned but non-guaranteed subsidiary of Commonwealth Bank of Australia (CBA). CBA, being a listed company, releases an annual report to the market; you can obtain a copy of the annual report including audited financial statements free of charge from the CBA website at **www.commbank.com.au**.

6. Trading CFDs with CommSec

6.1 OPENING A CFD ACCOUNT

You need to have an existing CommSec share trading account or a CommSec Margin Loan account and a Commonwealth Bank account in order to open a CFD Account. You can open a share trading account and cash account by completing an online application at commsec.com.au or by contacting us on **13 15 19** for a paper application form.

You apply for a CFD Account by completing and signing the CFD Application Form and returning it to CommSec. Prior to completing the application form, you should read this PDS, including the terms and conditions set out in the CFD Client Agreement and the FSG. These documents are available at commsec.com.au. CommSec assigns a Total Exposure Value on your CFD Account. If your Total Exposure Value exceeds the Approved Exposure Value or the Default Total Exposure Limit, we may close your positions using the Last In First Out method. CommSec reserves the right to refuse to open a CFD Account for any applicant.

Applicants for a CFD Account must qualify through a set of assessment criteria which includes an assessment of your knowledge, understanding and experience in trading in financial products, including derivatives, your ability to manage and monitor risk and your financial capacity (Assessment). The Assessment is required to be completed as part of the CFD Account opening process when applying for a CFD Account, and will be determined according to our product policy and procedures.

To activate your CFD Account you must deposit at least AU\$500 in cash as your opening collateral. Once the CFD Account has been opened, there is no minimum account balance required. However, you must ensure that the amount in your CFD Account is sufficient to meet Margin requirements and other payments when due.

We offer two types of accounts: Limited Risk and Trader. The two types of accounts have different features, including but not limited to margining procedures, Margin rates, trading limits and risk protection features. CommSec may approve you for either a Limited Risk or Trader account at its sole discretion. Should you be approved for a Trader account, however, CommSec reserves the right to convert your account into Limited Risk if, acting reasonably, we determine that the Limited Risk account type is more appropriate for you, more appropriate in the market circumstances or our risk appetite changes in relation to offering the Trader account.

The Limited Risk Account only allows positions taken out on a Limited Risk basis. The Margin requirement for a Limited Risk order is calculated as the larger of the two calculations below:

1. Maximum risk on the position with a guaranteed stop (order size x stop distance + limited risk premium).
2. The normal margin requirement for the position, assuming no stop.

See **Section 6.5** for details.

6.2 ESTABLISHING A CFD POSITION

To enter into a CFD Transaction, you can contact CommSec via our Electronic Trading Platform or by telephone to determine the price of a CFD contract. The total CFD Contract Value is then determined by multiplying the number of contracts opened by the quoted price of the CFD contract and in the case of spread instrument contracts, by the contract value multiplier, which is different for each contract. To proceed with the CFD Transaction, you must have an amount equal to or greater than the Margin required in your CFD Account. The Margin is calculated as the margin rate multiplied by the Contract Value. Contract value multipliers and Margin rates are disclosed in the Contract Details available at commsec.com.au.

CommSec will confirm any CFD Transaction we enter into with you. Under the CFD Client Agreement, CommSec has the sole discretion whether or not to accept an offer from you to enter into a CFD.

CommSec may refuse to enter into a CFD for a variety of reasons, for example, where your Account does not hold sufficient cleared funds from you for the amount of the Margin.

You can take both long and short CFD positions. If you take a long position, you profit from a rise in the price of the underlying Instrument, and you will make a loss if the price of the underlying Instrument's falls. Conversely, if you take a short position, you profit from a fall in the price of the underlying Instrument, and you make a loss if the price of the underlying Instrument rises.

Some CFDs have rules which state that some contracts can only be purchased in specified amounts. Please see the Contract Details, which can be downloaded from **commsec.com.au**, for more information.

You will be charged Commission or a Spread on establishing a CFD position. **See Section 7.1.**

6.3 CLOSING A CFD

With most CFDs, you can hold the position for as long as you like. Expiry Transaction CFDs have a set expiry date, upon which the position will be closed automatically. These Expiry Transaction CFDs can be closed before the expiry date, provided you do so before the Last Dealing Time. Last Dealing Times for all products are available at **commsec.com.au**, on our Electronic Trading Platform, or by telephone request. It is your responsibility to make yourself aware of the Last Dealing Time for any CFDs in which you deal. If an Expiry Transaction CFD has not been closed prior to the Last Dealing Time, it will be closed by us once we have ascertained the Closing Level of the CFD. The Closing Level will be the last traded price at or prior to the close or the applicable official closing quotation or value in the relevant Underlying Market as reported by the relevant Exchange, minus any Commission or Spread which is applied to the CFD when it is closed.

Since the CFDs are issued by CommSec, the CFD is a contract between you and CommSec and can only be closed in accordance with the terms of the CFD Client Agreement or as otherwise agreed between you and CommSec in writing. It is not possible to close the CFD by giving instructions to another broker or Australian Financial Services Licensee. To close a CFD position, you should contact CommSec, either via our Electronic Trading Platform or by telephone, to determine the current quoted price for the underlying Instrument. CommSec will confirm the current quote and you will then decide whether to accept the price and, if so, you will instruct CommSec to close your open position on the basis of that limit price. The total closing value is then determined by multiplying the number of underlying Instruments to which the CFD applies by the price of the underlying Instrument.

You may not be able to close out a CFD if there is a suspension of trading or a trading halt in respect of the underlying Instrument to which that CFD applies. In such a circumstance, CommSec may decide in its absolute discretion not to close the relevant CFD.

In the case of an emergency or exceptional market conditions, the CFD Client Agreement allows us to declare a Force Majeure Event. This might include the interruption of our power supplies or electronic or communications equipment, or the closure or suspension of any stock or futures market upon which we base our prices (such as the closure of many US Exchanges following 11 September 2001). In such circumstances we may:

- increase the Margin required on your open CFDs; and/or
- close out some or all of your open CFDs Transactions at such Closing Level as we reasonably believe to be appropriate.

We will take all reasonable steps to inform you if we determine that any such Force Majeure Events exist. You should note that the CFD Client Agreement details certain other circumstances in which your CFDs may be closed.

6.4 PRICE IMPROVEMENT

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

6.5 LIMITED RISK PROTECTION

We offer a guaranteed Limited Risk facility, which allows you to trade CFDs on a wide range of shares, indices, commodities, futures contracts, Currencies and such other CFDs as may be notified to you from time to time, without assuming a potentially open-ended liability in the event of a severe market movement. When you trade on a Limited Risk basis you specify a Stop Order level at which your position will be closed should the market move against you. All such positions require the Australian dollar equivalent Margin, which is the larger of the following two calculations: (1) maximum risk on the position with a guaranteed stop (order size x stop distance + limited risk premium); and (2) the normal margin requirement for the position, assuming no stop. We guarantee that, when our offer (in the case of sold CFDs) or bid (in the case of bought CFDs) reaches or goes beyond the level specified by you, we will close a Limited Risk CFD at exactly the agreed stop level. However, in determining whether our quote has gone beyond the agreed level, we will be entitled (but are not obliged), at our sole discretion, to disregard any prices quoted by us during periods in the relevant Underlying Market that in our reasonable opinion may give rise to short-term price spikes or other distortions (e.g. pre and post-market auction periods).

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

There is an extra charge for the Limited Risk facility, which is similar in effect to an insurance premium. For share CFDs, the premium is calculated as a percentage of the underlying transaction value and for Stock Index CFDs, it is normally charged as additional 'spread'. Circumstances where the premium might vary include volatile market conditions.

Limited Risk protection is not available on all CFDs and the size of the positions on which we are able to offer this facility may be limited. Details of availability and premium will be confirmed with you before you enter into a Limited Risk CFD with us.

Further details of the charges for Limited Risk protection are set out in the Contract Details which can be found at **commsec.com.au**.

6.6 NON-GUARANTEED ORDERS: STOP ORDERS AND LIMIT ORDERS

We also offer various Non-Guaranteed Orders such as Stop Orders (including conventional Stop Orders and Trailing Stops) and Limit Orders, each for the purposes of this **section 6.6** called an "Order", that allow you to open or close a CFD when our quote for that Instrument reaches or goes beyond the level of your Order.

These Non-Guaranteed Orders are attached to an open position. What is known as a "Day Order" will apply until the next close of business for the relevant Underlying Market or earlier. You may be able to specify the period for which the Order is valid up to a maximum of 24 hours from making the Order. Alternatively, you can specify that the Order is to apply for an indefinite period (a "Good Till Cancelled" or "GTC" Order). It is very important that you make the duration of your Order clear.

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

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

It is your responsibility to understand how an Order operates before you place any such Order with us. By placing an Order with us, you acknowledge that you have read and understood the CFD Client Agreement and understand the terms and conditions attached to such Order.

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

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

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

For both Attached and Unattached GTC Orders where a corporate event takes place, we may cancel your Order. Where we disregard or cancel an Order, we will not re-enter the Order. It is your responsibility to ensure that all such Orders are cancelled and re-entered if needed.

6.7 MARGINS

CommSec may assign a Total Deposit Limit on your CFD Account. You will not be permitted to place trades which would result in your Margin requirements increasing above the Total Deposit Limit. Upon opening a CFD, you will be immediately required to hold Margin in your Account (and will therefore be required to pay further funds into your Account if you have insufficient funds). The amount of Margin will be a percentage of the contract value. The relevant Margin requirement must be held in your CFD Account before a position is opened.

6.7.1 Margin requirements for orders without a Stop Loss

The Margin requirement for an order without a stop loss is calculated as a percentage of the value of the opening CFD and represents the security deposit or collateral that you are required to provide to CommSec when you open a CFD position and that you must maintain throughout the term of a CFD. The Margin rate applicable to each CFD is determined by CommSec in our sole discretion.

Your Margin for a CFD will be determined using incremental tiers. The Margin rate will increase progressively as your aggregate position in that CFD moves up from one tier to the next. However, only the portion of your position that falls into a higher tier will be subject to its increased Margin rate. The range of the tiers differs to suit each market, and the Margin rate varies according to the type of account you hold.

The table below shows how tiered margining applies to stock XYZ Ltd.

	TIER 1	TIER 2	TIER 3	TIER 4
Position size (number of shares)	Up to 25,000	25,001-250,000	250,001-1,700,000	1,700,000+
Margin rate	5%	10%	40%	75%

If you hold a CFD position of 30,000 XYZ Ltd shares, your Margin will be calculated as the sum of the following:

Tier 1 5% margin rate	25,000 Shares X 5%
Tier 2 10% margin rate	5,000 Shares X 10%

6.7.2 Margin requirements for orders with a Non-Guaranteed Stop Loss

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

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

Non-Guaranteed Stop Loss Margin Required:

(Number of Contracts) X	(Value per Pip/Point) X	(Stop Distance) +	Margin for equivalent trade with NO STOP	X Slippage Factor
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For example, if you were buying three standard CFD contracts of Australia 200, which was trading at 4500, with a non-guaranteed stop placed 10 points from the opening level the required margin would be worked out as follows.

(3 Contracts) X	(\$25 per Point) X	(10 points) +	(3 Contracts X \$25 per point x 4500 x 1% initial margin)	X 50%
Margin	= (3 X \$25 X 10)+ (3 X \$25 X 4500 X 1% X 50%)			
Margin	= 750 + \$1,687.50 = \$2,437.50			

For Share CFDs, the margin requirement for orders with a Non-Guaranteed Stop Loss will be the same as the margin requirement for orders without a stop loss.

For example, if you were buying 1,000 BHP shares at \$30 per share with a non-guaranteed stop at \$29, the required margin would be worked out as follows.

(Order Size) X	(Price) X	Margin Rate
(1,000) X	(\$30) X	5%
Margin	= 1000 x \$30 x 5% = \$1,500	

6.7.3 Margin requirements for orders with a Guaranteed Stop Loss

The Margin requirement for a Limited Risk order is calculated as the larger of the two calculations below:

1. Maximum risk on the position with a guaranteed stop (order size x stop distance + limited risk premium).
2. The normal margin requirement for the position, assuming no stop.

Further details on Margin rates are available on our Electronic Trading Platform, in the Contract Details at commsec.com.au or by calling us on **1300 307 853**.

1. Maximum Risk (with Guaranteed Stop)

(Number of Contracts) X	(Value per Pip/Point) X	(Stop Distance) +	Limited Risk premium (number of contracts X value per pip/point X limited risk premium factor)
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2. Margin Requirement (No Stop)

(Number of Contracts) X	(Value per Pip/Point) X	(Number of Pips/Points) X	Initial Margin
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For example, if you were buying three standard CFD contracts of Australia 200, which was trading at 4500, with a guaranteed stop placed 10 points from the opening level, the required margin would be worked out as follows.

1. Maximum Risk (with Guaranteed Stop)

(3 Contracts) X	(\$25 per Point) X	(10 points) +	(3 Contracts X \$25 per Point X 1.5 limited risk premium factor)
Margin	= (3 X \$25 X 10)+ (3 X \$25 X 1.5)		
Margin	= \$750 + \$112.50 = \$862.50		

2. Margin Requirement (No Stop)

(3 Contracts) X	(\$25 per Point) X	(4500 points) X	1%
Margin	= (3 X \$25 X 4500 X 1%) = \$3,375		

In this example, the maximum risk on the position with a guaranteed stop is lower than the normal margin requirement for the position assuming no stop. So the margin required to place the trade is \$3,375.

Further details on Margin rates are available on our Electronic Trading Platform, in the Contract Details at commsec.com.au or by calling us on **1300 307 853**.

6.7.4 Monitoring your CFD Account

The balance on your CFD Account will fluctuate according to the money you have deposited in your CFD Account, the trading conducted on your CFD Account and positions held. The balance of your CFD Account, including all open positions, is valued against our current prices. Therefore your balance is constantly calculated in line with market movements.

Profits made on your trading activities increase the balance on your CFD Account. Any surplus funds may be withdrawn from your CFD Account on request. Losses made on your trading activities decrease the balance in your CFD Account,

and therefore the balance available for Margins on new positions or keeping existing positions open.

It is your sole responsibility to ensure that your CFD Account is sufficiently funded at all times, especially when the market is volatile. If the balance on your CFD Account falls below the total Margin required for all open positions, you will only be allowed to close or reduce open positions, until the balance on your CFD Account is back in excess of the required Margin for all open positions.

If any of your positions are denominated in a Currency other than Australian dollars, any profit or losses will be continually valued at the applicable interbank mid-market spot Exchange Rate. Your Statement will then value all your positions in Australian dollars.

6.7.5 Additional Margin payments

When you have an open CFD position, you are required to keep sufficient money in your CFD Account to meet the Margin value requirement. Where Margin is a floating amount rather than a fixed amount, we will dynamically recalculate the amount of Margin that you are required to pay.

We will specify the Margin value required on your CFD at the time that you open the CFD. However, we reserve the right to alter that Margin value at any time during which the CFD remains open (including, for example but not by way of limitation, under volatile market conditions). In extreme conditions or situations, Margin requirements may be higher than those shown in the Contract Details. This could also occur if, for example, the company to which a share CFD relates goes into administration, receivership or liquidation or becomes insolvent. If any such event should occur, and we increase the required Margin levels as a result, we will take steps to notify you if you already have an open CFD or if you wish to open a new CFD. We will notify you if we change the Margin value on an open CFD, and the further amount of money required from you to keep the CFD open.

If your CFD Account balance (cash and unrealised profit or loss) is at 95% of Margin requirements, your CFD Account will enter into Margin Call and you will have to pay an Additional Margin. You must pay sufficient Additional Margin to return your CFD Account to a position where it is at 100% of Margin requirements.

CommSec will notify you that you are required to pay Additional Margin by email or through account information on the Electronic Trading Platform. We may at our sole discretion also contact you by telephone or other electronic means.

6.7.6 Margin Call

Your CFD Account is monitored by a non-guaranteed automated close-out process which highlights accounts entering into Margin Call. The close-out process is designed to minimise your losses and allows us to be proactive, identify CFD Accounts that breach the deposit ratio level and endeavour to take action (as deemed appropriate by us) before the market moves further against your open trades. In all events, the close-out process does not guarantee that a CFD Account will be prevented from running into negative equity. Trading leveraged products carries a risk of incurring losses in excess of the deposited funds.

In normal circumstances an automated email will be generated and sent to your registered email address as soon as your CFD Account enters into Margin Call. This email serves as a notice that your CFD Account has breached the minimum required level of funds and any open positions or orders to open or increase a position are at risk of being closed out. While we will take reasonable steps to notify you when your CFD Account incurs a Margin Call, you are solely responsible for monitoring your own CFD Account and ensuring adequate funds are maintained at all times. We may at our sole discretion also contact you by telephone, Electronic Trading Platform, website or other electronic means. We do not provide notification when your CFD Account is approaching a Margin Call — you are solely responsible for monitoring your CFD Account at all times.

It is your sole responsibility to constantly monitor your open positions to ensure that you retain the correct Margin value. If your CFD Account balance, including any unrealised profit or loss, is less than the Margin requirement on your CFD Account, you will be required to fund the shortfall. The amount you will be liable to pay will be sufficient to ensure that you have completely covered the Margin requirement for all open positions on your CFD Account. Your current Margin position (and any deficit) will be displayed on your secure section of our Electronic Trading Platform or can be obtained from our authorised representatives by telephone.

To clear a Margin Call, you can:

- deposit cash into your CFD account by requesting an online funds transfer from your nominated CBA bank account at **commsec.com.au**; and/or
- reduce open CFD position(s) and/or Order(s) that have been accepted by us.

You must bring your CFD Account above Margin requirements by 2pm on the next Business Day after the notification was sent, or such lesser time as we may specify in the notice. If you fail to do so, we may close out your open CFD positions and close your open CFD orders without further notice to you.

If, while your CFD Account is in Margin Call, your deposit ratio goes below 50% (that is, your CFD Account balance is less than 50% of the deposit requirement), the automated close-out system or the dealing desk may at their sole discretion cut back or close all positions to bring the deposit ratio above 100%. These levels are indicative only; they are not guaranteed and may differ based on market conditions for the traded Instrument.

Any open positions are deemed to be at risk of being closed out as soon as the Account enters into a Margin Call.

The automated close out system and/or the dealing desk follows a best endeavours First In First Out (FIFO) policy for closing trades when the deposit ratio level falls below 50%. The FIFO method is date and time based, where we aim to close out the oldest positions first. Exceptions may apply dependant on market conditions and other factors including (but not limited to):

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

6.8 INTEREST ADJUSTMENT

For CFDs on shares, stock indices and foreign exchange, adjustments to reflect the effect of interest are calculated and posted to your CFD Account daily.

- For Australian dollar denominated positions, excluding foreign exchange and spot metals, a posting will take place for positions held at 4.50pm Sydney AEST.
- For all other denominated positions a posting will take place for positions held at 10.00pm London time.

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

- For Australian dollar denominated positions excluding foreign exchange, a posting will take place for a three-day weekend interest adjustment based on positions held on Friday at 4.50pm AEST.
- For all other denominated positions excluding foreign exchange, a posting will take place for a three-day weekend interest adjustment based on positions held on Friday at 10.00pm London time.
- For CFDs on foreign exchange, a three-day weekend interest adjustment is posted based on positions held on Wednesday at 10.00pm London time.

Interest adjustments for your Account are calculated as follows:

$$\text{Share CFD: } D = n \times C \times i/360$$

$$\text{Stock Index CFD: } D = n \times L \times C \times i/360$$

Foreign Exchange CFDs, which reflect the relative interest rates of the Currencies concerned, are calculated according to the following formula:

$$D = V \times R$$

Where:

D =	daily interest adjustment
n =	number of shares or lots
C =	current share or index price
L =	lot size
i =	applicable interest rate
V =	value per pip
R =	Tom-Next Pips required to borrow overnight the currency that is being notionally sold less any interest earned from depositing overnight the currency that is being notionally bought (including an administrative charge not exceeding 0.8% per annum).

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

Interest in respect of long positions is debited from your CFD Account and interest in respect of short positions may be debited or credited from your CFD Account. The applicable interest rate is dependent on the currency of the underlying instrument.

In the case of Foreign Exchange CFDs, interest in respect of long or short positions may be debited or credited from your CFD Account depending on the overnight Tom-Next rate.

6.9 DIVIDEND ADJUSTMENT

A dividend adjustment (net dividend) is applied when a share (or a component share in the case of stock indices) passes its ex-dividend date (including the ex-date of any special dividend) in the Underlying Market. In the case of long positions, the dividend adjustment is credited to your CFD Account; in the case of short positions it is debited from your Account. Imputation credit is not included in the amount credited or debited. The dividend adjustment for shares (Australian or otherwise) varies depending on local tax arrangements which may vary from time to time.

6.10 ADJUSTMENTS FOR CORPORATE EVENTS

An adjustment will also be made to your Account to reflect the effect of a Corporate Event affecting the underlying share if you have an open CFD position.

We aim to reflect the treatment we receive or would receive if we were hedging our exposure to you in the Underlying Market. However:

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

6.11 SHARE CFDS

Share CFD trading enables you to go long or short on a stock without owning the physical share. Share CFDs do not have a fixed expiry date, giving you the freedom to close your position when you choose. You open and close your

CFD position at the actual market price (bid and offer), and while your position remains open your Account is debited or credited to reflect interest and dividend adjustments. When trading a Share CFD, you will pay a Commission, which is generally calculated as a percentage of the value of your Transaction subject to a minimum charge. In some markets, Commission is charged as cents per share.

If you hold a long Share CFD position, your Account is debited to reflect interest adjustments and credited to reflect any dividends. Conversely, if you hold a short Share CFD position, your Account is debited to reflect any dividends, and either credited or debited with interest adjustments, depending on the relationship of the current interbank offered rate to our financing fees. Dividend adjustments are applied if you have an open position in a Share CFD on the ex-dividend date. You may also be charged a borrowing fee, which will be included in the interest adjustment applied to your position.

Your profit or loss will be made on the difference between the opening CFD contract value and closing CFD contract value taking into account any Commission, and dividend and interest adjustments.

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

For further Share CFD contract information, please refer to the Contract Details on commsec.com.au or on our Electronic Trading Platform.

6.12 STOCK INDEX CFDS

A Stock Index CFD allows you to make a profit or loss by reference to fluctuations in the value of the underlying index. There are two basic types of Stock Index CFDs: Cash Stock Index CFDs and Future Stock Index CFDs.

For Cash Stock Index CFDs, both interest and dividend adjustments may be applicable. When trading Future Stock Index CFDs ('futures'), there is no adjustment for interest or dividends.

CommSec offers a wide range of European, US and Asian futures, several of which we quote 24 hours a day even when the underlying futures market is closed.

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

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

6.12.1 Expiries and rollovers

All Futures CFD Contracts will automatically roll over to the next contract period unless you opt out of this in respect of a specific Expiry Transaction or in respect of all Expiry Transactions on your account now or in the future. If you opt out of automatic roll overs, the CFD will expire at the appropriate market level and date as detailed in the specific Contract Details at market level adjusted for our Spread.

Any opt out request must be made prior to the last rollover time for that trade as specified in the Contract Details.

The full Spread, as set out in the Contract Details, applies to positions rolled over to the next contract period.

For further Stock Index CFD contract information, please refer to the Contract Details on **commsec.com.au** or on our Electronic Trading Platform.

6.13 FOREIGN EXCHANGE CFDS

Foreign Exchange CFDs allow you to gain exposure to movements in Currency rates by trading in Currency pairs in anticipation that one Currency will either rise or fall in value against the other Currency.

While holding a position overnight, your CFD Account is debited or credited using the applicable overnight Tom-Next rate (see Section 6.8). Details of Currency trading sizes and Margin requirements are set out in the Contract Details.

For further Foreign Exchange CFD contract information, please refer to the Contract Details on **commsec.com.au** or on our Electronic Trading Platform.

6.14 COMMODITY CFDS

Commodities are physical goods bought and sold through regulated Exchanges. Commodities are traded in standardised contracts. One contract is defined as a certain weight or volume (or other agreed measurement) of that particular good.

Commodity CFDs allow you to trade the changes in the price of these contracts, rather than the underlying commodities themselves. You can either trade what it is currently worth (spot price) or its value at some set point in the future.

The value on which you are trading is that of a commodities contract at a set point in the future, taking into account the cost of holding/carrying the physical assets until the expiry date.

All trades are cash settled. There is no option to physically deliver or receive the commodity.

For further Commodity CFD contract information, please refer to the Contract Details on **commsec.com.au** or on our Electronic Trading Platform.

7. Amounts Payable

Fees and charges are subject to change at any time. There are no charges for Margin Call fees, ledger summary fees or platform fees.

7.1 COMMISSION AND SPREAD

Commission charges for Share CFDs are calculated as a percentage of the transaction value and/or as an amount per equivalent Instrument in the Underlying Market. Commissions are charged either on a percentage basis or on a cents per share basis and are subject to a minimum charge. You may be informed of the Commission rates and financing rates which apply when you open your CFD Account, and from time to time at our discretion. In the absence of such information from us, Commission on individual shares will be charged according to the Contract Details which you can find at commsec.com.au.

No Commission is payable on Stock Index CFDs, Commodity CFDs or Foreign Exchange CFDs. The only charge you pay for any of these CFDs is our dealing Spread, which is the difference between our quotes (the level at which you open a 'buy' or 'sell' CFD). Dealing Spreads vary according to the market concerned and are subject to variation, especially in volatile market conditions, and we may change our dealing Spreads at any time. Wider Spreads for stock indices apply when they are quoted outside normal market hours. As dealing Spreads depend upon activity in an Underlying Market, the dealing Spread when you close a CFD may be different to the dealing Spread when you opened it.

We do not usually allow new positions to be opened when trading in the underlying Instrument is halted or suspended. However, in extreme conditions we will, where possible and at our absolute discretion, continue to quote prices even where the Underlying Markets are suspended. In these unusual circumstances, the Spreads quoted may be significantly wider than normal and you face the risk of trading without the requisite information and also the risk of potential insider trading.

7.2 STOCK BORROWING CHARGE

Where you short a Share CFD position, you will incur a borrowing charge. CommSec also incurs a charge when our counterparty opens a hedging trade in respect of the same share in the Underlying Market, and we will pass the charge onto you with no mark-up. The borrowing charge will be calculated and posted to your CFD Account daily. The borrowing charge, and the ability to go short, can be changed at short notice by posting on our Electronic Trading Platform, or on our website at commsec.com.au.

7.3 LIMITED RISK PREMIUM

Limited Risk CFDs are available on certain CFDs at our sole discretion. Limited Risk CFDs carry a Limited Risk premium, which is paid when the Stop Order is triggered. This premium is in addition to any applicable Commission and Spread charges. The Limited Risk premium is calculated as a percentage of the underlying Transaction value, and may vary according to the volatility of the underlying Instrument.

Further details are set out in the Contract Details which you can find at commsec.com.au.

7.4 CURRENCY CONVERSION CHARGE

When your position is closed, any foreign Currency profit and loss will be converted to Australian dollars before being applied to your CFD Account. Charges such as funding, commission or dividends will also be converted to Australian dollars before being applied to your CFD Account.

We also offer a daily, weekly or monthly conversion setting.

Conversions will be at a rate no less favourable to you than 0.5% below or above (as the case may be) the prevailing interbank mid-market spot Exchange Rate at the time of conversion.

7.5 EXCHANGE FEES, DELAYED DATA AND DERIVED PRICES

The prices we publish for Share CFDs are supplied to our Electronic Trading Platform from the relevant Exchange. Charges are incurred whenever we distribute data in this manner. These Exchange fees may change from time to time and are available on our website at **commsec.com.au** and on our Electronic Trading Platform. You can request a copy of the current Exchange fees, free of charge, by visiting **commsec.com.au** or calling us on **1300 307 853**.

If you subscribe to the Exchange prices, the applicable Exchange fees may be charged to your CFD Account monthly in accordance with the terms published on our Electronic Trading Platform. We reserve the right to remove your access to Exchange prices if you do not have sufficient funds in your CFD Account to cover the data fees, or if your CFD Account may be left with a debit balance as a result of ongoing data fees.

Alternatively, we offer delayed and derived data services which provide you with delayed and derived price streams free of charge. The delayed data service provides a real-time quote on request. The derived prices change in real time and may come from one or more exchanges. It is important to note that the delayed data and derived prices do not affect the execution of your orders. Execution is always against the underlying exchange price.

8. Other Important Information

8.1 CONTRACTUAL TERMS

The relationship between you and CommSec is governed by the CFD Client Agreement that you are required to enter into before you open a CFD Account. You should note that under clause 19 of the CFD Client Agreement, you agree to indemnify CommSec, our Associated Companies, Directors, Officers, employees, agents and authorised representatives in relation to the matters set out in that clause.

8.2 CONFIRMATIONS AND STATEMENTS

Confirmations of CFDs opened or closed by telephone or via our Electronic Trading Platform are available on our Electronic Trading Platform following the execution of the CFD. You can retrieve your Confirmation by logging into your CFD Account using our Electronic Trading Platform.

Confirmations will give the details of any CFDs that you open or close with us.

We will provide you with information about your CFDs by providing you with a Statement. Statements will be posted to our Electronic Trading Platform. We will email you a reminder that your Statements are available and that you should log onto our Electronic Trading Platform to view them.

Your Statements will include a summary of the financial position of your CFD Account and details of all Transactions on your CFD Account for the Statement period.

While we make every effort to ensure that all details are correct, it is very important that you read your Confirmations and Statements carefully and contact us if there are any inaccuracies or if you do not receive your Confirmations or Statements within the following time limits or you will be deemed to have accepted them, and they will be binding on you:

- for Statements, within 24 hours after the date on which your Statement notification email was emailed to you; or
- for Confirmations, within 24 hours after the opening or closing of your CFD.

You need to be aware of your CFD Account balance, your Margin requirements for open positions, and whether you are approaching your Margin Call level. Your Statement will also show whether your CFD Account has any excess funds available.

Any queries about your Confirmations and Statements should be made to CommSec. Any failure to advise us of a mistake or inaccuracy will not preclude your right to make a complaint in accordance with our dispute resolution procedures but we reserve the right to rely upon the terms of the CFD Client Agreement.

8.3 CLIENT MONEY

All money paid by you to us in connection with your CFD Account may be commingled or pooled and held by us in one or more client money accounts in accordance with requirements of the Governing Legislation.

We will only withdraw money from the funds held for your benefit in a client money account, to make a payment to you on your instructions, to make a payment into your nominated bank account in connection with your CFD trading or to us where monies are due and payable by you to us in connection with your CFD Account or associated CFD Trading. This may include, for example

- Fees and charges such as Commissions, Spreads, stock borrowing charges, the equivalent of any annual depository service charges, or part thereof, incurred by us when hedging our exposure to you in relation to certain Transactions (in accordance with clause 9(7) of the Agreement), Limited Risk premium, Currency conversion charges and Exchange fees;

- any other transaction or account costs, fees or other charges notified to you from time to time;
- Interest payments, dividend or Corporate Event adjustments; and
- Daily Net Variation Amounts.

It is important to note that by us holding your money in one or more client money accounts, you may not be afforded absolute protection. The purpose of client money accounts is to separate client monies from our own money.

CommSec is entitled to retain any interest it earns on client money held by CommSec in client money accounts held with an approved deposit-taking institution (e.g. a bank). The rate of interest is determined by the relevant financial institution where the client monies are held.

8.4 FUNDING A CFD ACCOUNT

You may deposit funds, as opening and ongoing collateral, by online funds transfer request at **commsec.com.au** or by calling us on **1300 307 853** to arrange payment from your Commonwealth Bank account.

Payments must be made in Australian dollars. All funds must be cleared funds in our bank account before they will be counted towards the balance on your CFD Account.

You should note that we will only accept payments into an account from the account holder and not from any third party.

As any Margin Calls must be met on the next Business Day or earlier, as part of our risk management program, CommSec requires you to make all settlements including deposits and withdrawals through a Commonwealth Bank account that allows direct debiting and crediting. If you don't have a Commonwealth Bank account, you will need to open one.

8.5 WITHDRAWAL REQUEST

You may request that money standing to the credit of your CFD Account be remitted to you by performing an online withdrawal request at **commsec.com.au** or by calling us on **1300 307 853**. Payment of any such amounts will be subject to you leaving enough funds in your Account to cover any Margin requirements or any other charges that might arise for any reason.

Payments will be made in Australian dollars. All payments out of a CFD Account held with us must go directly to the CFD Account holder.

8.6 DISPUTE RESOLUTION

If you are not satisfied with the service or advice you receive from us, you are entitled to complain.

We have established procedures to ensure that all enquiries and complaints are properly considered and dealt with.

To save yourself valuable time, gather all the facts and documents you can about the complaint, think about the questions you want answered and decide what you want us to do.

Next, contact the department that handled the matter and explain the problem. A quick call is all that is required to resolve most issues.

If at this stage your complaint hasn't been resolved to your satisfaction, please contact our Client Relations team:

CBA Group Customer Relations
Reply Paid 41
Sydney NSW 2001
Phone: 1800 805 605
Fax: 1800 025 542

Online: www.commbank.com.au/feedback

If you are not satisfied with our response and wish to proceed further, you may refer the matter to the Australian Financial Complaints Authority (AFCA), an independent complaint handling body recognised by ASIC.

For further information please contact AFCA at:

Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678 (free call)
Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

8.7 TAXATION

8.7.1 Tax considerations

CommSec does not provide taxation advice. Taxation law is complex and this summary is general in nature and does not take into account the specific taxation circumstances of each individual investor. You should seek your own independent advice on the taxation implications relevant to your own circumstances before making any investment decisions.

The ultimate interpretation of the taxation law rests with the courts and the law, and the way the Commissioner of Taxation (The Commissioner) administers the law may change at any time.

This section is a summary of the key Australian income tax consequences arising for an Australian resident investor who enters into a CFD in the course of carrying on a business or otherwise with the intention of making a profit. The taxation consequences of other investors including investors who entered into a CFD for the purpose of recreation by gambling or investors who hold a CFD as trading stock are not addressed in this summary.

8.7.2 Gains or losses made on CFDs

Any gains derived or losses incurred from a CFD should be assessable or deductible to investors. The gain or loss is determined by taking into account the difference between the opening contract value and closing contract value of the CFD.

8.7.3 Interest and dividend adjustments

Any interest and dividend adjustments are notional amounts, which are unlikely to be characterised as dividends or interest for tax purposes. Instead, these notional adjustments will be taken into account in determining the overall profit or loss on the CFD.

Per Section 871(m) of the US Internal Revenue Code, the Internal Revenue Service charges tax on some derivatives over US equities where a dividend is paid on the underlying instrument during the period that you hold the derivative. If applicable, relevant tax will be withheld from your dividend adjustment.

8.7.4 Treatment of other expenses

Where the gain or loss from a CFD is assessable or deductible to an investor, any fees or charges, including Commission, Exchange fees, Currency conversion charge and stock borrowing charge, should be allowable as a deduction to the investor at the time they are incurred.

8.7.5 Taxation ruling

The summary above is in accordance with the public ruling TR2005/15 issued by the Australian Taxation Office (ATO), which outlines its views on the taxation treatment of CFDs generally. A copy of this ruling is available at www.ato.gov.au.

8.7.6 Taxation of financial arrangements

Individuals and entities with a turnover of less than \$100 million are excluded from the Taxation of Financial Arrangements (TOFA) rules. You should seek independent advice from your tax adviser on how the TOFA rules will apply to your circumstances.

8.7.7 Foreign exchange gains and losses

You may derive foreign exchange gains or losses, particularly in relation to Instruments which are denominated in Currencies other than Australian dollars. Generally, these gains and losses should be treated as assessable income and allowable deductions at the time of a realisation event under the foreign exchange rules. An example of a realisation event is where you have a foreign Currency account and the Exchange Rate varies over time so that you would receive a greater or lesser Australian dollar amount. Any such gain or loss will be assessable or deductible to you when you cease to have the right to receive the foreign Currency. This would usually occur when you withdraw the funds or the funds are applied for some other purpose, such as entering into further transactions.

However, these rules are complex and a variety of elections are available. Therefore, investors should ensure they receive their own advice in relation to foreign exchange gains and losses.

8.7.8 Foreign Currency considerations on interest and dividend adjustments and expenses

Payments of interest and dividend adjustments, or expenses received or incurred by the investor will need to be converted into Australian dollars at the Exchange Rate on the day of payment.

8.7.9 Goods and Services Tax (GST)

All amounts payable under Section 7 of this PDS are not subject to goods and services tax, in accordance with the applicable GST laws.

9. Interpretation

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

“Account” means an account you hold with us for the purposes of trading CFDs;

“Act” means the Corporations Act 2001 (Cth);

“Additional Margin” means the additional Margin payable by you into your Account if your CFD positions deteriorate and there are insufficient funds in your Account to meet Margin requirements;

“AEST” means Australian Eastern Standard Time;

“AFCA” means the Australian Financial Complaints Authority;

“Applicable Regulations” means:

- the Rules of a relevant regulatory authority;
- the Rules of the relevant Exchange; and
- all other applicable laws, rules and regulations (including without limitation the Governing Legislation) as in force from time to time, as applicable to this PDS and any Transaction or the Electronic Trading Platform;

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

“Approved Exposure Value” has the same meaning as the Approved Exposure Value in the Client Agreement in this PDS.

“ASIC” means the Australian Securities and Investments Commission;

“Associated Company” means any “related body corporate” (as defined in section 9 of the Act) of CommSec;

“ATO” means the Australian Tax Office;

“Australian dollars” or **“AU\$”** denote the lawful currency of Australia;

“Business Day” means any day other than a Saturday, Sunday and a gazetted public holiday in the State of New South Wales;

“Cash Stock Index CFD” means a Stock Index CFD that may have interest and dividend adjustment;

“CFD Client Agreement” means the agreement between you and CommSec which sets out the terms and conditions governing your CFD Transactions, as amended from time to time;

“Closing Level” means:

- (a) in respect of a Business Day on which a Transaction remains open, the level of the Transaction as at 10pm Greenwich Mean Time on that Business Day; and
- (b) in respect of the day on which a Transaction is closed, the level at which a Transaction is closed;

“Commission” has the same meaning as is given to that term in the CFD Client Agreement;

“Confirmation” means a written confirmation given by us to you of your dealings with us, including any Transactions that you open or close and any charges that may apply to your Transactions;

“Contract Details” means the section of the public pages of our website at **commsec.com.au** designated as the Contract Details as amended from time to time. If you do not have access to our website, a copy of the Contract Details are available upon request, however, please note that they may change without notice to you and it is your responsibility to ensure that you have the current Contract Details, whether by telephone or otherwise, where they apply to any Transactions opened or closed by you;

“Contract for Difference” or **“CFD”** means a contract between you and us whose value fluctuates by reference to

fluctuations in the price of an underlying Instrument, without you actually owning the Instrument, offered by us to you from time to time on the terms and conditions set out in the CFD Client Agreement;

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

“Corporate Event” has the same meaning as is given to that term in the CFD Client Agreement;

“Currency” shall be construed so as to include any unit of account, for example, Australian dollars, United States dollars, or British pounds;

“Daily Net Variation Amount” means a net amount payable in respect of all Transactions by you to us, or from us to you, calculated as set out in clause 14(10);

“Daily Transaction Variation Amount” means an amount calculated in respect of a Transaction as set out in clause 14(9);

“Day Order” means a type of Non-Guaranteed Order or Limit Order as explained in Section 6.6 of this PDS;

“Default Total Exposure Limit” has the same meaning as the Default Total Exposure Limit in the Client Agreement of this PDS.

“Director” has the same meaning as is given to that term in section 9 of the Act;

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

“Event of Default” has the same meaning as is given to that term in the CFD Client Agreement;

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

“Exchange Rate” means the rate at which a single unit of the first Currency that you state may be bought with or sold in, as the case may be, units of the second Currency that you state;

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

“Financial Services Guide” or **“FSG”** means the financial services guide that CommSec is required to be provided to you in accordance with the Act;

“Force Majeure Event” has the same meaning as is given to that term in the CFD Client Agreement;

“Foreign Exchange CFD” is a form of CFD that gives you exposure to changes in value of an Exchange Rate, but it cannot result in the delivery of any Currency to or by you;

“Forward Stock Index CFD” means a Stock Index CFD that has no interest and dividend adjustment. Its price will not normally be the same as the price of the underlying index;

“Good Till Cancelled” or **“GTC”** means an instruction that the Order does not expire at the end of the trading day, although a GTC Order will usually terminate at the end of the contract period;

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

“Guaranteed Stop” means an order that when triggered will close your position at a price no worse than your specified exit price;

“Initial Margin” means the security deposit that you are required to have in your Account when you first open a CFD Transaction and which must be maintained for the life of the CFD Transaction;

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

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

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

“Limited Risk” means the protection offered by our Guaranteed Stop Orders. See Section 6.5 of this PDS for further details;

“Margin” has the same meaning as is given to that term in the CFD Client Agreement;

“Margin Call” means a demand for additional funds to be deposited in your Account to meet Margin requirements because of adverse price movements;

“Non-Guaranteed” means a Stop Order or Limit Order, which we execute as soon as possible after our quote reaches or goes beyond the level of such Order. See Section 6.6 of this PDS for further details;

“Officer” has the same meaning as is given to that term in section 9 of the Act;

“Order” includes a Limited Risk Stop Order, Non-Guaranteed Stop, Limit Orders as the context requires;

“Order Book Share” has the same meaning as is given to that term in the CFD Client Agreement;

“Pip” is a unit of quotation of a currency. Currencies are usually quoted using five significant digits. The last digit, called a “Pip”, represents the smallest potential move in an exchange rate.

“PDS” or “Product Disclosure Statement” means the document described as the Product Disclosure Statement issued by us in relation to CFDs, as revised and amended from time to time;

“Rules” means any articles, rules, regulations, procedures, policies and customs, as in force from time to time;

“Share CFD” is a form of CFD that gives exposure to changes in share prices. It is not an agreement to buy or sell any amount of shares and it cannot result in the delivery of any shares to or by you;

“Spread” has the same meaning as is given to that term in the CFD Client Agreement;

“Statement” has the meaning given to it in section 9 of the Act and includes periodic information in relation to your Transactions which might otherwise have been included in a Confirmation;

“Stock Index CFD” is a form of CFD that gives exposure to changes in the value of a stock index. It is not an agreement to buy or sell any amount of shares and it cannot result in the delivery of any shares to or by you;

“Stop Order” means an order to buy or sell a specified amount of an Instrument at a specified price or worse and includes both a conventional Stop Order (where the level of your stop is fixed) and a Trailing Stop (where the level of your stop automatically tracks moments in your position). See Section 6.6 of this PDS for further details;

“Tom-Next” means tomorrow-next and is a charge applied when a Foreign Exchange CFD position is held overnight. The charge arises from moving the settlement value date on an open position forward from one business day after the trade date (tomorrow), to the next valid value date (next), the spot value date.

“Total Deposit Limit” is a limit on the total Margin that is needed to service open positions. The Total Deposit Limit may be changed by us at any time at our absolute discretion.

“Trailing Stop” has the same meaning as is given to that term in the CFD Client Agreement;

“Transaction” means a transaction relating to a CFD of any kind in relation to any Instrument (including a security) or any combination of Instruments and means either or both Expiry Transactions and Undated Transactions as the context requires;

“Undated Transaction” has the same meaning as is given to that term in the CFD Client Agreement;

“Underlying Market” means the Exchange and/or other similar body and/or liquidity pool on which an Instrument is traded or trading in that Instrument as the context requires; and

“we”, “us”, “our” or “CommSec” means Commonwealth Securities Limited ACN 067 254 399 and any of our Associated Companies, as the context may require.

CFD Client Agreement

1. INTRODUCTION

1. This Agreement will govern all Transactions entered into between CommSec (“we”, “us”, “our”, “it”, “ours” and “ourselves” as appropriate) and the customer (“you”, “your”, “yours” and “yourself” as appropriate). You should read this Agreement carefully, including the Contract Details, the FSG together with the PDS and any other documents that we have supplied, or in the future will supply, to you.
2. Nothing in this Agreement will exclude or restrict any duty or liability owed by us to you under the Governing Legislation and if there is any conflict between this Agreement and the Governing Legislation, the Governing Legislation will prevail to the extent of the inconsistency.
3. This Agreement will come into effect on the date we open your Account, and, for any new versions thereafter, on the date we notify you.
4. In this Agreement certain words and expressions have the meanings set out in clause 28.

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

1. This Agreement sets out the basis on which we will enter into Transactions with you and governs each Transaction entered into or outstanding between you and us on or after this Agreement comes into effect.
2. We will act as principal and not as agent on your behalf. You will open each Transaction with us as principal and not as agent for any undisclosed person. This means that we will treat you as our client for all purposes and you will be directly and personally responsible for performing your obligations under each Transaction entered into by you, whether you are dealing with us directly or through your Authorised Person. If you act in connection with or on behalf of someone else, whether or not you identify that person to us, we will not accept that person as an indirect customer of ours and we will accept no obligation to them unless otherwise specifically agreed in writing.
3. Dealings with you will be carried out by us on an execution-only basis. You agree that, unless otherwise provided in this Agreement, we are under no obligation:
 - (a) to satisfy ourselves as to the suitability of any Transaction for you;
 - (b) to monitor or advise you on the status of any Transaction;
 - (c) (except in the case of Limited Risk Transactions or where the Applicable Regulations require) to close any Transaction that you have opened, notwithstanding that previously we may have given such advice or taken such action in relation to that Transaction or any other Transaction.
4. You acknowledge that information contained in the Contract Details is indicative only and may, at the time when you open or close a Transaction, have become inaccurate. The current Contract Details will be the version then displayed on our website at **commsec.com.au**, which may be updated from time to time without notice to you.
5. In the event that any information contained in the PDS becomes inaccurate or out of date or if there occurs a material change in any of the matters specified in the PDS or if there occurs any significant event that affects the matters so specified we will issue a supplemental PDS or a new PDS in accordance with the Governing Legislation. You agree that, subject to the Governing Legislation, we may provide you with any supplemental PDS or new PDS by publishing it on our website at **commsec.com.au** and notifying you by email that the supplemental PDS or new PDS is available on our website, and that it is your responsibility to consult our website prior to opening any Transaction with us. In addition we may, at our sole discretion, send any supplemental PDS or new PDS to you by email or, if requested by you, send any supplemental PDS or new PDS to you by post.
6. Subject to the Governing Legislation, we may pay to and accept from third parties (and not be liable to account

to you) benefits, commissions or remunerations which are paid or received as a result of Transactions conducted by you.

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

3. PROVIDING A QUOTE

1. You may request a quote to open a Transaction or to close all or any part of a Transaction at any time during our normal hours of trading for the Instrument in respect of which you wish to open or close the Transaction. Outside those hours, we will be under no obligation to but may, at our absolute discretion, provide a quote and accept and act on your offer to open or close a Transaction. We may notify you of certain Instruments in respect of which we will not quote, restrictions on the amount for which we will quote, or other conditions that may apply to our quote, but any such notification will not be binding on us.
2. Upon your request, in accordance with clauses 3(1) and 3(4), we will quote a higher and lower figure for each Transaction ("our bid and offer prices"). These figures will be based on either the bid and offer prices in the Underlying Market ("Commission Transaction") or our own bid and offer prices ("Spread Transaction"). Details may be found in the Contract Details or may be obtained from one of our employees on request.
3. You acknowledge that both our Spread Charge (being our charge to you) and Market Spread (where there is an Underlying Market), can widen significantly in some circumstances, that they may not be the same size as in the Contract Details and that there is no limit on how large they may be. You acknowledge that when you close a Transaction, the Spread may be larger or smaller than the Spread when the Transaction was opened. For Transactions transacted when the Underlying Market is closed or in respect of Transactions where there is no Underlying Market, the figures that we quote will reflect what we believe the market price in an Instrument is at that time. You acknowledge that such figures will be set by us at our reasonable discretion.
4. If we choose to provide a quote, we may provide a quote either by telephone or electronically via our Electronic Trading Platform or by such other means as we may from time to time notify to you. Our provision of a quote to you does not constitute an offer to open or close a Transaction at those levels. A Transaction will be initiated by:
 - (a) you offering to open or close a Transaction in respect of a specified Instrument at the level quoted by us; or
 - (b) you placing an Order to open or close a Transaction in respect of a specified Instrument at a level specified by you in that Order and that Order being triggered in accordance with the terms of that order type).
5. When you offer to open or close a Transaction in respect of a specified Instrument at the level quoted by us, we may, acting reasonably, accept or reject your offer at any time until the Transaction has been executed or we have acknowledged that your offer has been withdrawn.
6. A Transaction will be opened or closed, as the case may be, only when your offer has been received and accepted by us. Our acceptance of an offer to open or close a Transaction, and thus the execution of the Transaction, will be evidenced by our confirmation of its terms to you.
7. If we become aware that any of the factors set out in clause 3(8) are not satisfied at the time you offer to open or close a Transaction, we reserve the right to reject your offer. If we have, nevertheless, already opened or closed a Transaction prior to becoming aware that a factor set out in clause 3(8) has not been met we may, at our absolute discretion, treat such a Transaction as void from the outset or close it at our then prevailing price or allow it to remain open. You acknowledge that if we allow the Transaction to remain open, this may result in you incurring losses. Notwithstanding the existence of a factor set out in clause 3(8), we may allow you to open or close, as the case may be, the Transaction in which case you will be bound by the opening or closing of such Transaction.
8. The factors referred to in clause 3(7) include, but are not limited to, the following:
 - (a) the quote must be obtained from us as set out in clause 3(4);
 - (b) the quote must not be expressed as being given on an "indicative only" or similar basis;
 - (c) when your offer to open or close a Transaction is not for a specified number of shares, contracts or other units that constitute the underlying Instrument;

- (d) your offer to open or close the Transaction, and our acceptance of your offer, must be given while the quote is still valid;
 - (e) the quote must not be manifestly erroneous;
 - (f) when you offer to open a Transaction, the number of shares, contracts or other units in respect of which the Transaction is to be opened must be neither smaller than the Minimum Size nor larger than the Normal Market Size;
 - (g) when you offer to close part but not all of an open Transaction both the part of the Transaction that you offer to close and the part that would remain open if we accepted your offer must not be smaller than the Minimum Size;
 - (h) a Force Majeure Event must not have occurred;
 - (i) when you offer to open a Transaction an Event of Default must not have occurred in respect of you, nor must you have acted in such a way as to trigger an Event of Default;
 - (j) the telephone or Electronic conversation in which you offer to open or close the Transaction must not be terminated before we have received and accepted your offer;
 - (k) when you offer to open or close any Transaction, the opening of the Transaction must not result in your exceeding any limit placed on your dealings.
9. Each Transaction opened or closed by you will be valid and binding on you notwithstanding that the opening or closing of the Transaction may have exceeded any limit applicable to you or in respect of your dealings with us. A Transaction will be valid and binding on you regardless of it being opened or closed as a result of any inaccuracy or mistake by you.
10. We reserve the right to refuse any offer to open or close a Transaction larger than the Normal Market Size. Our quotation for a Transaction equal to or greater than Normal Market Size is not guaranteed to be within any specific percentage of any Underlying Market or related market quotation and our acceptance of your offer may be subject to special conditions and requirements that we will advise to you at the time we accept your offer. We will inform you of the Normal Market Size for a particular Instrument on request.
11. If, before your offer to open or close a Transaction is accepted by us, our quote moves to your advantage (for example, if the price goes down as you buy or the price goes up as you sell) you agree that we may (but are not obliged to) pass such price improvement on to you. The effect of such action being that the level at which you offer to open or close a Transaction will, upon acceptance by us, be altered to the more favourable price. You acknowledge that it is in your best interests for us to alter the level of your offer in the manner contemplated in this clause and you agree that any offer altered in accordance with this clause, once accepted by us, results in a fully binding agreement between us. It is at our complete discretion as to when we will pass on a price improvement to you, but you should note that we will generally only pass on a price improvement when the market you are trading is volatile. You should also note that we will only pass on a price improvement within allowable limits, and we reserve our right set out in clause 3(5) to reject any offer by you to open or close a Transaction. For the avoidance of doubt, this clause does not permit us to alter your offer price if to do so would result in your opening or closing (as the case may be) a Transaction at a less favourable price than your offer.
12. Where an Instrument trades on multiple Underlying Markets, one of which is the primary Underlying Market, you agree that we may but are not required to base our bid and offer prices on the aggregate bid/offer prices in the Underlying Markets.
13. You agree that our bid and offer prices are provided to you solely for the purpose of you entering into Transactions with us and that you shall not use or rely on our bid and offer prices for any other purpose.

4. OPENING A TRANSACTION

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

2. Subject to clause 3(11), when you open a Buy, the Opening Level will be the higher figure quoted by us for the Transaction and when you open a Sell, the Opening Level will be the lower figure quoted by us for the Transaction. This will not be the case when:
 - (a) your opening level is improved in accordance with clause 3(11), where your opening level will be the more favourable price; and
 - (b) a Transaction is initiated pursuant to an Order, where your opening level will be in accordance with the parameters set out in that Order and the terms of that Order.
3. Unless we agree otherwise, all sums payable by you pursuant to clause 7(2) upon opening are due immediately on entering into the Transaction and must be paid in accordance with clause 15 upon the Opening Level of your Transaction being determined by us.
4. CommSec may assign a Total Deposit Limit on your CFD Account. You will not be permitted to place trades which would result in your Margin requirements increasing above the Total Deposit Limit.

5. FORCE OPEN

1. You can instruct us to Force Open a Transaction against an existing open Transaction. Where we accept your offer to open the second Transaction without offsetting it against the existing open Transaction, two Transactions will result and the existing open Transaction will remain unaltered by the second Transaction. This will include, but not limited to, funding costs and borrow charges.
2. Where you have opened a Buy in respect of a particular Instrument and you subsequently open a Sell in respect of the same Instrument, including by an Order, at a time when the Buy remains open, then unless you instruct us to the contrary (for example, by way of a Force Open, if accepted by us):
 - (a) if the size of the Sell order is less than the size of the Buy, we will treat the offer to sell as an offer to partly close the Buy to the extent of the size of the Sell order;
 - (b) if the size of the Sell order is the same as the size of the Buy, we will treat the offer to sell as an offer to close the Buy entirely; and
 - (c) if the size of the Sell order exceeds the size of the Buy, we will treat the offer to sell as an offer to close the Buy entirely and open a Sell position equal to the amount of such excess.
3. Where you have opened a Sell in respect of a particular Instrument and you subsequently open a Buy in respect of the same Instrument, including by an Order, at a time when the Sell remains open, then unless you instruct us to the contrary (for example, by way of a Force Open, if accepted by us):
 - (a) if the size of the Buy order is less than the size of the Sell, we will treat the offer to buy as an offer to partly close the Sell to the extent of the size of the Buy order;
 - (b) if the size of the Buy order is the same as the size of the Sell, we will treat the offer to buy as an offer to close the Sell entirely; and
 - (c) if the size of the Buy order exceeds the size of the Sell, we will treat the offer to buy as an offer to close the Sell entirely and open a Buy position equal to the amount of such excess.
4. Offers to open or close Transactions by way of Force Open are not applicable to Limited Risk Transactions.

6. CLOSING A TRANSACTION

Undated Transactions

1. Subject to this Agreement and any requirement we may specify in relation to Linked Transactions, you may close an open Undated Transaction or any part of such open Undated Transaction at any time.
2. Subject to clause 3(11), when you close an Undated Transaction, the Closing Level will be, if you are closing an Undated Transaction that is a Buy, the lower figure then quoted by us and, if you are closing an Undated Transaction that is a Sell, the higher figure then quoted by us. This will not be the case when:

- (a) your closing level is improved in accordance with clause 3(11), where your closing level will be the more favourable price; and
- (b) a Transaction is initiated pursuant to an Order, where your closing level will be in accordance with the parameters set out in that Order and the terms of that Order.

Expiry Transactions

3. Subject to this Agreement and any requirement we may specify in relation to Linked Transactions, you may close an open Expiry Transaction or any part of such open Expiry Transaction at any time prior to the Last Dealing Time for that Instrument.
4. Details of the applicable Last Dealing Time for each Instrument will normally be available in the Contract Details and may be obtained from **commsec.com.au** or from our authorised representatives on request. It is your responsibility to make yourself aware of the Last Dealing Time or, as the case may be, the expiry time for a particular product.
5. Subject to clause 3(11), when you close an Expiry Transaction prior to the Last Dealing Time for the Instrument, the Closing Level will, if the Transaction is a Buy, be the lower figure then quoted by us and if the Transaction is a Sell, the higher figure then quoted by us. This will not be the case when:
 - (a) your closing level is improved in accordance with clause 3(11), where your closing level will be the more favourable price; and
 - (b) a Transaction is initiated pursuant to an Order, where your closing level will be in accordance with the parameters set out in that Order and the terms of that Order

Expiry Transactions Rollover

6. All Expiry Transactions will automatically roll over to the next contract period unless you opt out of this in respect of a specific Expiry Transaction or in respect of all Expiry Transactions on your account now or in the future.
7. Where we do effect a rollover, the original Expiry Transaction will be closed at or just prior to the Last Dealing Time and become due for settlement and a new Expiry Transaction will be created; such closing and opening trades will be on our normal terms agreed with you.
8. You acknowledge that it is your responsibility to make yourself aware of the next applicable contract period for a Transaction and that effecting the rollover of a Transaction may result in you crystallising losses on your account. We reserve the right to refuse to rollover a Transaction or Transactions, despite any instruction you have given us, if we determine, acting reasonably, that to effect a rollover would result in you exceeding any credit or other limit placed on your dealings with us.
9. Notwithstanding that you have opted out of automatically rolling over an Expiry Transaction into the next period, where an Expiry Transaction in respect of an Instrument is in excess of the Rollover Size, or where any number of such Expiry Transactions are together in excess of the Rollover Size, and where such Expiry Transaction(s) has not already been closed prior to the Last Dealing Time, we reserve the right to roll over the Expiry Transaction(s) to the next contract period where we reasonably believe it is in your best interests and/or the best interests of our clients as a whole to do so. If we choose to roll over your Transaction(s) in this manner, we will generally try to contact you ahead of the Last Dealing Time, but for the avoidance of doubt we may roll your Transaction(s) even if we have not contacted you.
10. If you do not close an Expiry Transaction in respect of an Instrument on or before the Last Dealing Time and you have opted out of automatically rolling over that Expiry Transaction to the next contract period then, subject to clause 6(9), we will close your Expiry Transaction as soon as we have ascertained the Closing Level of the Expiry Transaction. The Closing Level of the Expiry Transaction will be:
 - (a) the last traded price at or prior to the close or the applicable official closing quotation or value in the relevant Underlying Market as reported by the relevant exchange, errors and omissions excluded; plus or, as the case may be, minus

- (b) any Spread or Commission that we apply when such an Expiry Transaction is closed. Details of the Spread or Commission that we apply when a particular Expiry Transaction is closed are set out in the Contract Details and available on **commsec.com.au** or are available on request. You acknowledge that it is your responsibility to make yourself aware of the Last Dealing Time and of any Spread or Commission that we may apply when you close an Expiry Transaction.

General provisions

11. Our additional rights to void and/or close one or more of your Transactions in specific circumstances are set out in clause 3(7), 6(17), 6(18), 8(3), 9, 10, 14(4), 17, 20(5), 21, 22, 24, 25 and 26(2).
12. We reserve the right to aggregate the instructions we receive from our clients to close Transactions. Aggregation means that we may combine your instruction with those of our other clients for execution as a single order. We may combine your instruction to close with those of our other clients if we reasonably believe that this is in the overall best interests of our clients as a whole. However, on occasions, aggregation may result in you obtaining less favourable price once your instruction to close has been executed. You acknowledge and agree that we shall not have any liability to you as a result of any such less favourable price being obtained.
13. We reserve the right to alter your Closing Level in accordance with clause 3(11).
14. We set a Default Total Exposure Limit or Approved Exposure Value on each CFD Account. If we change your Default Total Exposure Limit or Approved Exposure Value, we will provide you with no less than 5 business days' notice via electronic communication or via the CommSec website **commsec.com.au**.
15. If the Total Exposure Value of your CFD Account exceeds the Approved Exposure Value or the Default Total Exposure Limit, unless otherwise approved, we may close your positions using the Last In First Out method to bring the total exposure of the account on or below the Approved Exposure Value or the Default Total Exposure Limit.
16. We may close all or any of your open Transactions at such Closing Level we reasonably determine to be appropriate if:
 - (a) in our reasonable opinion, our hedge counterparty's liquidity and/or solvency deteriorate; or
 - (b) our hedge counterparty unwinds or closes out the hedge position; or
 - (c) for any other reason, we determine our hedge counterparty is, or may be, no longer able to maintain the hedge position to our satisfaction.

7. FEES AND CHARGES

1. When you open and close a Spread Transaction, the difference between our bid and offer prices is referred to as our Spread and will comprise the Market Spread (where there is an Underlying Market) and our Spread (being our charge to you). Unless we notify you to the contrary, you will not be charged any Commission on Spread Transactions. Details of these charges may be found in the Contract Details and available on **commsec.com.au** or on request.
2. When you open and close a Commission Transaction, you will pay us Commission ("Commission") that is calculated as a percentage of the notional value of the opening or closing Transaction (as applicable) or as an amount per equivalent Instrument or Instruments on the Underlying Market or on any other basis agreed between ourselves in writing. The Commission will be the amount set out in the Contract Details or otherwise notified to you, or, if no such rate is specified, it will be 0.2% of the notional value of the opening or closing Transaction (as applicable). Unless we agree otherwise, all sums payable by you pursuant to this clause 7(2) are due immediately on opening or closing a Transaction (as applicable) and must be paid in accordance with clause 15 upon the Opening Level or Closing Level of a Transaction (as applicable) being determined by us.
3. In addition to Commission and Spread, other applicable Charges may exist in relation to opening and closing Transactions with us depending on the Instrument and the Underlying Market (for example, the charges set out in clauses 9(5), 9(7) and 12(6)). Certain types of Transactions will be subject to a daily funding charge. Further details of these Charges may be found in the Contract Details or may be obtained from us on request. Any

Charge will be your responsibility and where appropriate will be deducted from your account.

4. You must pay, or reimburse, us for any Taxes applicable, now or in the future, to your Transactions or on any Commission, Spread or Charges payable by you pursuant to this Agreement.
5. We may charge you for the provision by us to you of market data or any other account feature or such other Charges as we advise you from time to time.

8. ELECTRONIC TRANSACTIONS

1. You are responsible for ensuring that your use of the Electronic Trading Platform is compliant with this Agreement and all Applicable Regulations which apply to your use of our Electronic Trading Platform.
2. We have no obligation to accept, or to subsequently execute or cancel, all or any part of a Transaction or any Instruction that you seek to execute or cancel through the Electronic Trading Platform. Without limitation of the foregoing, we have no responsibility for transmissions that are inaccurate or not received by us, and we may execute any Transaction on the terms actually received by us.
3. You authorise us to act on any instruction given or appearing to be given by you using the Security Details and received by us in relation to the Electronic Trading Platform ("Instruction"). Unless we agree otherwise with you, you will have no right to amend or revoke an Instruction once received by us. You will be responsible for the genuineness and accuracy, both as to content and form, of any Instruction received by us.
4. You acknowledge we have the right, unilaterally and with immediate effect, to suspend or terminate (at any time, with or without cause or prior notice) all or any part of the Electronic Trading Platform, or your access to any Electronic Trading Platform, to change the nature, composition or availability of any Electronic Trading Platform, or to change the limits we set on the trading you may conduct through any Electronic Trading Platform.
5. In accordance with clause 3, all prices shown on any Electronic Trading Platform are quotes, are subject to constant change and do not result in the initiation of a Transaction unless the process in clause 3 is followed.

Access

6. In respect of a direct market access (DMA) system, to any Exchange in respect of which you may submit orders or receive information or data using the Electronic Trading Platform, you agree that we may require that you provide us with information in relation to you and your use or intended use of this service. You further agree that we may monitor your use of this system, we may require you to comply with certain conditions in relation to your use and may at our absolute discretion remove your access to this service at any time.

Use of the Electronic Trading Platform

7. Where we grant you access to an Electronic Trading Platform we shall grant you, for the term of this Agreement, a personal, limited, non-exclusive, revocable, non-transferable and non sublicenseable licence to use the Electronic Trading Platform pursuant to and in strict accordance with this Agreement. We may provide certain portions of the Electronic Trading Platform under license from third parties, and you will comply with any additional restrictions on your usage that we may communicate to you from time to time, or that are otherwise the subject of an agreement between you and such licensors.
8. We are providing the Electronic Trading Platform to you only for your personal use and only for the purposes, and subject to the terms, of this Agreement. You may not sell, lease, or provide, directly or indirectly, the Electronic Trading Platform or any portion of the Electronic Trading Platform to any third party except as permitted by this Agreement. You acknowledge that all proprietary rights in the Electronic Trading Platform are owned by us or by any applicable third party licensors or service providers engaged by us to provide the Electronic Trading Platform and are protected under copyright, trademark and other intellectual property laws and any other applicable laws. You receive no copyright, intellectual property rights or other rights in or to the Electronic Trading Platform, except those specifically set out in this Agreement. You will protect and not violate those proprietary rights in the Electronic Trading Platform and honour and comply with our reasonable requests to protect our and our third party service providers' contractual, statutory and common law rights in the Electronic Trading Platform. If

you become aware of any violation of our or our third party service providers' proprietary rights in the Electronic Trading Platform, you will notify us in writing immediately.

Software

9. You will not use any automated software, algorithm or trading strategy other than those that we make available to you on our Electronic Trading Platform without our prior written consent. If we agree to allow you to use any such techniques, you agree that we may require you to comply with certain conditions in connection with your use of such techniques and that we may withdraw our consent at any time without prior notice to you.
10. In the event that you receive any data, information or Software via an Electronic Trading Platform other than that which you are entitled to receive pursuant to this Agreement, you will immediately notify us and will not use, in any way whatsoever, such data, information or software
11. You will take all reasonable steps to ensure that no computer viruses, worms, software bombs or similar items are introduced into the System or Software you use to access our Electronic Trading Platform.
12. We and our licensors (as the case may be) will retain the intellectual property rights in all elements of the Software and such software and databases contained within the Electronic Trading Platform and you will not in any circumstances, obtain title or interest in such elements other than as set out in this Agreement.

Market data

13. With respect to any market data or other information that we or any third party service provider provide to you in connection with your use of the Electronic Trading Platform, you agree that:
 - (a) we and any such provider are not responsible or liable if any such data or information is inaccurate or incomplete in any respect;
 - (b) we and any such provider are not responsible or liable for any actions that you take or do not take based on such data or information;
 - (c) you will use such data or information solely for the purposes set out in this Agreement;
 - (d) such data or information is proprietary to us and any such provider and you will not retransmit, redistribute, publish, disclose or display in whole or in part such data or information to third parties except as required by Applicable Regulations or as agreed between us;
 - (e) you will use such data or information solely in compliance with the Applicable Regulations;
 - (f) you will pay such Market Data fees and any applicable taxes (if applicable, for direct market access for example) associated with your use of an Electronic Trading Platform or use of market data as we inform you from time to time;
 - (g) you will notify us if you are not or are no longer a non-professional user for market data purposes (further details about the definition of non-professional user are available from us on request);
 - (h) we may require that you provide us with information in relation to you and your use or intended use of market data;
 - (i) we may monitor your use of our market data;
 - (j) we may require you to comply with certain conditions in relation to your use of market data; and
 - (k) we may at our absolute discretion remove your access to market data at any time.
14. In addition to the above, in respect of certain types of Exchange data that you elect to receive via the Electronic Trading Platform, you hereby agree to any terms and conditions relating to the redistribution and use of such data that we may provide to you from time to time.
15. Certain Exchanges require that their Exchange data will not be viewed or accessed by you on more than one System at any one time. You warrant and represent that you will comply with any restrictions that we apply in relation to your access of any Electronic Trading Platform and ability to view Exchange data from time to time.

Trading from Charts

16. We offer a facility whereby you can subscribe to receive price alerts for CFDs ("Alerts") to notify you if the price of a CFD is higher than or equal to, or lower than or equal to, a price defined by you.
17. An Alert notification will be sent to you by email, text message or push notification alert sent to the email address or mobile telephone number we have on record for your Account. Alerts will also be delivered as a notification when you are logged onto our Electronic Trading Platform.
18. You can request, view, edit or cancel Alerts by logging into your Account using the Electronic Trading Platform. Your Alerts will stay active until they are triggered or cancelled or the CFD expires.
19. The Alerts do not contain, and should not be construed as containing, personal, financial or investment advice or other recommendations, or an offer of, or solicitation for, a transaction in any financial product or instrument. The Alerts are provided without having regard to your specific investment objectives, financial and taxation situation and needs. If you act on the information contained in the Alerts, you do so entirely at your own risk.
20. The Alerts are provided "as is", without warranty or guarantee of any kind, express or implied, including but not limited to the warranties of merchantability and fitness for a particular purpose. In no event shall we or any third party contributor be liable for any claim, damages or other liability, whether in an action of contract, tort or otherwise, arising from, out of or in connection with, the use of the Alerts.
21. While we take reasonable endeavours to ensure an acceptable Alerts service is delivered, you acknowledge and agree that the information contained in the Alerts may be delayed and that we do not guarantee (a) the accuracy or completeness of the Alerts, or (b) that the Alerts service will be uninterrupted, or (c) that the Alerts will be delivered (whether by text message, email or otherwise). You acknowledge and agree that your access to the Alerts depends on factors outside our control, including any disruption, failure or malfunction in any part of the internet or mobile telephone network. Access may also be limited or unavailable during periods of peak demand, systems interference, damage or maintenance or for other reasons.

9. DEALING PROCEDURES AND REPORTING**Agents**

1. Without prejudice to our right to rely and act on communications from any Authorised Person under clause 13(4), we will not be under any duty to open or close any Transaction or accept and act in accordance with any communication if we reasonably believe that such agent may be acting in excess of its authority. In the event that we have opened a Transaction before coming to such a belief we may, at our absolute discretion, either close such a Transaction at our then prevailing price or treat the Transaction as having been void from the outset or allow it to remain open. You acknowledge that if we allow the Transaction to remain open this may result in you incurring losses. Nothing in this clause 9(1) will be construed as placing us under a duty to enquire about the authority of an agent who purports to represent you. You shall notify us if your agent no longer has authority to act on your behalf or procure that your agent notifies us on your behalf.

Infringement of applicable regulations

2. We will not be under any duty to open or close any Transaction or to remit any money on your account to you if we reasonably believe that to do so would infringe any Applicable Regulation or provision of this Agreement. In the event that we have opened a Transaction before coming to such a belief we may, at our absolute discretion, either close such a Transaction at the then prevailing bid price (in the case of Buy Transactions) or offer price (in the case of Sell Transactions) or treat the Transaction as having been void from the outset.
3. You agree that we may take any action in relation to Transactions or money on your account that we consider, acting reasonably, appropriate after receiving instructions from a relevant regulatory authority or to comply with any Applicable Regulation or provision of this Agreement.

Situations not covered by this Agreement

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

Borrowing charges and Transactions becoming un-borrowable

5. Where you have opened a Sell in respect of a particular Instrument, you will incur a borrow charge. The borrow charge will be accounted for in a daily cash adjustment applied to your account. The borrow charge varies according to the Instrument as notified to us by our brokers or agents and includes an administration charge. The borrow charge, and the ability to hold a short position, may be changed by us at short notice or immediately. If you do not pay any borrow charge that becomes payable after you have opened such a Transaction, or we are unable to continue to borrow that Instrument in the Underlying Market (and we give you notice to that effect), we will be entitled to close your Transaction in respect of that Instrument with immediate effect. You acknowledge that this may result in you incurring a loss on the Transaction. Further, you fully indemnify us against any fine, penalty, liability or other similar charge imposed on us for any reason by any Exchange, Underlying Market or any other regulatory authority that relates in any way to your opening or closing a Transaction or any related transaction by us to hedge your Transaction. For the avoidance of doubt, this indemnity extends to any stock recall or buy back fees imposed by any Underlying Market in relation to a Transaction placed by you.
6. In the event that you open a Transaction in relation to an Instrument that is a share, and that underlying share becomes un-borrowable so that we are unable to hedge against losses that we may incur in relation to that Transaction we may, at our absolute discretion, take one or more of the following steps:
 - (a) increase your Margin requirements;
 - (b) close the relevant Transactions at such Closing Level as we reasonably believe to be appropriate; or
 - (c) alter the Last Dealing Time for the relevant Transaction.

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

American Depository Receipt and Global Depository Receipt Charges

7. If you have opened a Buy in relation to an Instrument that is an American Depository Receipt or a Global Depository Receipt, we reserve the right to pass on to you any annual depository service charges, or part thereof, incurred by us when hedging our exposure to you in relation to that Transaction. This charge will only be applied to long positions open on the record date for the particular underlying American Depository Receipt or Global Depository Receipt.

Regulatory Reporting

8. We may be obliged under Applicable Regulations to make public certain information regarding our Transactions with you to ASIC or otherwise. You acknowledge and agree that we are entitled to disclose such information and that such information held by us shall be our sole and exclusive property.
9. You agree to provide us with all information that we may reasonably request for the purpose of complying with our obligations under Applicable Regulations and that you consent for us to provide to any third party such information about you and your relationship with us pursuant to this Agreement (including but not limited to your Transactions or money on your account) as we consider, acting reasonably, appropriate or as required to comply with any Applicable Regulation or provision of this Agreement.
10. If you are a legal entity, our Transactions with you may need to be reported under the European Market Infrastructure Regulation (EMIR Regulation) on OTC Derivatives, Central Counterparties and Trade Repositories (648/2012). If they are required to be reported, you agree that we will generate the unique trade identifier in relation to each relevant Transaction. Please contact one of our employees for this information or visit our website.

11. If you are a legal entity (for example, a company, trustee for a trust, responsible entity or partnership), you are required to obtain and provide a Legal Entity Identifier (LEI) in order to enter into transactions with us. You can obtain a Legal Entity Identifier (LEI) from a registered issuer. In certain circumstances we may obtain a Legal Entity Identifier (LEI) on your behalf. You agree that we may do so and that we may pass on to you any charge we incur to obtain a Legal Entity Identifier (LEI) on your behalf and to levy an administration charge to cover our costs in doing so. Please contact us for more information.

General

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

10. MANIFEST ERROR

1. We reserve the right to either void from the outset or amend the terms of any Transaction containing or based on any error that we reasonably believe to be obvious or palpable (a “Manifest Error” and any such Transaction a “Manifestly Erroneous Transaction”), without your consent. If, in our reasonable discretion, we choose to amend the terms of any such Manifestly Erroneous Transaction, the amended level will be such level as we reasonably believe would have been fair at the time the Transaction was entered into. In deciding whether an error is a Manifest Error we shall act reasonably and we may take into account any relevant information including, without limitation, the state of the Underlying Market at the time of the error or any error in, or lack of clarity of, any information source or pronouncement upon which we base our quoted prices. Any financial commitment that you have entered into or refrained from entering into in reliance on a Transaction with us will not be taken into account in deciding whether or not there has been a Manifest Error.
2. In the absence of fraud, wilful default or negligence, we, our Associated Companies, Directors, Officers, employees, agents or authorised representatives will not be liable to you for any loss, cost, claim, demand or expense following a Manifest Error (including where the Manifest Error is made by any information source, commentator or official on whom we reasonably rely) or in relation to a Manifestly Erroneous Transaction.
3. If a Manifest Error has occurred and we choose to exercise any of our rights under clause 10(1), and if you have received any monies from us in connection with the Manifest Error, you agree that those monies are due and payable to us and you agree to return an equal sum to us without delay.

11. ORDERS

1. We may, at our absolute discretion, accept an “Order” from you. An Order is an offer to open or close a Transaction if the instructions specified by you in an Order are satisfied (such as if our price moves to, or beyond, a level specified by you). Examples of such Orders are:
 - (a) A Stop Order, which is an offer to deal if our quote becomes less favourable to you. A Stop Order is generally placed to provide some risk protection, for example in the event of your Transaction moving into loss, and can be used to either open or close a Transaction. Each Stop Order has a specific stop level, set by you. Your Stop Order will be triggered if our bid price (in the case of an Order to Sell) or our offer price (in the case of an Order to Buy) moves against you to a point that is at or beyond the level specified by you. The exception to this is Stop Orders placed in respect of Transactions on Order Book Shares, which are triggered only if and when a deal takes place on the Underlying Market for that Order Book Share at a price that is at or beyond your specified stop level. Once a Stop Order is triggered we will, in accordance with clause 11(3) and subject to clause 11(4), open or close a Transaction, as the case may be, at a level that is the same or worse than your stop level.
 - (b) A Trailing Stop, which is similar to a Stop Order used to close positions, with the difference being that a Trailing Stop allows you to set a floating stop level that automatically moves when our quote moves in your favour. A Trailing Stop is triggered and executed in the same way as a Stop Order as set out in clause 11(3) and subject to clause 11(4). By using our Trailing Stop function, you acknowledge the following: (i) Trailing Stops are an automated tool that must be used with caution and must be supervised by you; and (ii) we

do not guarantee to operate our Trailing Stop system on a continuous basis so there may be instances in which your stop level might not in fact move with our current quote for the relevant Instrument, for example: where our Trailing Stop function (i.e. the systems and technology that operate our Trailing Stops) is inactive; or where our current quote for the relevant Instrument is Manifestly Erroneous; or where there has been a large, short term price movement in our quote for the relevant Instrument that is unrepresentative of current Underlying Market conditions.

- (c) A Limit Order is an instruction to deal if our quote becomes more favourable to you. A 'take profit' Order is an Attached Limit Order. A Limit Order can be used to either open or close a Transaction. Each Limit Order has a specified limit, set by you. Your Limit Order will be triggered if our bid price (in the case of an Order to Sell) or our offer price (in the case of an order to Buy) moves in your favour to a point that is at or beyond your specified limit. Once a Limit Order is triggered we will, in accordance with clause 11(3) and subject to clause 11(4), seek to open or close a Transaction at a level that is the same or better than your limit. If we cannot do so (i.e. because at the time we seek to execute your Order, our bid/offer price has become less favourable to you), your Limit Order will remain operational, waiting for prices to move again in your favour such that it is triggered.
- (d) A Market Order, which is an instruction to deal now in a specified size at the best available price for that size. Market Orders are useful when you wish to deal but may be unable to deal in your desired size at the quoted bid/offer price. You do not have any control over what price your Market Order will be filled at. When you place a Market Order with us you acknowledge that such Market Order allows us to execute your Transaction at a price that is worse than our quoted bid/offer price at the time you place the Market Order. A Market Order is triggered as soon as it is accepted by us. The Market Order type need to be activated in the Settings tab of the trading platform before it can be selected on the order pad.
- (e) A Points through current Order, which is an instruction to deal now in a specified size up to a price set by you which is less favourable than our then current bid (in the case of an order to Sell) or offer (in the case of an order to Buy). Points through current Orders are useful when you wish to deal but may be unable to deal in your desired size at the quoted bid/offer price and you are not prepared to have your order filled at a price worse than the price set by you (unlike if you used a Market Order where you have no control over the price your order is filled at). When you place a Points through current Order with us you acknowledge that such Order authorises us to execute your Transaction at a price that is worse than our quoted bid/offer price at the time you place the Points through current Order but not at a price worse than the price set by you. A Points through current Order is triggered as soon as it is accepted by us.
- (f) A Partial Order is an instruction to deal now at the size specified by you or, if there is not sufficient liquidity at that size, in the largest size possible. A Partial Order is useful if you want to increase the likelihood of at least part of your Order being filled. If your Order is filled, the size of your Order may be less than the size specified by you. Partial Orders can be used in conjunction with other Orders. When you place a Partial Order with us you acknowledge that such Partial Order allows us to execute your Transaction in a size that is smaller than the size specified by you. A Partial Order is triggered as soon as it is accepted by us.

If you choose to use this feature, CommSec will only ever partially fill your order as an alternative to an outright rejection. CommSec will never partially fill your order as an alternative to filling it in its entirety. So if you trade in a size so large that we cannot fill your entire order, rather than reject your entire order, CommSec will be able to fill you in the maximum size possible.

If you have selected the Partial Order feature, the next time you trade through the same device, it will be retained as your default option.

2. You may specify that an Order is to apply:

- (a) until the next close of business for the relevant Underlying Market (a "Day Order"), which, for the avoidance of doubt, will include any overnight trading sessions on the Underlying Market. Please note that for Limit Orders placed on the telephone, you must specify an expiry date and time of the order; or
- (b) until a date and time specified by you (but such an Order may only be an Unattached Order and may only be placed in respect of a daily or quarterly Transaction); or

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

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

- 3. If your Order is triggered (as set out in clause 11(1) above) we will seek to open or close the Transaction, as the case may be, to which your Order relates. You acknowledge and agree that the time and level at which Orders are executed and the size of your Order will be determined by us, acting reasonably. In this regard:
 - (a) we will seek to execute your Order within a reasonable time of your Order being triggered. Because there may be a manual element to our processing of Orders and because it is possible for a single sudden event to trigger a large number of Orders, you acknowledge and agree that what constitutes a “reasonable time” may vary according to the size of your Order, the level of activity in the Underlying Market, and the number of Orders that have been triggered at the time your Order is triggered; and
 - (b) at the time we are seeking to execute your Order, we will have regard to the price that could be achieved in the Underlying Market for a similar order (including as to size).
- 4. By using our Orders, you expressly acknowledge and agree that:
 - (a) Details about how each of the Orders work are set out in the Product Disclosure Statement which it is your responsibility to read and understand in full. It is also your responsibility to understand how an Order operates before you place any such Order with us. You will not place an Order unless you fully understand the terms and conditions attached to such Order. Details about how Orders work are available in the Contract Details or from our authorised representatives on request.
 - (b) Whether or not we accept an Order is at our absolute discretion. Not all Orders are available on all Transactions, nor on the Electronic Trading Platform.
 - (c) When you place and we accept an Order you are trading with us as principal and not dealing on the Underlying Market.
 - (d) Other than for Stop Orders on Order Book Shares, the triggering of your Order is linked to our bid and offer prices, not the bid and offer prices on the Underlying Market. Our bid and offer prices may differ from the bid and offer prices in the Underlying Market. The effect of such is that your Order may be triggered even though: (i) our bid, or offer as the case may be, moved to or through the level of your Order for only a short period; and (ii) the Underlying Market never traded at the level of your Order.
 - (e) Notwithstanding Term 11(1) (a), if you have a Stop Order that relates to an exchange traded product that despite being an Order Book Share actually behaves more like a Market Maker Share (for example, an exchange traded fund or an exchange traded commodity), we reserve the right to trigger your Stop Order based on our bid and offer prices even if the Underlying Market has not traded at your specified Stop Order level. Further details of the relevant Instruments that may be impacted by this sub-clause are available from one of our authorized representatives upon request.
 - (f) For the purposes of determining whether an Order has been triggered, we will be entitled (but not obliged), at our absolute discretion, to disregard any prices quoted by us during any pre-market, post-market or intra-day auction periods in the relevant Underlying Market, during any intra-day or other period of suspension in the relevant Underlying Market, or during any other period that in our reasonable opinion may give rise to short- term price spikes or other distortions.
 - (g) Following your Order being triggered, we do not guarantee that a Transaction will be opened/closed, nor do we guarantee that if opened/closed it will be done so at your specified size, level or limit.
 - (h) We reserve the right both to work and to aggregate Orders. Working an Order may mean that your Order is executed in tranches at different prices, resulting in an aggregate opening or closing level for your Transaction that may differ both from your specified level and from the price that would have been attained if the Order had been executed in a single tranche. Aggregating an Order means that we combine

your Order with the Orders of our other clients for execution as a single Order. We may do this only if we reasonably believe that this is in the overall best interests of clients as a whole. However, on occasions, aggregation may result in you obtaining a less favourable price in relation to any particular Order. You acknowledge and agree that we shall not under any such circumstances have any liability to you as a result of any such working or aggregation of your Orders.

5. The following sets out when and how GTC Orders will roll:
 - (a) All Attached GTC Orders relating to Expiry Transactions on quarterly or monthly markets will, where you have elected to roll over the Expiry Transaction into the next contract period, also be rolled over unless a specific instruction has been received by us prior to the rollover of the Transaction to cancel or amend the Order(s). Please note that when the Attached GTC Order is rolled over it will also be adjusted to reflect the difference (i.e. any premium or discount) between the current level of the Instrument that is the subject of the old Order and the corresponding level of the Instrument that is the subject of the new Order.
 - (b) All Unattached GTC Orders relating to proposed Expiry Transactions that expire on a quarterly or monthly basis will not roll over and will be cancelled.
 - (c) For both Attached and Unattached GTC Orders where a corporate event takes place, we may cancel your Order. Where we disregard or cancel an Order, we will not re-enter the Order. It is your responsibility to ensure that all such Orders are cancelled and re-entered if needed.
6. You may, with our prior consent (and such consent will not be unreasonably withheld), cancel or amend the level of an Order at any time before our quote reaches or goes beyond the relevant level. However, once the level has been reached, you may not cancel or amend the Order unless we expressly agree to permit you to do so.
7. If you place an Attached Order then:
 - (a) if, when the Order is executed, it will be capable of closing or partly closing the Transaction to which the Attached Order relates, and you subsequently offer to close that Transaction prior to the level of the Attached Order being reached, we will treat that offer to close as a request to cancel the Attached Order. You acknowledge that it is your responsibility to inform us, when you close a Transaction, whether you wish any related un-triggered Attached Order(s) to remain valid, and that, unless otherwise agreed by us, any un-triggered Attached Order(s) will be cancelled; and
 - (b) if the Transaction to which the Attached Order relates is only partially closed by you then the Attached Order will be adjusted to the size of the Transaction that remains open and will remain in full force and effect.
8. If we accept an Order and then an event takes place which means that it is no longer reasonable for us to act on that Order, we will be entitled to disregard or cancel your Order. If we disregard or cancel your Order then we shall not have any liability to you as a result of such action and we shall not re-enter that Order. Examples include but are not limited to:
 - (a) a change in the Applicable Regulations, so that the Order or the Transaction to which the Order relates is no longer in compliance with the Applicable Regulations;
 - (b) a stock to which the Order relates becomes un-borrowable so that we are no longer able to hedge our exposure, or part of our exposure, to you;
 - (c) for Orders relating to shares, an event takes place in respect of the company whose shares represent all or part of the subject matter of the Order, for example, a Corporate Event or the insolvency of the company; or
 - (d) if we cease to offer the type of Transaction to which your Order relates.

12. LIMITED RISK

1. You may request us to open a "Limited Risk" Transaction and ask for a specific stop level to apply to such Limited Risk Transaction. Any such request must be agreed by us (including as to the stop level), acting in our absolute discretion.
2. Limited Risk Transaction may be required to be placed at a set distance from the current traded price.

3. Unless a Limited Risk Transaction has previously been closed in accordance with this Agreement, we guarantee that, when our bid (in the case of Sell Transactions) or offer (in the case of Buy Transactions) reaches or goes beyond the level specified by you, we will close a Limited Risk Transaction at exactly the agreed stop level. Provided that, in determining whether our quote has gone beyond the agreed level, we will be entitled (but not obliged) to disregard any prices quoted by us during any pre-market, post-market or intra-day auction periods in the relevant Underlying Market, during any intra-day or other period of suspension in the relevant Underlying Market, or during any other period that in our reasonable opinion may give rise to short-term price spikes or other distortions.
4. Once you have opened a Limited Risk Transaction, you may only change the level at which the Transaction will be automatically closed with our consent (which we may, at our absolute discretion, withhold) and upon payment of any additional Limited Risk Premium that may be required. You may request us to convert an open Transaction to a Limited Risk Transaction and ask for a specific stop level to apply to such Limited Risk Transaction. Any such request must be agreed by us (including as to the stop level) acting in our absolute discretion.
5. Where you open a Limited Risk Transaction in respect of a particular Instrument and specified period that is (i) a Buy and you subsequently offer to sell (which is also a Limited Risk Transaction) in respect of the same Instrument and period; or (ii) a Sell and you subsequently offer to buy (which is also a Limited Risk Transaction) in respect of the same Instrument and period, we will treat the offer to sell or, as the case may be, buy, as an offer to close all or any part of the Limited Risk Transaction.
6. When you open a Limited Risk Transaction, in addition to the usual opening Commission or Spread that you pay us under clauses 7(1) and 7(2), you will also pay us a Limited Risk Premium. In addition, if we, at our absolute discretion, agree to change a non-Limited Risk Transaction to a Limited Risk Transaction for you, you will pay us a Limited Risk Premium. The Limited Risk Premium will be as set out in the Contract Details or as agreed between you and us or otherwise notified to you or, if no such amount is specified to you, it will be 0.3% of the underlying Contract Value.
7. Unless we agree otherwise, all sums payable by you pursuant to clause 12(6) are due and must be paid immediately upon the Opening Level of your Transaction being determined by us.
8. Where you open a Limited Risk Transaction, and while that Limited Risk Transaction is open we make a dividend adjustment in accordance with clause 23(8), we reserve the right to amend the guaranteed stop level that applies to your Limited Risk Transaction by the size of the dividend adjustment.

13. COMMUNICATIONS

1. An offer to open or close a Transaction (or an Order) must be made by you, or on your behalf via our Electronic Trading Platform, by telephone, or in such other manner as we may specify from time to time. If your usual mode of communicating with us is unavailable for any reason, you should attempt to use one of the other modes of acceptable communication set out at the beginning of this clause. For example, if you usually open and close Transactions via our Electronic Trading Platform, but for some reason our Electronic Trading Platform is not in operation, you should contact us via telephone to open or close Transactions. Written offers to open or close a Transaction, including offers sent by email or text message, will not be accepted or be effective for the purposes of this Agreement. Any communication that is not an offer to open or close a Transaction must be made by you, or by an Authorised Person on your behalf by telephone or in writing, by email, post, or in such other manner as we may specify from time to time. Any such communication will only be deemed to have been received by us upon our actual receipt thereof.
2. We will generally not accept an offer to open or close a Transaction received other than in accordance with clause 13(1), but if we choose to do so we will not be responsible for any loss, damage or cost that you suffer or incur arising out of any error, delay or omission in acting on such offer, or failure to act upon such offer except for our fraud, wilful default or negligence.
3. If at any time you are unable, for whatever reason, to communicate with us, we do not receive any communication sent by you, or you do not receive any communication sent by us under this Agreement, we, our Associated Companies, Directors, Officers, employees, agents or authorised representatives will not:

- (a) be responsible for any loss, damage or cost caused to you by any act, error, delay or omission resulting therefrom where such loss, damage or cost is a result of your inability to open a Transaction; or
 - (b) except where your inability to communicate with us results from our fraud, wilful default or negligence, be responsible for any loss, damage or cost caused to you by any act, error, omission or delay resulting therefrom including without limitation, where such loss, damage or cost is a result of your inability to close a Transaction.
4. You acknowledge and agree that any communication transmitted by you or by an Authorised Person on your behalf is made at your risk and you authorise us to rely and act on, and treat as fully authorised and binding on you, any communication (whether or not in writing) that we reasonably believed to have been transmitted by you or on your behalf by any agent or intermediary authorised by you who we reasonably believed to have been duly authorised by you. You acknowledge and agree that you will not disclose your personal and Account details to any person not duly authorised by you. If you suspect that your details have become known to an unauthorised person or may be used by any other person then you must notify us immediately.
5. You agree that we may record any communications, electronic, by telephone, in person or otherwise, that we have with you in relation to this Agreement and that any recordings that we keep will be our sole property and you accept that they will constitute evidence of the communications between us. You agree that telephone conversations may be recorded without the use of a warning tone or any other further notice.
6. In accordance with the Applicable Regulations, we will provide information about each Transaction that we open or close, as the case may be, for you by providing you with a Confirmation. Confirmations and Statements will be posted on our Electronic Trading Platform (and you specifically consent to our providing you with Confirmations and Statements in this manner). You acknowledge that as soon as you become aware of an error or omission and in any event within 24 hours following the opening or closing of your Transaction or within 24 hours of receipt of your Statement notification email and you are responsible for taking necessary action to mitigate further loss. You acknowledge that time is of the essence in dealings with us. CommSec will investigate the matters disputed and you will cooperate with CommSec in good faith to resolve the dispute. You will, despite any such dispute, continue to satisfy your obligation to meet your Margin requirements as if the details contained in a Confirmation or Statement were correct and not the subject of dispute.
7. Where you have elected to do so, and provide us with your email address, mobile and telephone number, you acknowledge and agree that we may communicate with you by telephone, email or text message or by posting a message on our Electronic Trading Platform and you consent to us telephoning you at any time whatsoever. We will use the address, mobile number, or email address specified on your Application Form or such other email address, address or mobile or telephone number as you may subsequently notify to us. We may also communicate with you by letter.
8. You agree that we may send the following notices to you by email and/or by posting them on our website at **commsec.com.au** and/or the Electronic Trading Platform:
- (a) Statements, where, if we are sending to you by email, we will send you a notification to the email address you have provided to us for you to access your Statements on the Electronic Trading Platform;
 - (b) Confirmations: any amended, revised or supplemental information concerning any of the CFDs;
 - (c) notice of an amendment to the way in which we provide our service to you, for example changes in the features of our Transactions or your account, changes to the Electronic Trading Platform and changes to the Margin rates that apply to our Transactions;
 - (d) notice of an amendment to any term of this Agreement given in accordance with clause 26(1), (each a "Message").

We will not send you a paper copy of a Message which we have sent to you by email or posted to our Electronic Trading Platform unless you request for a hard copy of a Message. Where you elect to receive communications electronically, sending a Message to you by email or by posting it to our Electronic Trading Platform in a durable medium fully complies with all our obligations under the Agreement and the Applicable Regulations.

9. Any correspondence, documents, written notices, legal notices, Confirmations, Messages or Statements will be deemed to have been properly given:

- (a) if sent by post to the address last notified by you to us, three (3) Business Days from and including the date of postage;
 - (b) if delivered in person to the address last notified by you to us, immediately on being deposited at such address;
 - (c) if sent by email or text message, as soon as we have transmitted it to any of the email address or mobile telephone number last notified by you to us;
 - (d) if we leave a voicemail, as soon as the message is completed and left on any of the mobile telephone numbers last notified by you to us;
 - (e) if posted on our website or Electronic Trading Platform, as soon as it has been posted.
10. It is your responsibility to ensure, at all times, that we have been notified of your current and correct address and contact details. Any change to your address or contact details must be notified to us immediately in writing.
11. It is your responsibility to make sure that you read all notices posted on our website and on our Electronic Trading Platform from time to time in a timely manner.
12. Although email, the internet, Electronic Trading Platforms and other forms of electronic communication are often a reliable way to communicate, no electronic communication is entirely reliable or always available. You acknowledge and accept that a failure or delay by you to receive any communication from us sent by email, text message or otherwise whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that communication or any transaction to which it relates. We, our Associated Companies, our Directors, Officers, employees, agents or authorised representatives will not be liable to you for any loss or damage, howsoever caused, arising directly or indirectly out of a failure or delay by you or us to receive an email, a text message or other electronic communication. Further, you understand and accept that emails, text messages and other electronic communications we send to you may not be encrypted and therefore may not be secure and may be viewed by persons otherwise than yourself or persons authorised by you.
13. You acknowledge the inherent risk that communications by electronic means may not reach their intended destination or may do so later than intended for reasons outside our control. You accept this risk and agree that a failure or delay by us to receive any offer or communication from you sent electronically, whether due to mechanical, software, computer, telecommunications or other electronic systems failure, does not in any way invalidate or otherwise prejudice that offer or communication or any transaction to which it relates. If, for any reason, we are unable to accept your offer electronically, we may, without obligation, provide you with further information advising you that your offer can be made by telephone as an alternative and we may endeavour to inform you of this.
14. In the event that you are granted access to our mobile dealing platform, then all use of such service will be subject both to this Agreement and to supplemental mobile dealing terms posted on our website and amended from time to time.

14. MARGIN

1. Upon opening a Transaction you will be required to pay into your Account the Margin for that Transaction, as calculated by us ("Margin"). Note that the Margin for certain Transactions (for example, Share CFDs, Foreign Exchange CFDs and commodity CFDs), will be based on a percentage of the Contract Value of the Transaction and therefore, the Margin due for such Transactions will fluctuate in accordance with the Contract Value. Margin is due and payable immediately upon opening the Transaction (and for Transactions that have a fluctuating Margin based on a percentage of the Contract Value, immediately on opening the Transaction and thereafter immediately on any increase in Contract Value taking place).
2. You also have a continuing obligation to us to ensure that at all times during which you have open Transactions, your Account balance, taking into account all realised or unrealised profits and losses ("P&L") on your account, is equal to at least the Margin that we require you to have held in your Account for all of your open Transactions. If there is any shortfall between your Account balance (taking into account P&L) and your total Margin requirement, you will be required to deposit additional funds into your Account ("Additional Margin"). These funds will be due

and payable into your Account immediately on your Account balance (taking into account P&L) falling below your Margin requirement unless we have expressly agreed to reduce or waive all or part of the Margin that we would otherwise require you to pay into your Account in respect of your Transaction(s). The period of such waiver or reduction may be temporary or may be in place until further notice. Any such waiver or reduction must be agreed by an Authorised Employee in writing (including by email) in order to be effective. Any such agreement does not limit, fetter or restrict our rights to seek further Margin from you in respect of the Transaction at any time thereafter.

3. Details of Margin amounts paid and owing by you are available by logging on to our Electronic Trading Platform or by telephoning our authorised representatives. You acknowledge that:
 - (a) it is your responsibility to be aware of, and further you agree to pay, the Margin required at all times for all Transactions that you open with us;
 - (b) your obligation to pay Margin into your Account will exist whether or not we contact you regarding an outstanding Margin obligation; and
 - (c) your failure to pay any Margin required in relation to your Transactions into your Account will be regarded as an Event of Default for the purposes of clause 17.
4. Margin payments must be made in the form of cleared funds into your Account. In the event that any paying agent declines to transfer funds to your Account for any reason whatsoever then we may, at our absolute discretion, treat any Transaction entered into by us in reliance on receipt of those funds into your Account as void from the outset or close it at our then prevailing price, and recover any losses arising from the voidance or closure of the Transaction from you. We may reserve the right to stipulate the method of payment to be used by you for the payment of Margin.
5. In making any calculation of the Margin payments that we require from you under this clause 14, we may, at our absolute discretion, have regard to your overall position with us and/or any of our Associated Companies including any of your net unrealised losses (i.e. losses on open positions).
6. We are not under any obligation to keep you informed of your Account balance and Margin required (i.e. to make a "Margin Call") however if we do make the Margin Call, you acknowledge and agree that these may be made by telephone call, email or text message or through the Electronic Trading Platform. The Margin Call will be deemed to have been made as soon as you are deemed to have received such notice in accordance with clause 13(8). We will also be deemed to have made a demand on you if:
 - (a) we have left a message requesting you to contact us and you have not done so within a reasonable time after we have left such a message; or
 - (b) if we are unable to leave such a message and have used reasonable endeavours to attempt to contact you by telephone (at the telephone number last notified to us by you) but have been unable to contact you at such number.
7. Any message that we leave for you requesting you to contact us should be regarded by you as extremely urgent unless we specify to the contrary when we leave the message. You acknowledge and accept that what constitutes a reasonable time in the context of this clause may be influenced by the state of the Underlying Market and that, according to the circumstances, could be a matter of minutes or even immediately. It is your responsibility to notify us immediately of any change in your contact details and to provide us with alternative contact details and ensure that our calls for Margin will be met if you will be uncontactable at the contact email address or telephone number notified to us (for example because you are travelling or are on holiday, or you are prevented from being in contact because of a religious holiday). We, our Associated Companies, Directors, Officers, employees, agents and authorised representatives will not be liable for any losses, costs, expenses or damages incurred or suffered by you as a consequence of your failure to do so.
8. We will be entitled, at any time, to increase or decrease the Margin required from you on open Transactions. You agree that, regardless of the normal way in which we communicate with each other, we will be entitled to notify you of a change to Margin levels by posting notice of the increase on our website at commsec.com.au or the Electronic Trading Platform. Any increase in Margin levels will be due and payable immediately on our demand, including our deemed demand in accordance with clause 13(8). We will only increase Margin requirements where we reasonably consider it necessary, for example but without limitation, in response to or in anticipation of any of the following:

- (a) a change or renew in the volatility and/or liquidity in the Underlying Market or in the financial markets more generally;
- (b) economic news;
- (c) a company whose Instruments represent all or part of your Transaction becoming or being rumoured to be going insolvent, being suspended from trading or undertaking a Corporate Event;
- (d) you changing your dealing pattern with us and/or any of our Associated Company;
- (e) your credit circumstances changing or our assessment of your credit risk to us changing;
- (f) your exposure to us and/or to any of our Associated Companies being concentrated in a particular Underlying Market or a sector (being a selection of stocks in a market normally associated with a specific industry group);
- (f) your exposure to us and/or to any of our Associated Companies being concentrated in a particular Underlying Market or a sector (being a selection of stocks in a market normally associated with a specific industry group);
- (g) our and/or an Associated Company of ours exposure is concentrated in a particular Underlying Market or a sector (being a selection of stocks in a market normally associated with a specific industry group) as a result of your Transactions with us in aggregation with transactions of other clients of ours and/or an Associated Company of ours;
- (h) a change in the margin charged by our hedging counterparties or the margin rules set by the relevant Underlying Market; or
- (i) any change to the Applicable Regulations.

9. At the end of each Business Day during the term of a Transaction, and upon the closing of a Transaction (and subject to any applicable adjustments for interest and dividends in accordance with this Agreement):

- (a) an amount is calculated as owing by you to us as follows:
 - i. in respect of the Business Day on which a Transaction is opened, the difference between the Opening Level of the Transaction and Closing Level of the Transaction; or
 - ii. in respect of any other Business Day, the difference between the Closing Level of the Transaction on that Business Day and the Closing Level of the Transaction on the immediately preceding Business Day,

in each case, multiplied by the number of units of the Instrument that comprise the Transaction if the Transaction is:

- iii. a Sell and the Closing Level of the Transaction is higher than the Opening Level of the Transaction or the Closing Level of the Transaction on the immediately preceding Business Day, as the case may be; or
- iv. a Buy and the Closing Level of the Transaction is lower than the Opening Level of the Transaction or the Closing Level of the Transaction on the immediately preceding Business Day, as the case may be; and

(b) an amount is calculated as owing by us to you as follows:

- i. in respect of the Business Day on which a Transaction is opened, the difference between the Opening Level of the Transaction and the Closing Level of the Transaction; or
- ii. in respect of any other Business Day, the difference between the Closing Level of the Transaction on that Business Day and the Closing Level of the Transaction on the immediately preceding Business Day,

in each case, multiplied by the number of units of the Instrument that comprise the Transaction if the Transaction is:

- iii. a Sell and the Closing Level of the Transaction is lower than the Opening Level of the Transaction or the Closing Level of the Transaction on the immediately preceding Business Day, as the case may be; or
- iv. a Buy and the Closing Level of the Transaction is higher than the Opening Level of the Transaction or the Closing Level of the Transaction on the immediately preceding Business Day, as the case may be.

10.

- (a) The Daily Net Variation Amount is an amount equal to:
 - i. the aggregate of the Base Currency equivalent of each Daily Transaction Variation Amount determined by us for each Transaction under clause 14(9)(a); less
 - ii. the aggregate of the Base Currency equivalent of each Daily Transaction Variation Amount determined by us for each Transaction under clause 14(9)(b).
- (b) If the Daily Net Variation Amount is positive, it is an amount that is immediately due and payable by you to us.
- (c) If the Daily Net Variation Amount is negative, we will deposit an equivalent amount into your Account (with the underlying funds being held in a client money account).

15. PAYMENT, CURRENCY CONVERSION AND SET-OFF

- 1. This clause 15 applies despite anything to the contrary in any other provision of this Agreement.
- 2. All payments to be made under this Agreement, other than payments of Commission, Limited Risk Premium and Margin which are due and payable in accordance with clauses 4, 12 and 14 respectively, are due immediately upon our demand, which may be oral or in writing. Once demanded, such payments must be paid by you, and must be received by us in full in cleared funds on your account. You acknowledge that we may, in our discretion, set off any amount owing to you against any amount owing to us and only pay the net amount owing (if any) to you.
- 3. You must comply with the following when making payments to us:
 - (a) Payments due (including Margin payments) will, unless otherwise agreed or specified by us, be required in the relevant Currency or Currencies of the CFD contract.
 - (b) You will make any payment due to us in Australian dollar equivalent by requesting an online funds transfer from your nominated CBA bank account at commsec.com.au.
 - (c) In determining whether to accept payments from you, we will have utmost regard to our duties under laws regarding the prevention of fraud, counter-terrorism financing, insolvency, money laundering and/or tax offences. To this end, we may at our absolute discretion having regard to the law, reject payments from you and return funds to source. In particular, we may not accept payments from a bank account if it is not evident to us that the bank account is in your name.

Base Currency and Currency Conversion

- 4. You should be aware of the following when you open a Transaction in your Account in a Currency other than your Base Currency:
 - (a) It is your responsibility to make yourself aware of the Currency that is designated for your Transaction(s). Unless otherwise requested and agreed by us, the base currency is Australian dollars.
 - (b) Some Transactions will result in profit/loss being accrued in a Currency other than your Base Currency. The Contract Details specify the Currencies in which various Transactions are denominated, or alternatively such information is available from our authorised representatives on request.
 - (c) From time to time (for example in your Statements), we may provide information to you which presents your multi-currency balances in the equivalent value of your Base Currency, using the rates prevailing at the time the information is produced. However you should note that the balances have not been physically converted and that the presentation of the information in your Base Currency is for information purposes only.
 - (d) Unless we have agreed with you otherwise, your account will, by default, be set to immediate conversion of non-Base Currency balances standing on your account to your Base Currency. This means that, following a non-Base Currency Transaction being closed, rolled over or expiring, the profits or losses from that Transaction will be automatically converted to your Base Currency and posted to your Account in that Base Currency. We will also by default automatically convert any non-Base Currency adjustments or charges (for

example funding charges or dividend adjustments) to your Base Currency, before such adjustments/charges are booked on your Account and we will automatically convert any money received from you in a non-Base Currency into your Base Currency.

- (e) Other than for Limited Risk Transactions, we may agree that instead of automatically converting non-Base Currency amounts before we post them to your Account (as set out in clause 15(4)(d) above), we may post such amounts on your Account in the relevant non-Base Currency and we will conduct recurring balance sweeps (for example on a daily, weekly or monthly basis) that will convert all non-Base Currency balances standing on your Account to your Base Currency. Depending on your Account type, some of these sweep frequencies might not be available to you.
 - (f) If you have an Account type that allows you to do so (and subject to our agreement), you may elect to opt out of both immediate conversion (as set out in clause 15(4)(d)) and recurring balance sweeps (as set out in clause 15(4)(e)). When we consider it reasonably necessary, or when requested by you, we may convert balances (including negative balances) and/or money standing to your credit in a non-Base Currency into your Base Currency.
 - (g) All conversions made in accordance with this clause will be made at an Exchange Rate not more than +/- 0.5% of the prevailing market rate at the time of the conversion.
 - (h) Where you maintain Transactions in a Currency other than your Base Currency and/or where you elect to opt out of immediate conversion pursuant to clauses 15(4)(e) or 15(4)(f) as applicable, you are exposing yourself to cross-Currency risk. You acknowledge and agree that it is your responsibility to manage this risk and we, our Associated Companies, Directors, Officers, agents and authorised representatives are not liable for any losses that you suffer as a result.
 - (i) We reserve the right to change the way in which we manage and/or convert your non-Base Currency balances at any time in the future by providing you with 5 Business Days' prior notice. By way of example only, we may notify you that all non-Base Currency amounts on your Account will be immediately converted as set out in clause 15(4)(d), or we may notify you that the frequency for your recurring balance sweep is changing to become more or less frequent.
5. You irrevocably and unconditionally undertake to CBA to perform, in favour of CBA and for CBA's benefit, each and every obligation owed by you to us under or in connection with this Agreement. This undertaking is separate and independent to your obligations to us, and CBA will have an independent right to demand performance by you of each such obligation. However, any discharge of any such obligation to either CBA or us will discharge the corresponding obligation to the other of them to the same extent.
6. Without limiting clause 15(2), you irrevocably and unconditionally undertake to pay to CBA on demand an amount that is equal to each amount that is due and payable by you to us under or in connection with this Agreement from time to time. This undertaking is separate and independent to your payment obligations to us, and CBA will have an independent right to demand performance by you of each such undertaking. However, any discharge of any obligation to either CBA or us will discharge the corresponding obligation to the other of them to the same extent.
7. You agree that it is also an Event of Default if:
- (a) any monies owing by you to CBA under this Agreement or any other agreement on any account whatsoever are not duly and punctually paid to CBA or satisfied as and when they become due; or
 - (b) you fail to duly and punctually perform and observe any other obligation under this Agreement or any other agreement or on any account whatsoever with CBA.
8. Without limiting CBA's or our rights, powers, remedies or discretions under any other provision of this Agreement or otherwise:
- (a) if an Event of Default occurs, any one or both of CBA and us, without notice to you, may combine any account that you hold with any of them (including jointly held accounts) at any branch or office (in Australia or elsewhere) with, or set off any amount in any currency or any other asset) held by either of them on your behalf or to your credit in any account (including jointly held accounts) that is or may become owing in any currency by any of them to you against, any amount owing by you to it;

- (b) any monies deposited by you with either CBA or us (including amounts deposited by us with CBA on your account) will not fall due for repayment by CBA or us, as the case may be, until your obligations under this Agreement (and under any other account between us and you) are satisfied in full. Until this time, those monies will not constitute a debt due from CBA or us to you nor will you have any right to receive payment of these funds; and
- (c) We will be under no obligation to remit any money to you if that would reduce your Account balance (taking into account running profits and losses) to less than the Margin payments required on your open Transactions. Subject thereto and to clauses 15.8(a) and 15.8(b), money standing to the credit of your Account may at the absolute discretion of CommSec be remitted to you if requested by you. Where you do not make such a request, we will be under no obligation to but may, at our absolute discretion, remit such monies to you. All bank charges howsoever arising will, unless otherwise agreed, be for your Account. The manner in which we remit monies to you will be at our absolute discretion, having utmost regard to our duties under law regarding the prevention of fraud, counter-terrorism financing, insolvency, money laundering and/or tax offences. We will normally remit money in the same method and to the same place from which it was received. However, in exceptional circumstances we may, at our absolute discretion, consider a suitable alternative.

Interest

- 9. You will pay interest to us on any sums due in respect of any Transaction and any other general Account charges (for example, market data fees) and Taxes, as applicable, that you fail to pay on the relevant due date. Interest will accrue on a daily basis from the due date until the date on which payment is received in full on your account in cleared funds, at a rate not exceeding 4% above our applicable reference rate from time to time (details available on request) and will be payable on demand.
- 10. You grant each of CBA and us a separate Security Interest in:
 - (a) all of your rights and interest in your Account; and
 - (b) without limiting paragraph (a) above, all of your rights and interest in respect of, or in connection with, any Margin, and any other amount whatsoever that is payable to it under this Agreement; and.
 - (c) without limiting paragraphs (a) or (b) above, all of your rights and interest in the CBA accounts referred to in clauses 15.8(a) and (b) to secure obligations owing by you under or in connection with this Agreement to CBA and us.
- 11. The Security Interests provided for by this Agreement are first ranking Security Interests, and if an Event of Default occurs, we and CBA, in addition to any other right that either of them may have, may severally enforce its Security Interest provided for by this Agreement.
- 12. Our and CBA's respective rights, powers, remedies and discretions under clause 15 are separate and independent from one another and we and CBA are not under any obligation to exercise or take any action under or in respect of any one or more of them before doing so under or in respect of any other of them.
- 13. In addition to and without derogating from our and CBA's rights and entitlements under clause 15, you agree that we may debit any margin lending facility with us with monies that you owe us, e.g. unpaid settlement obligations.

16. PERSONAL PROPERTY SECURITIES ACT

- 1. Nothing in this Agreement may be taken as an agreement that any Security Interest provided for by this Agreement attaches later than the time contemplated by section 19(2) of the PPSA.
- 2. You acknowledge that neither CBA nor CommSec has agreed to subordinate any Security Interest provided for by this Agreement in favour of any third party.
- 3. You acknowledge that CBA and/or CommSec may register one or more financing statements in relation to their respective Security Interests. If permitted by the PPSA, you waive your right under section 157 of the PPSA to receive notice of any verification statement relating to the registration of any such financing statement or any related financing change statement.

4. You, CBA and CommSec agree not to disclose information of the kind mentioned in section 275(1) of the PPSA, except in the circumstances required by sections 275(7)(b) to (e) of the PPSA. You agree that you will only authorise the disclosure of information under section 275(7)(c) or request information under section 275(7)(d), if either CBA or CommSec approves. Nothing in this clause 16(4) will prevent any disclosure by CBA or CommSec that it believes is necessary to comply with its other obligations under the PPSA.
5. To the extent that it is not inconsistent with clause 16(4) constituting a “confidentiality agreement” for the purposes of section 275(6)(a) of the PPSA, you agree that CBA and/or CommSec may disclose information of the kind mentioned in section 275(1) of the PPSA to the extent that CBA or CommSec is not doing so in response to a request by an “interested person” (as defined in section 275(9) of the PPSA).
6. To the extent that Chapter 4 of the PPSA would otherwise apply to an enforcement by CommSec or CBA of any Security Interest provided for by this Agreement, the parties agree that the following provisions of the PPSA do not apply:
 - (a) to the extent that section 115(1) of the PPSA allows them to be excluded: sections 95, 118, 121(4), 125, 130, 132(3)(d), 132(4), 135, 138B(4), 142 and 143; and
 - (b) in addition, to the extent that section 115(7) of the PPSA allows them to be excluded: sections 127, 129(2) and (3), 132, 134(2), 135, 136(5) and 137.
7. You must, at your own expense, whenever requested by either CBA or CommSec, promptly do or cause to be done anything which CommSec or CBA considers necessary or desirable to perfect and protect any Security Interest provided for by this Agreement.

In clauses 15 and 16, terms that are defined in the PPSA have the same meanings (unless the context requires otherwise).

17. DEFAULT AND DEFAULT REMEDIES

1. Each of the following constitutes an “Event of Default” for the purpose of this Agreement:
 - (a) your failure to make any payment to us or to any of our Associated Companies in accordance with the conditions set out in clauses 14 and 15;
 - (b) your failure to perform any obligation under this Agreement or in accordance with a Transaction;
 - (c) where any Transaction or combination of Transactions or any realised or unrealised losses on any Transactions or combination of Transactions opened by you results in your exceeding any limit placed on your dealings with us;
 - (d) if you are an individual, your death or your incapacity;
 - (e) the initiation by a third party of proceedings for your bankruptcy (if you are an individual) or for your winding-up or for the appointment of an administrator, liquidator, provisional liquidator, receiver or receiver and manager in respect of you or any of your assets (if you are a company or trust) or (in any case) if you make an arrangement or composition with your creditors or any other similar procedure is commenced in respect of you;
 - (f) where any representation or warranty made by you in this Agreement or the Application Form is or becomes untrue;
 - (g) you are or become unable to pay your debts as and when they fall due;
 - (h) you have committed fraud or been deceitful in your dealings with us in relation to your account with us under this Agreement or another account with us or an Associated Company of ours;
 - (i) you are in material or persistent breach of any term of this Agreement;
 - (j) an ‘event of default’ (however described) under the applicable agreement in relation to your account with an Associated Company of ours or with us (other than under this Agreement);
 - (k) your failure to follow instructions from CommSec in relation to maintaining the Total Exposure Value or trade instructions on any CFD contract; or

- (l) any other circumstance where we reasonably believe that it is necessary or desirable to take any action in accordance with clause 17(2) to protect ourselves or all or any of our other clients.
2. If an Event of Default occurs in relation to your Account(s) with us or in relation to any account(s) held by you with any of our Associated Companies, we may, at our absolute discretion, at any time and without prior notice take any one or any number of the below steps:
 - (a) close, part-close or amend all or any of your Transactions at a Closing Level based on the then prevailing quotations or prices in the relevant markets or, if none, at such levels as we consider fair and reasonable and/or delete or place any Order on your Account with the aim of reducing your exposure and the level of funds owed by you to us;
 - (b) convert any Currency balances on your Account into another Currency;
 - (c) exercise rights of set-off under clause 15(2) or clause 15(8), retain any funds;
 - (d) charge you interest on any money due, from close of business on the date when monies first fell due until the date of actual payment at a rate not exceeding 4% above the Base Rate from time to time; or
 - (e) close all or any of your Accounts held with us of whatever nature and refuse to enter into further Transactions with you; and
 - (f) terminate this Agreement in accordance with clause 26(6).
 3. If we take any action under clause 17(2), we may, where reasonably possible, take steps to notify you before exercising such rights. However, we are not obliged to do so and any failure on our part to take such steps will not invalidate the action taken by us under clause 17(2).
 4. If an Event of Default occurs we are not obliged to take any of the steps set out in clause 17(2) and we may, at our absolute discretion, allow you to continue to trade with us, or allow your open Transactions to remain open.
 5. You acknowledge that, if we allow you to continue to trade or to allow your open Transactions to remain open under clause 17(4), this may result in you incurring further losses. You acknowledge and agree that we, our Associated Companies, Directors, Officers, employees, agents and authorised representatives shall not have any liability to you in this regard.
 6. You acknowledge and agree that, in closing out Transactions under this clause 17, it may be necessary for us to 'work' the order. Work the order generally involves finding the best price, obtain a quote, find liquidity to close out the CFD contract. This may have the result that your Transaction is closed out in tranches at different bid prices (in the case of Sells) or offer prices (in the case of Buys), resulting in an aggregate Closing Level for your Transaction that results in further losses being incurred on your Account. You acknowledge and agree that we, our Associated Companies, Directors, Officers, employees, agents and authorised representatives shall not have any liability to you as a result of any such working of your Transactions.

18. CLIENT MONEY

1. Certain monies received from you are required to be deposited and held by us on trust in a separate client money account in accordance with the Governing Legislation. We will not be liable for the solvency, act or omissions of any bank holding money under this clause 18(1). In our sole discretion, we may also deposit and hold other monies received from you or referable to you in such a client money account.
2. You acknowledge that we will be under no obligation to pay interest on balances on your Account (and any fees we may take from such interest) and that you are therefore waiving and foregoing any entitlement to interest (and fees if any) under the Governing Legislation or otherwise. You hereby acknowledge that we will not pay you any interest on your Account and that any interest will accrue to us and (insofar as you are able and/or required to do so) you assign and convey to us the beneficial entitlement to such interest.
3. In the event that there has been no transactions on your Account for a period of six years after the date you become entitled to a transfer of your money held in such Account (notwithstanding any payments or receipts of interest, fees or similar items) and we are unable to trace you despite having taken reasonable steps to do so, you authorise and direct us to treat the then balance of the Account as unclaimed money to be dealt with in accordance with the provisions of the Applicable Regulations or applicable unclaimed money legislation or, where the balance of

the Account is less than AU\$100, to make payment of that money to a charity of our choice registered under the Australian Charities and Not-for-Profit Commission Act 2012 (Cth) or any similar legislation. Where we do so, you will indemnify us and not hold us in any way liable for that money.

19. INDEMNITY AND LIABILITY

1. Subject always to clause 1(2), you will indemnify, and keep indemnified on demand, CommSec, our Associated Companies, Directors, Officers, employees, agents and authorised representatives, in respect of all liabilities, losses or costs of any kind or nature whatsoever that may be incurred by us as a direct or indirect result of:
 - (a) any failure by you to perform any of your obligations under this Agreement, in relation to any Transaction; or
 - (b) in relation to any false information or declaration made either to us or to any third party, in particular to any Exchange; or
 - (c) any failure of any hedge counterparty for any reason to perform its obligations to us in relation to any Transaction.

You acknowledge that this indemnity extends to our legal and administrative costs and expenses incurred in respect of taking any legal or investigatory action against you, or instructing any debt collection agency, to recover monies owed by you to us.

2. To the extent permitted by law, you will indemnify, protect and hold us, our Associated Companies, Directors, Officers, employees, agents and authorised representatives harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and/or costs resulting from or arising out of any act or omission by any person obtaining access to your Account by using your designated details, whether or not you authorised such access reduced to the extent of our fraud or wilful default.
3. We shall not be liable for any default, omissions, errors or mistakes by any third party or Associated Company other than as a result of our own negligence, fraud or wilful default in relation to the appointment of that third party.
4. Certain information in relation to our services is provided by third parties and we are not liable for any inaccuracy, errors or omissions in the information they provide us except where such inaccuracy, error or omission is caused by our own negligence, fraud or wilful default in relation to the appointment of that third party.
5. Without prejudice to any other terms of this Agreement, we, our Associated Companies, Directors, Officers, employees, agents and authorised representatives will have no liability to you in relation to any loss, costs or expenses that you suffer as a result of any delay or defect in or failure of the whole or any part of our Electronic Trading Platform's software or any systems or network links or any other means of communication. We will have no liability to you, whether in contract or in tort (including negligence) in the event that any computer viruses, worms, software bombs or similar items are introduced into your computer hardware or software via our Electronic Trading Platform, provided that we have taken reasonable steps to prevent any such introduction.
6. Without prejudice to any other Terms of this Agreement, we will have no liability to you in relation to any loss, costs or expenses that you suffer as a result of:
 - (a) any inability by you to open or close a Transaction; or
 - (b) any cause beyond our reasonable control and the effect of which is beyond our reasonable control to avoid.
7. Without prejudice to any other terms of this Agreement, we will have no liability to you in relation to any loss which is a side effect of the main loss or damage and which is not a foreseeable consequence of a breach of this Agreement including, without limitation, loss of business, loss of profits, failure to avoid a loss, loss of data, loss or corruption of data, loss of goodwill or reputation, caused by any act or omission of ours under this Agreement.
8. Nothing in this Agreement shall limit our liability for personal injury or death.

20. REPRESENTATIONS AND WARRANTIES

1. You represent and warrant to us, and agree that each such representation and warranty is deemed repeated each time you open or close a Transaction by reference to the circumstances prevailing at such time, that:
 - (a) the information provided to us in your Application Form and at any time thereafter is true and accurate in all material respects;
 - (b) you are duly authorised to execute and deliver this Agreement, to open and to close each Transaction and to perform your obligations hereunder and thereunder and have taken all necessary action to authorise such execution, delivery and performance;
 - (c) you will enter into this Agreement and open and close each Transaction as principal;
 - (d) any person representing you in opening or closing a Transaction will have been, and (if you are a company or trust) the person entering into this Agreement on your behalf is, duly authorised to do so on your behalf;
 - (e) you have obtained all authorisations and consents required by you in connection with this Agreement and in connection with opening or closing Transactions and such authorisations and consents are in full force and effect and all of their conditions have been and will be complied with;
 - (f) execution, delivery and performance of this Agreement and each Transaction will not violate any law, ordinance, charter, by-law or rule applicable to you, the jurisdiction in which you are resident, or any agreement by which you are bound or by which any of your assets are materially affected;
 - (g) no Insolvency Event has occurred in relation to you;
 - (h) you will not use our bid and offer prices for any purpose other than for your own trading purposes, and you agree not to redistribute our bid and offer prices to any other person whether such redistribution be for commercial or other purposes;
 - (i) you will use the services offered by us pursuant to this Agreement in good faith and, to this end, you will not use any electronic device, software, algorithm, or any trading strategy or any arbitrage practices (such as but not limited to latency abuse, price manipulation or time manipulation) that aims to manipulate or take unfair advantage of the way in which we construct, provide or convey our bid or offer prices. In addition, you agree that using any device, software, algorithm, strategy or practice in your dealings with us whereby you are not subject to any downside market risk will be evidence that you are taking unfair advantage of us;
 - (j) you will use the services offered by us pursuant to this Agreement in good faith and, to this end, you will not use any electronic device, software, algorithm, or any trading strategy that aims to manipulate or take unfair advantage of the Electronic Trading Platform;
 - (k) you will not use any automated software, algorithm or trading strategy other than in accordance with the terms of this Agreement;
 - (l) you will not submit or request information electronically from us in a manner that is likely to strain or overload the Electronic Trading Platform;
 - (m) you will not and will not attempt to decompile the Electronic Trading Platform including any of our web or mobile applications; and
 - (n) you will provide us with all information that we reasonably require to comply with our obligations under this Agreement and you will provide us with any information that we may reasonably request from you from time to time for the purposes of our compliance with Applicable Regulations.
2. This Agreement contains the entire understanding between the parties in relation to the dealing services we offer.
3. In the absence of our fraud, wilful default or negligence, we give no warranty regarding the performance of our website, our Electronic Trading Platform or other software or their suitability for any equipment used by you for any particular purpose.
4. Save for all non-excludable terms implied by the Competition and Consumer Act 2010 (Cth) or similar legislation, all implied terms as to fitness for purpose or otherwise which are capable of being excluded by agreement are hereby excluded from this Agreement.

5. Any breach by you of a warranty given under this Agreement renders any Transaction voidable from the outset or capable of being closed by us at our then prevailing prices, at our absolute discretion. You may be liable for any potential losses.
6. If we have reasonable grounds for suspecting that you have breached a warranty given under this Agreement, we may render any Transaction voidable from the outset or capable of being closed by us at our then prevailing prices, at our absolute discretion, unless and until you produce evidence that satisfies us that you have not, in fact, committed the breach of warranty the suspicion of which was the ground for us taking action under this clause. For the avoidance of doubt, if you do not produce such evidence within the period of three (3) months from the date on which action is taken by us under this clause, all such Transactions will be finally null and void as between you and us.

21. MARKET ABUSE

1. We may hedge our liability to you by opening equivalent positions through a third party service provider, with other institutions, or in the Underlying Market. The result of our doing this is that when you open or close a Transaction relating to a share or other Instrument with us, your Transactions can, through our hedging, exert a distorting influence on the Underlying Market for that Instrument, in addition to the impact that it may have on our own prices. This creates a possibility of market abuse and the function of this clause is to prevent such abuse.
2. You represent and warrant to us now, and agree that each such representation and warranty is deemed repeated each time you open or close a Transaction, that:
 - (a) you will not open and have not opened a Transaction or Transactions with us relating to a particular share price if to do so would result in you, or others with whom you are acting in concert together, having an exposure to the share price that is equal to or exceeds the amount of a declarable interest in the relevant company. For this purpose the level of a declarable interest will be the prevailing level at the material time, set by law or by the Governing Legislation or by the Exchange(s) on which the underlying share is listed;
 - (b) you will not open and have not opened a Transaction with us in connection with:
 - i. a placing, issue, distribution or other similar event;
 - ii. an offer, take-over, merger or other similar event; or
 - iii. any other corporate finance style activity in which you are involved or otherwise interested; and
 - (c) you will not open or close a Transaction and you will not place an Order that contravenes the Governing Legislation or any other law against insider dealing or market manipulation.
3. In the event that:
 - (a) you open or close any Transaction or place an Order in breach of the representations and warranties given in this Agreement; or
 - (b) we have reasonable grounds for suspecting that you have done so,

we may, at our absolute discretion and without being under any obligation to inform you of our reason for doing so, close that Transaction and any other Transactions that you may have open at the time, if applicable, and also, at our absolute discretion:

 - (a) enforce the Transaction or Transactions against you if it is a Transaction or Transactions under which you have incurred a loss; or
 - (b) treat all your Transactions that meet the circumstances set out in this clause as void if they are Transactions under which you have secured a profit, unless and until you produce evidence that satisfies us that you have not, in fact, committed the breach of warranty and/or misrepresentation the suspicion of which was the ground for us taking action under this clause. For the avoidance of doubt, if you do not produce such evidence within the period of three (3) months from the date on which action is taken by us under this clause, all such Transactions will be finally null and void as between you and us; or
 - (c) cancel any Order on your account with us.

4. You acknowledge that the Transactions in which you deal with us are speculative instruments and you agree that you will not open any Transactions with us in connection with any corporate finance style activity.
5. You acknowledge that it would be improper for you to deal in the Underlying Market if the sole purpose of such a transaction was to impact on our bid or offer prices, and you agree not to conduct any such transactions.

22. FORCE MAJEURE EVENTS

1. We may, in our reasonable opinion, determine that an emergency or an exceptional market condition exists (a "Force Majeure Event"), in which case we will, in due course, take reasonable steps to inform you. A Force Majeure Event will include, but is not limited to, the following:
 - (a) any act, event or occurrence (including without limitation any strike, riot or civil commotion, act of terrorism, war, industrial action, acts and regulations of any governmental or supra national bodies or authorities) that, in our opinion, prevents us from maintaining an orderly market in one or more of the Instruments in respect of which we ordinarily deal in Transactions;
 - (b) the suspension or closure of any market or the abandonment or failure of any event on which we base, or to which we in any way relate, our quote, or the imposition of limits or special or unusual terms on the trading in any such market or on any such event;
 - (c) the occurrence of an excessive movement in the level of any Transaction and/or the Underlying Market or our anticipation (acting reasonably) of the occurrence of such a movement;
 - (d) any breakdown or failure of transmission, communication or computer facilities, interruption of power supply, or electronic or communications equipment failure; or
 - (e) a failure of any relevant supplier, hedge counterparty, intermediate broker, agent or principal of ours, custodian, sub-custodian, dealer, exchange, clearing house or regulatory or self-regulatory organisation, for any reason, to perform its obligations.
2. If we determine that a Force Majeure Event exists, we may, at our absolute discretion, without notice and at any time, take one or more of the following steps:
 - (a) increase your Margin requirements;
 - (b) close all or any of your open Transactions at such Closing Level as we reasonably believe to be appropriate;
 - (c) suspend or modify the application of all or any of the provisions of this Agreement to the extent that the Force Majeure Event makes it impossible or impracticable for us to comply with the clause or clauses in question; or
 - (d) alter the Last Dealing Time for a particular Transaction.

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

Corporate Events

1. If any Instrument becomes subject to possible adjustment as the result of any of the events set out in clause 23(2) below (a "Corporate Event"), we will determine, at our absolute discretion, the appropriate adjustment, if any, to be made to the size and/or value and/or number of the related Transaction(s) (and/or to the level of any Order) to account for the diluting or concentrating effect necessary to preserve the economic equivalent of the rights and obligations of the parties in relation to that Transaction immediately prior to that Corporate Event and/or replicate the effect of the Corporate Event on someone with an interest in the relevant underlying Instrument, to be effective from the date determined by us and which may, for the avoidance of doubt, be retrospective.
2. The events to which clause 23(1) refers are the declaration by the issuer of an Instrument (or, if the Instrument is itself a derivative, the issuer of the security underlying that Instrument) of any of the following:
 - (a) a subdivision, consolidation, redenomination or reclassification of shares, a share buy-back or cancellation,

or a free distribution of shares to existing shareholders by way of a bonus, capitalisation or similar issue;

- (b) an issue or a distribution to existing holders of the underlying shares of additional shares, other share capital or securities granting the right to payment of dividends and/or proceeds of liquidation of the issuer equally proportionately with such payments to holders of the underlying shares, securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe or receive shares, in any case for payment (in cash or otherwise) at less than the prevailing market price per share as determined by us;
 - (c) the proportional distribution of some of the capital of a company in which the underlying share is held;
 - (d) the company in which the underlying share is held undergoes a reconstruction;
 - (e) the voiding of an Instrument that trades, or has traded, on a when-issued basis, in which case any Transaction(s) that relates to that Instrument will also be void;
 - (f) any other event in respect of the shares similar to any of the above events or otherwise having a diluting or concentrating effect on the market value of the shares, whether temporary or otherwise;
 - (g) any event similar to any of the foregoing events or otherwise having a diluting or concentrating effect on the market value of any Instrument not based on shares, whether temporary or otherwise.
3. Any adjustment to the size and/or value and/or number of any Transaction(s) (and/or to the level of any Order) will be determined reasonably and will be conclusive and binding on you. If you have a Buy (i.e. a long Transaction) that is affected by a Corporate Event, we will, should you give us notice of the same, in the form and with any period indicated by us, give consideration to your views about the action or adjustment to be made as a result of the Corporate Event. If you hold a Sell (i.e. a short Transaction) then we will take whatever action is decided by us, acting reasonably. We will inform you of any adjustment or amendment under this clause as soon as reasonably practicable.

Takeovers

4. If at any time a takeover offer is made in respect of a company, and you have a Transaction that relates to the securities of that company, then:
- (a) we will use reasonable endeavours to notify you, using any of the communication methods set out in clause 13(6), of the takeover offer;
 - (b) we will apply the terms of the takeover offer to your Transaction, as if you were a holder of the securities in question;
 - (c) we may offer you the opportunity to assent to the takeover offer (as it applies to your Transaction), or we may elect to assent on your behalf where we reasonably believe it is in your best interests to do so. If you elect to assent, or we assent on your behalf, your Transaction will be Suspended and become untradeable until the closing date of the takeover offer at which point your Transaction will be closed in accordance with the terms of the takeover offer. You agree that we will be entitled to cancel or adjust the size and/or value and/or number of any Transaction(s) (and/or the level of any Order) to reflect the takeover offer, and that any such cancellation or amendment will be conclusive and binding upon you;
 - (d) if you do not assent, and we do not assent on your behalf, but the takeover goes ahead nonetheless (for example, if drag-along rights apply), you agree that we will be entitled to cancel or adjust the size and/or value and/or number of any Transaction(s) (and/or the level of any Order) to reflect the takeover offer, and that any such cancellation or amendment will be conclusive and binding upon you; and
 - (e) at any time prior to the closing date of the takeover offer we may give notice to you of our intention to close a Transaction in respect of that company's securities. The date of such notice will be the closing date of the Transaction and the Closing Level will be determined by us, based on our reasonable assessment of the market value of the Instrument at the relevant time.

Voting rights

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

Interest

6. We will value open Transactions on a daily basis and calculate the amount of interest, on a basis notified to you in writing (including electronically as set out in clause 13(6)), that would apply to the sum of money necessary to take out a position in the underlying Instrument with the same value. A different rate of interest will normally apply to long and short positions. While your Transaction remains open, the amount of interest will be calculated and will accrue on a daily basis as follows:
 - (a) if you sell, interest will be either credited or debited to your Account (depending on the interest rate); and
 - (b) if you buy, interest will be debited from your Account.
7. For certain Expiry Transactions, our quote (which is based on the Underlying Market) will include an interest component. We will make it clear on our website or in our Contract Details which of our Expiry Transactions contain an interest component. Such Expiry Transactions will not be adjusted for interest as set out in clause 23(6) above.

Dividends

8. Where applicable (e.g. where an Instrument is a stock, share or index in respect of which a dividend is paid) a dividend adjustment will be calculated for your Account in respect of open positions held on the ex-dividend day for the relevant underlying Instrument. For long positions, the dividend adjustment will generally be a cash adjustment reflecting the amount of the net dividend receivable by the individual or entity holding the equivalent position in an underlying Instrument and will reflect normal practice in respect of non-Australian Instruments, unless otherwise agreed with you. For short positions, the dividend adjustment will generally be a cash adjustment reflecting the pre-tax dividend amount, unless otherwise agreed with you. Cash adjustments reflecting dividends will be credited to your Account if you bought, i.e. opened a long position, and debited if you sold, i.e. opened a short position.
9. For certain Expiry Transactions, our quote (which is based on the Underlying Market) will include a forecasted dividend component. We will make it clear on our website or in our Contract Details which of our Expiry Transactions contain a dividend component. Such Expiry Transactions will not be adjusted for dividends as set out in clause 23(8) above. Note that, for such Expiry Transactions, in the event that there is a dividend declared or paid in respect of the relevant Instrument a special dividend or a dividend that is unusually large or small or payable by reference to an ex-dividend date that is unusually early or late or in the event that a previously regular dividend is omitted (in each case, having regard to dividend payments in previous years in respect of that same financial instrument), we may make an appropriate adjustment (including a retrospective adjustment) to the Opening Level and/or the size of the Transaction that relates to that Instrument.

24. SUSPENSION AND INSOLVENCY

1. If at any time trading on the Underlying Market is suspended in any Instrument that forms the subject of a Transaction, then the Transaction will also be Suspended from operation unless we are able to continue to make prices for the Transaction based on prices in a different but related Underlying Market that is not suspended from trading. If Suspended, the suspension price of the Transaction, unless re-valued by us as set out in this clause 24, for the purposes of Margining and otherwise, will be the mid-price quoted by us at the time of suspension.
2. Irrespective of whether it is an Expiry Transaction that you have elected not to roll over and the date of contract expiry passes and irrespective of any Orders given by you, the Transaction will remain open but Suspended until either of the following takes place:
 - (a) the suspension in the Underlying Market is terminated and trading recommences, at which point the Suspension of your Transaction will also cease and your Transaction will become tradeable again. Following the lifting of Suspension, any Orders that you may have given us with respect to the Transaction that have been triggered will be executed as soon as we consider reasonable in the circumstances having regard to liquidity in the Underlying Market and any hedging transactions that we have with third parties as a result of your Transaction. We cannot guarantee that Orders will be executed at the first available Underlying Market price;

- (b) where the Instrument is in respect of a company, that company is delisted from the Underlying Market, an Insolvency Event occurs in relation to that company or the company is dissolved, at which point your Transaction will be dealt with in accordance with clauses 24(4) and 24(5).
3. If you have an Expiry Transaction that becomes Suspended by operation of this clause, you will be deemed to have requested that the Transaction be rolled forward into the next contract period until the first expiry date following the lifting of the suspension or until your Transaction is dealt with in accordance with clauses 24(4) or 24(5) as applicable. You agree that while your Transaction is Suspended, we will still be entitled to make interest adjustments in accordance with clause 23(6).
4. If an Insolvency Event occurs in relation to a company, whose Instrument represents all or part of the subject-matter of a Transaction, or the company is dissolved, the day on which the Insolvency Event occurs or the company is dissolved will be the closing date of that Transaction and we will deal with your Transaction as follows:
- (a) if you have a long Transaction, the Closing Level of the Transaction will be zero and on closing, we will open a corresponding proceeds line on your Account so that if the company makes a distribution to shareholders, an amount equalling the eventual distribution will be credited to your Account; and
- (b) if you have a short Transaction, the Closing Level of the Transaction will be zero and on closing we will open a corresponding proceeds line on your Account so that if the company makes a distribution to shareholders, an amount equalling the distribution will be debited from your Account. We reserve the right to require you to maintain Margin on this proceeds line, which could for the avoidance of doubt be as much as the difference between the suspension price and zero.
5. If a company, whose Instrument represents all or part of the subject-matter of a Transaction is delisted from the Exchange to which the Transaction relates, but at the time of delisting an Insolvency Event has not occurred in relation to such company nor has the company been dissolved, then we will take such action as we consider fair having regard to all of the circumstances regarding the delisting and any hedging transactions that we have with third parties as a result of your Transaction and where possible which reflects the treatment accorded to holders of the underlying Instrument. Without any limitation, examples of the actions that we might take are:
- (a) closing the Transaction at a Closing Level that is based on our fair and reasonable assessment of the value of the Instrument to which the Transaction relates;
- (b) changing the Exchange to which the Transaction refers (i.e. if the company in question has delisted on the reference Exchange, but maintains or has obtained listing on another Exchange, we may alter your Transaction so that it refers to the second Exchange);
- (c) maintaining the Suspension of the Transaction until the company makes a distribution to holders of the Instrument in question, at which point we will reflect that distribution on your Transaction; or
- (d) closing the Transaction and opening a proceeds line as set out in clause 24(4).
6. We reserve the right at all times when your Transactions are Suspended under clause 24(2) to revalue such Transaction at such price and/or to change the Margin rate, in both cases as we shall determine to be reasonable in the circumstances and to require payment of a deposit or Margin accordingly.

25. MISCELLANEOUS

1. We reserve the right to Suspend your Account at any time ("Suspend") for example if we have reason to believe that the continuance of your position or an increase in your position will expose us to unacceptable risks. If we Suspend your Account, it means that:
- (a) you will not be permitted to open any new Transactions or increase your exposure under your existing Transactions, but you will be permitted to close, part close or reduce your exposure to us under your existing Transactions;
- (b) you will no longer be permitted to trade with us via our Electronic Trading Platform; rather you will be required to trade with us via the telephone.
2. We also reserve the right to Suspend a specific Transaction that you have open with us. If we Suspend a Transaction, it means that:

- (a) you will not be permitted to increase your exposure to us under the Suspended Transaction, but subject to clause 24 you will be permitted to close, part close or reduce your exposure to us under the Suspended Transaction; and
 - (b) in relation to the Suspended Transaction, you will no longer be permitted to deal with us via our Electronic Trading Platform; rather you will be required to deal with us via the telephone.
3. Our rights and remedies under this Agreement will be cumulative, and our exercise or waiver of any right or remedy will not preclude or inhibit the exercise of any additional right or remedy. Our failure to enforce or exercise any right under this Agreement will not amount to a waiver or bar to enforcement of that right.
4. This Agreement inures to the benefit of CommSec's successors (by merger, consolidation or otherwise) and assignees. CommSec may assign the benefit and burden of this Agreement to a third party, in whole or in part, provided that any assignee agrees to abide by the terms of this Agreement. Such assignment will come into effect when the relevant assignment or novation documents have been duly executed by all parties. You agree that you may not assign the benefit and burden of this Agreement, whether in whole or in part, to any third party without our prior written consent (which will not be unreasonably withheld).
5. You acknowledge and agree that the copyrights, trademarks, database and other property or rights in any information distributed to or received by you from us, together with the contents of our website, brochures and other material connected with our dealing service and in any database that contains or constitutes such information, will remain the sole and exclusive property of ours or any third party identified as being the owner of such rights.
6. If any provision (or any part of any provision) of this Agreement is held by a court of competent jurisdiction to be unenforceable for any reason then such provision will, to that extent, be deemed severable and not form part of this Agreement, but the enforceability of the remainder of this Agreement will not be affected.
7. We cannot advise you on tax and, if in any doubt, you should seek your own independent advice. The tax treatment of Transactions and Charges may differ according to your personal circumstances and applicable tax legislation. Tax legislation and the interpretation of such legislation is subject to change. You may also be liable for other taxes and charges that are not imposed or withheld by us. 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.
8. You will be responsible at all times for the payment of all taxes due and for providing any relevant tax authority with any information relating to your dealings with us. Where we are required by law to provide information to a tax authority this provision of information will be governed by our Privacy Policy. You agree that if we provide you with any information or express any opinion in relation to the tax treatment of your dealings with us it will not be reasonable for you to rely upon any such statement and it will not constitute tax advice.
9. As part of Australia's international obligations in relation to combating tax evasion, we may require you to provide additional information. Until you provide us with this information, we may prevent you from withdrawing any funds that you deposit.

For example, if you are the trustee for a trust, you need to tell us if the settlor or any beneficiary of the trust is a tax resident of a country other than Australia. If the settlor or any beneficiary is itself an entity, this requirement applies to all individuals who are an ultimate beneficial owner of that entity. We may then require you to obtain (and/or provide on their behalf) each individual's name, address, date of birth and tax residency details. Where you are a trustee, you do not have to give us this information in relation to the settlor if their identity is not known or, if they have no ongoing involvement with the trust and their tax residency is not known. In this case, you confirm that after reasonable enquiry, you have no reason to believe that the settlor is a tax resident in a country outside Australia.

You must keep this information up to date, and notify us promptly of any change. If you need to get in touch with us:

- From Australia call 1300 077 141 between 9am – 5pm, Monday – Friday (Sydney Time)
- From overseas call +61 2 9283 6096 between 9am – 8pm, Monday – Friday (Sydney Time). Call charges may apply

10. Should any change in the basis or scope of taxation occur at any time which results in us having to withhold

amounts on account of Taxes owed or payable by you in respect of any Applicable Regulations in respect of your Transactions or your account with us, we reserve the right to deduct the amount of any such payment(s) from your account(s) or otherwise require you to pay or reimburse us for such payment(s).

11. Our records, unless shown to be wrong, will be evidence of your dealings with us in connection with our services. You will not object to the admission of our records as evidence in any legal or regulatory proceedings because such records are not originals, are not in writing or are documents produced by a computer. You will not rely on us to comply with your record keeping obligations, although records may be made available to you on request at our absolute discretion.
12. Wherever in this Agreement we are conferred with a discretion or an entitlement to make an election or adopt a course of action which affects you or your interests, we agree to exercise such discretion or make an election or adopt such a course of action in good faith according to what we reasonably believe to be fair in the circumstances.
13. Unless a clause of this Agreement provides otherwise, a person who is not a party to this Agreement will have no rights to enforce any of its clauses.
14. Following termination of this Agreement, clauses 1(1), 9(8), 9(9), 13(1), 13(9), 13(10), 15(7) - 15(8), 17, 18, 19, 20, 25, 26, 27 and 28 shall continue to apply.

26. AMENDMENT AND TERMINATION

1. We may amend this Agreement and any arrangements made hereunder at any time as set out in clause 26(4), to the extent permitted by law, to:
 - (a) add, change or remove any concessions or benefits;
 - (b) adopt or implement any legal requirement, decision, recommendation, regulatory guidance or standard of any court, tribunal, ombudsman, service regulator or of any Exchange;
 - (c) accommodate changes in the needs or requirements of our clients, such as new product features or services;
 - (d) correct errors, inconsistencies, inadvertent omissions, inaccuracies or ambiguities;
 - (e) bring us into line with our competitors, industry or market practice or best practice in Australia or overseas; or
 - (f) reflect changes in technology or our processes including our computer systems.
2. Each of the changes in clause 26(1) is a separate right and this clause 26 is to be read as if such change was a separately expressed right.
3. Without limiting our rights under clause 26(1), we may from time to time amend any of the provisions of this Agreement or the PDS for reasons other than the ones mentioned in clause 26(1), (for example, due to unforeseen events).
4. If we amend the provisions of this Agreement, the changes shall apply to all dealings between you and us on and from the day on which the amendment takes effect. We will give you not less than 5 Business Days' notice at the postal or electronic address notified to us by you, or at our website at **commsec.com.au** or the Electronic Trading Platform. Any amended Agreement will supersede any previous agreement between us on the same subject matter and will govern any Transaction entered into after, or outstanding on, the date the amended Agreement comes into effect.
5. This Agreement and any arrangements hereunder may be Suspended or terminated by you by giving us written notice of Suspension or termination, which will take effect no later than 10 Business Days after actual receipt by our office, unless a later date is specified in the notice. There is no obligation on you to enter into Transactions with us and there are no restrictions on you closing any open Transactions or cancelling any Orders and no restrictions on you withdrawing any money available on your account. Subject to clauses 25(1) and 26(6) we may terminate or Suspend this Agreement and any arrangements hereunder with you by giving you 30 days' written notice.

6. We may immediately terminate this Agreement with you if:
 - (a) a Force Majeure Event has occurred and has continued for a period of 5 business days; or
 - (b) an Event of Default has occurred or is continuing.
7. Any Suspension or termination of this Agreement will not affect any obligation that may already have been incurred by either party in respect of any outstanding Transaction or any legal rights or obligations that may already have arisen under this Agreement or any dealings made thereunder.
8. Upon termination of this Agreement in accordance with clauses 26(5) or 26(6), you will pay to us any outstanding Commission, Spread, Charges and Taxes due and, after satisfaction of any such outstanding sums, we will close your account.

27. LAW OF THE AGREEMENT

This Agreement is governed by the laws of New South Wales, Australia and the parties agree to submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia and the courts competent to determine appeals from those courts.

28. INTERPRETATION

1. In this Agreement:

“Account” means an account you hold with us for the purposes of trading in CFDs.

“Act” means the Corporations Act 2001 (Cth);

“Additional Margin” means the additional Margin payable by you into your Account if your CFD positions deteriorate and there are insufficient funds in your Account to meet Margin requirements;

“AEST” means Australian Eastern Standard Time;

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

“Applicable Regulations” means:

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

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

“Approved Exposure Value” means the Total Exposure Value that we set for your CFD account which can be different to the Default Total Exposure Limit.

“Associated Company” means any “related body corporate” (as defined by section 9 of the Act) of CommSec;

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

“Australian dollars” or **“AU\$”** denote the lawful currency of Australia;

“Authorised Person” means you and/or any person authorised by you to give instructions to us under this

Agreement in relation to a Transaction;

“Base Currency” means Australian dollars;

“Base Rate” means the overnight cash rate published by the Reserve Bank of Australia from time to time;

“Business Day” means any day other than a Saturday, Sunday and a gazetted public holiday in the state of New South Wales;

“CBA” means Commonwealth Bank of Australia ABN 48 123 123 124;

“Charges” means any transaction or account costs, fees or other charges notified to you from time to time;

“Closing Level” means:

- (a) in respect of a Business Day on which a Transaction remains open, the level of the Transaction as at 10pm Greenwich Mean Time on that Business Day; and
- (b) in respect of the day on which a Transaction is closed, the level at which a Transaction is closed;

“Commission” means any commission charged on a Transaction in accordance with clause 7(2);

“Commission Transaction” has the meaning attributed to it in clause 3(2);

“Confirmation” means a written confirmation given by us to you of your dealings with us, including any Transactions that you open or close, and any charges that may apply to your Transactions.

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

“Contract for Differences” or **“CFD”** means a contract between you and us whose value fluctuates by reference to fluctuations in the value or price of an underlying Instrument, without you actually owning the underlying Instrument, offered by us to you from time to time on the terms and conditions set out in this Agreement;

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

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

“Currency” shall be construed so as to include any unit of account, for example, Australian dollar or United States dollars, or United Kingdom pounds;

“Daily Net Variation Amount” means a net amount payable in respect of all Transactions by you to us, or from us to you, calculated as set out in clause 14(10);

“Daily Transaction Variation Amount” means an amount calculated in respect of a Transaction as set out in clause 14(9);

“Default Total Exposure Limit” is \$5m AUD, being maximum aggregated current market value of all opened positions in your CFD account.

“Director” has the same meaning as is given to that term in section 9 of the Act;

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

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

“Event of Default” has the meaning attributed to it in clause 17(1);

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

“Exchange Rate” means the rate at which a single unit of the first Currency that you state may be bought with or sold in, as the case may be, units of the second Currency that you state;

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

“Financial Services Guide” or “FSG” means the financial services guide that CommSec is required to be provided to you in accordance with the Act;

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

“Force Open” means a Transaction in respect of a particular Instrument where you already have an open Transaction in respect of the same Instrument which would ordinarily result in the netting of these two Transactions against each other and the closing or partial closing of both pursuant to clause 5 of this Agreement; but where we accept your offer to open the second Transaction without offsetting it against that which preceded it so that two Transactions result;

“Foreign Exchange CFD” is a form of CFD that gives you exposure to changes in value of an Exchange Rate, but it cannot result in the delivery of any Currency to or by you;

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

“Initial Margin” means the security deposit that you are required to have in your Account when you first open a CFD Transaction and which must be maintained for the life of the CFD Transaction;

“Insolvency Event” means:

- (a) a person has become bankrupt or a trustee in bankruptcy has been appointed to the assets of the person;
- (b) a controller (as defined in section 9 of the Act), administrator or similar officer is appointed in respect of a person or any asset of a person;
- (c) a liquidator or provisional liquidator is appointed in respect of a person;
- (d) any application (not withdrawn or dismissed within 5 Business Days) is made to a court for an order, or an order is made, a meeting is convened or a resolution is passed for the purpose of winding up or deregistering a person or proposing or implementing a scheme of arrangement;
- (e) any application (not withdrawn or dismissed within 5 Business Days) is made to a court for an order, a meeting is convened, a resolution is passed or any negotiations are commenced, for the purpose of implementing or agreement a moratorium of any debts of a person, any assignment, composition or arrangement with a person's creditors or any agreement or other arrangement of the type referred to in this paragraph (e) is ordered, declared or agreed to;
- (f) as a result of the operation of section 459F(1) of the Act, a person is taken to have failed to comply with a statutory demand (as defined in the Act);
- (g) any writ of execution, garnishee order, Mareva injunction or similar order, attachment of other process is made, levied or issued against or in relation to any asset of any person;
- (h) anything similar to anything referred to in paragraphs (a) to (g) inclusive of this definition, or which has a substantially similar effect, occurs with respect to a person under any law; or
- (i) a person is, or admits in writing that it is, or is declared to be, or is taken under any applicable law to be (for any purpose), insolvent or unable to pay its debts;

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

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

“Last in First Out” means the last position you opened will be the first position we consider closing in the event we decide to bring your CFD account on or below the Approved Exposure Value.

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

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

“Limited Risk Premium” has the meaning attributed to it in clause 12(6);

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

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

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

“Margin Call” has the meaning attributed to it in clause 14(6);

“Market Maker Share” means all shares that are not Order Book Shares and are generally quote rather than electronic order driven. This is also referred to as over the counter transactions;

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

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

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

“Officer” has the same meaning as is given to that term in section 9 of the Act;

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

“Order” means a Stop Order, Trailing Stop or Limit Order, as the case requires;

“Order Book Share” means all non UK shares and all UK shares that are traded using a fully electronic order book and order matching system such as SETS. This is also commonly known as direct market access (DMA);

“Our bid and offer prices” has the meaning attributed to it in clause 3(2);

“P&L” means realised and/or unrealised profits and/or losses, as the case requires;

“PPSA” means the Personal Property Securities Act 2009 (Cth);

“Product Disclosure Document” or **“PDS”** means the document described as the Product Disclosure Statement issued by us in relation to CFDs, as revised from time to time;

“Relevant Person” means any of our employees, Directors or Officers or any employee, Director or Officer of any of our Associated Companies;

“Rules” means any articles, rules, regulations, procedures, policies and customs, as in force from time to time;

“Security Devices” means one or more user identification codes, digital certificates, passwords, authentication codes, or such other information or devices (electronic or otherwise) as may be provided or specified to you, to enable your access to the Electronic Trading Platform;

“Security Interest” means a security interest under the PPSA.

“Sell” has the meaning attributed to it in clause 4(1);

“Share CFD” is a form of CFD that gives exposure to changes in share prices. It is not an agreement to buy or sell any amount of shares and it cannot result in the delivery of any shares to or by you;

“Software” means the programs and other operating information used by a computer;

“Spread” has the meaning attributed to it in clause 7(1) and may, as the context requires, include Market Spread;

“Spread Transaction” has the meaning attributed to it in clause 3(2);

“Statement” has the meaning given to it in section 9 of the Act and includes periodic information in relation to your Transactions which might otherwise have been included in a Confirmation;

“Stock Index CFD” is a form of CFD that gives exposure to changes in the value of a stock index. It is not an agreement to buy or sell any amount of shares and it cannot result in the delivery of any shares to or by you;

“Stop Order” has the meaning given to it in clause 11(1);

“Suspend” has the meaning attributed to it in clause 24(1), and **“Suspension”** and **“Suspended”** has a corresponding meaning;

“System” means all computer hardware and software, equipment, network facilities and other resources and facilities needed to enable you to use an Electronic Trading Platform;

“Total Deposit Limit” is a limit on the total Margin that is needed to service open positions. The Total Deposit Limit may be changed by us at any time at our absolute discretion.

“Total Exposure Value” is the aggregated current market value of all opened positions in your CFD account.

“Trading from Charts Package” is our charting software that allows you, via charts, to view price information, view your trading exposure and open and close Transactions directly via charts. You can do all of these activities via our Electronic Trading Platform, but our Trading from Charts Package offers you the opportunity to do these things on a chart;

“Trailing Stop” has the meaning given to it in clause 11(1);

“Transaction” means a transaction relating to a CFD of any kind in relation to any Instrument (including a security) or any combination of Instruments and means either or both Expiry Transactions and Undated Transactions as the context requires;

“Unattached Order” means an Order that relates to or is referenced to a proposed Transaction that will come into effect if and when the Order is executed;

“Undated Transaction” means a Transaction with an indefinite contract period that is not capable of expiring automatically;

“Underlying Market” means the Exchange and/or other similar body and/or liquidity pool on which an Instrument is traded or trading in that Instrument as the context requires; and

“we”, “us”, “our” or **“CommSec”** means Commonwealth Securities Limited ACN 067 254 399 and any of our Associated Companies, as the context may require.

2. In this Agreement:
 - (a) a reference to a clause is a reference to a clause of this Agreement;
 - (b) a person includes an individual, a corporation or trust;
 - (c) a reference to a document is that document as varied, novated, ratified, amended or replaced from time to time;
 - (d) "includes" in any form is not a word of limitation;
 - (e) where the day on or by which any sum is payable or any act, matter or thing is to be done is a day other than a Business Day, that sum will be paid or that act, matter or thing will be done on the preceding Business Day;
 - (f) a reference to an Act of Parliament is a reference to such Act as from time to time amended, consolidated or re-enacted (with or without modification) and includes all instruments or orders made under such enactment;
 - (g) a reference to any time or date will be to AEST, unless expressly noted to the contrary; and
 - (h) the singular will import the plural and the masculine will import the feminine as the context requires.
3. In the event of any conflict between the terms of the main body of this Agreement and any Product Module, schedule, appendix or ancillary document referred to in this Agreement, the order of precedence for the purpose of construction shall be:
 - (a) the Governing Legislation;
 - (b) the Product Disclosure Statement, including in particular the provisions of this Agreement.
4. In the event of any conflict between the provisions of the main body of this Agreement and any schedule, appendix or ancillary document referred to in this Agreement, the order of precedence for the purpose of construction shall be:
 - (a) the provisions of this Agreement;
 - (b) the Contract Details;
 - (c) any other ancillary documents referred to in this Agreement; and
 - (d) the Financial Services Guide
5. In the event of any inconsistency between any provision in any of these documents the higher in the descending order will prevail over the lower to the extent of the inconsistency.

29. COMMSEC DIRECT DEBIT/CREDIT SERVICE REQUEST AGREEMENT

Note: Direct Debiting and Direct Crediting is not allowed on the full range of accounts. If in doubt, please refer to your bank.

1. We will advise you, in writing or electronically, in the form of a confirmation the drawing details that include the settlement amount due and the settlement date.
2. Where the settlement date falls on a non-Business Day we will draw the amount on the following Business Day.
3. We may charge a dishonour fee if any debit to your nominated account is returned unpaid by your financial institution. We treat payment as never having been made.
4. We will keep your information about your nominated account at the financial institution private and confidential unless this information is required by us to investigate a claim made on it relating to an alleged incorrect or wrongful debt, or as otherwise required by law.
5. In the event of a debit returned unpaid we may attempt a redraw on your nominated account.
6. We will advise you 10 Business Days in advance of any changes to the Direct Debit/Direct Credit arrangements.

Your rights

7. You may terminate the Direct Debit/Direct Credit arrangement of your trades with us; however, this termination must be in writing.
8. Please contact CommSec on **1300 307 853** (within Australia) or **+61 2 9115 1400** (from outside Australia) during business hours for all matters relating to the Direct Debit and Direct Credit arrangements, including to request a deferment of stopping of debits, questions regarding amounts or dates of credits or debits or altering or stopping the arrangement. You can also contact your nominated financial institution to request a stop or cancellation of the direct debit arrangement or to dispute a debit to your nominated account. We have a dispute resolution process available if you have a complaint which we do not resolve. Further information on that process is in our Financial Services Guide which is available online at **commsec.com.au** or by calling CommSec on **1300 307 853** (within Australia) or **+61 2 9115 1400** (from outside Australia).

Your responsibilities

9. It is your responsibility:
 - (a) to check with the financial institution where your account is held before completing the Direct Debit/Direct Credit request (DDR) as Direct Debiting/Direct Crediting through Bulk Electronic Clearing System (BECS) is not allowed on the full range of accounts. You should also complete your account details (including Bank State Branch (BSB) number) directly off a recent account statement from your financial institution;
 - (b) to ensure sufficient cleared funds are available in the nominated account to meet the debit on the due settlement date of your transactions executed by CommSec;
 - (c) to ensure that the authorisation to debit/credit the nominated account is in the same name as the account signing the instruction held by the financial institution where the account is held;
 - (d) to advise us if the account you have nominated to debit/credit is transferred or closed;
 - (e) to ensure that suitable arrangements are made if the Direct Debit/Direct Credit is cancelled;
 - i. by yourself;
 - ii. by your nominated financial institution; or
 - iii. for any other reason.
10. You should check debit and credit transactions against recent account statements from your nominated financial institution. If you are in any doubt, speak to your nominated financial institution before completing the Direct Debit and Direct Credit request.

Electronic Trading and Exchange Data Access Terms

IMPORTANT: These Electronic Trading and Exchange Data Access Terms may be amended at the sole discretion of Market Data Limited from time to time. The Counterparty agrees to notify its Counterparty Clients promptly following any amendment (such notice able to be issued electronically if an auditable system is in place that is able to accurately establish Counterparty Client agreement (or refusal) to the same) in accordance with the Customer Agreement between the Counterparty and Counterparty Clients. From the effective date specified in the notice of change to Counterparty Clients, or such other date as set out in the Customer Agreement between the Counterparty and Counterparty Clients (such date to be advised in writing to Market Data Limited by the Counterparty so they are fully aware of the applicable effective date), all amendments will be binding on the Counterparty Clients and in full force and effect.

1. GENERAL

- (a) These Electronic Trading and Exchange Data Access Terms (the “Agreement”) are entered into by you for the benefit of both you as the data client (“you”) and Market Data Limited (“Provider”, “we” or “us”). This Agreement, as amended from time to time following the giving of notice to you in accordance with the Customer Agreement, applies to our supply of the Exchange data to you and, where applicable, to your use of that Exchange data in conjunction with the Electronic Trading Service and sets out the basis on which you may view and use Exchange data. You acknowledge and agree that the Provider is a party to this Agreement, that you may be treated as a client of the Provider in respect of your receipt of Exchange data and that the Provider will be entitled to enforce its rights hereunder against you directly. This Agreement may be issued to you electronically and/or in hard copy from time to time. Your acceptance of the Agreement will be evidenced by either your online or written confirmation of acceptance and/or your deemed acceptance by receiving Exchange data and entering into Transactions via the Electronic Trading Service. **It is in your interests to read this Agreement carefully, including any amended versions issued from time to time.**
- (b) You will open or close Transactions with Commonwealth Securities Limited (“CommSec”) as principal only (not with the Provider). You may not act as agent under this Agreement or any data declaration for any third party. These warranties and representations will be deemed to be repeated on each occasion that you access or use the Electronic Trading Service and/or view Exchange data.
- (c) To the extent that any Term of this Agreement conflicts with the terms of your Customer Agreement with CommSec, this Agreement will prevail to the extent of the inconsistency. You acknowledge that, with the limited exception of the matters dealt with herein, the applicable terms governing the relationship between you and CommSec will be those set out in the Customer Agreement then in force between you.
- (d) All terms governing your relationship with the Provider are set out in this Agreement and you acknowledge and agree that the Provider’s role is strictly limited to that of an Exchange data supplier via the Electronic Trading Service as detailed below. The Provider will be under no obligation to, and will not, treat you as its customer for the purposes of the Applicable Regulations or otherwise except as specifically set out in this Agreement. Under no circumstances will the Provider be a party to any Transaction entered (or not entered) into by you, and, in addition to the limitations set out in clause 5 below, to the extent permitted by law, the Provider expressly excludes all and any liability for any Transaction (whether actual or alleged) including any loss, failure to make a profit or any other damage suffered by you whatsoever.

2. DATA DECLARATIONS AND EXCHANGE DATA

- (a) You agree and understand that any data declaration made by you regarding your use of Exchange data accessed via the Electronic Trading Service is made for the benefit of the Provider.
- (b) You confirm that your answers and declarations regarding your use or intended use of Exchange data will be given honestly and in full and will be relied upon by the Provider in reporting such usage to any relevant Exchange. Additionally, any change in the status of your answers and declarations should be reported to either CommSec or the Provider without delay.
- (c) Unless agreed otherwise in writing between you and us, you agree that your access to Exchange data via the Electronic Trading Service is conditional upon you paying all and any fees levied by Exchanges for the receipt of Exchange data.
- (d) You agree that you will not copy (whether in whole or in part), re-transmit, supply, show or make available or permit to be supplied, shown or made available any Exchange data to any third party in any manner and that you will comply in full with the terms and conditions set out in any Exchange Agreement.
- (e) Any breach of this Term 2 by you will mean you become liable to the Provider as set out in Term 5 below.

3. EXCHANGE DATA VIA THE ELECTRONIC TRADING SERVICE: ACCESS, RELIABILITY AND TERMINATION

- (a) You acknowledge the electronic nature of the Electronic Trading Service and the inherent risk that electronic communications may not reach their intended destination or may do so later than intended for reasons outside our control.
- (b) Any factual information (including Exchange data) on the Electronic Trading Service is supplied by either the Provider or their third party suppliers, including various Exchanges. You acknowledge that such information includes information collated by third parties and is in any case subject to constant change. While the Provider and those third parties may endeavour to ensure the accuracy and reliability of this information there is no guarantee whatsoever that such information will be accurate or correct. Any reliance placed by you on such information is entirely at your own risk and, subject to Term 5 and to the extent permitted by law, neither the Provider nor any third party suppliers accept any liability whatsoever for any loss (including, without limitation, loss of profit or failure to avoid a loss) suffered as a result of your reliance on such information.
- (c) We have the right to suspend or withdraw temporarily or permanently all or any part of the Electronic Trading Service including access to Exchange data at any time or to summarily terminate this Agreement for any of the following reasons:
 - i. where you are in breach of any material term of this Agreement or any Exchange Agreement and/or we believe or have been informed on reasonable authority that you are not in compliance with the Applicable Regulations; and/or
 - ii. where we are unable to provide access due to a withdrawal, defect in or failure of:
 - network, communication or computer systems owned or operated by the Provider or any third party; and/or
 - network, communication or computer systems owned by you; and/or
 - our network link to any Exchange.
- (d) Each party has the right to terminate this Agreement at any time and for any reason, following the provision of 7 days' notice to the other party.

4. TITLE, LICENCES AND USE

- (a) You will use the Electronic Trading Service and access any Exchange data solely for your own and/or internal business and commercial purposes enabling you to trade Transactions from time to time. You will not utilise the Electronic Trading Service or view Exchange data on behalf of any third parties without our prior written consent.
- (b) We and/or our licensors (as the case may be) will retain the intellectual property rights in the Electronic Trading Service and/or the Exchange data and you will not, in any circumstances, obtain title or interest in such elements other than as set out in this Agreement.
- (c) Subject to these Terms, we will grant you a personal, non-exclusive, non-transferable and royalty free licence to use the Electronic Trading Service and access any Exchange data ("Licence"). For the avoidance of doubt, access to Exchange data is subject to the payment of any Exchange fees as noted at Term 2(3) above and the provisions of any relevant Exchange Agreement.
- (d) The Licence will expire on the termination of this Agreement for any reason. In particular you agree:
 - i. in addition to your obligations at Term 2(d) above and other than as set out in this Agreement, you may not copy, reproduce, distribute or create derivative works from any content (including Exchange data) contained in the Electronic Trading Service; and
 - ii. some Exchange data licensed by the Provider will be for a specific number of concurrent users and

that in the event of an excess in demand for that Exchange data users may either be refused access to the Electronic Trading Service, or will be automatically logged off from using the same after a period of inactivity. The period of inactivity after which this may occur will be at the Provider's absolute discretion but will not be less than one minute. We accept no responsibility or liability in the event of any failure to log on or for any automatic log off of the Electronic Trading Service occurring.

5. OUR LIABILITY TO YOU

- (a) To the extent permitted by law, we will have no liability to you in relation to any loss or damage that you suffer, whether directly or indirectly, as a result of any delay or defect in or failure of the whole of any part (or any combination of):
 - i. the internet;
 - ii. the Electronic Trading Service;
 - iii. the supply of Exchange data; and / or
 - iv. any other matter referred to in this Agreement.
- (b) In no event will we be liable for any special, indirect, incidental, punitive or consequential loss or damage (including, without limitation, loss of business, profit, data or goodwill) that may be incurred or experienced by you pursuant to this Agreement, other than any loss or damage arising as a result of our fraud, or due to any other action by us for which liability is unable to be excluded or limited by law. If and to the extent that we are found liable for any such loss or damage, our liability will be limited to the amount of commission or spread payable in respect of the Transactions entered into by you via the Electronic Trading Service in the three (3) months preceding such loss or damage being suffered.
- (c) Unless expressly stated otherwise in this Agreement, the Electronic Trading Service and access to Exchange data is provided to you on an 'as is' basis at your sole risk and, to the extent permitted by the Applicable Regulations, we make no representation or warranty, express or implied, including (without limitation) any warranty of merchantability or fitness for a particular purpose to you regarding the same, nor do we warrant that the operation of the Electronic Trading Service will be uninterrupted or entirely error free, other than those warranties required to be made in accordance with the Applicable Regulations.

6. LIABILITY AND OBLIGATIONS

- (a) You will indemnify us, on demand, against any fine, penalty, liability or other similar charge imposed on us for any reason by any Exchange or any other regulatory authority or under the Applicable Regulations that relates in any way to your opening or closing a Transaction or for any act or omission relating to your data declaration(s) or access to Exchange data, other than those arising as a result of our fraud, negligence or wilful misconduct.
- (b) To the extent permitted by law, you will indemnify, protect and hold us harmless from and against all losses, liabilities, judgements, suits, actions, proceedings, claims, damages and costs resulting from or arising out of any breach by you of any term of an Exchange Agreement.
- (c) To the extent permitted by law, you will indemnify us on demand for any costs, loss or damage caused by any breach by you of any Term of this Agreement.

7. DEFINITIONS AND INTERPRETATION

The following words or terms have the following meanings:

"Agreement" has the meaning given to it in Clause 1(a);

"Applicable Regulations" means (i) any rules of a relevant regulatory authority governing the activities of either you or us; (ii) the rules of the relevant Exchange; and (iii) all other applicable laws, rules and regulations as are in force and binding on either you or us from time to time;

“Customer Agreement” means the customer agreement in force from to time to time between you and CommSec dealing with the trading of Transactions;

“Electronic Trading Service” means any dealing or trading service for the trading of Transactions via which Exchange data is provided to you that is subject to this Agreement;

“Exchange” means any exchange which is a third party supplier of data or information displayed on the Electronic Trading Service (for example, FTSE or ASX);

“Exchange Agreement” means any agreement entered into by you with an Exchange in relation to your receipt of Exchange data or otherwise;

“Exchange Data” means any data that is owned or licenced by an Exchange and supplied to you pursuant to this Agreement, and, where applicable, an Exchange Agreement, via the Electronic Trading Service;

“Term” means a term of this Agreement;

“Transaction” means a contract for differences, option, future, spot or forward contract of any kind in relation to any security or other instrument or any combination of securities or instruments entered into by you in accordance with the Customer Agreement;

Privacy

CUSTOMER INFORMATION AND PRIVACY

What information we collect

In this clause 'you' includes our customer and any person who holds office in an entity which is a customer. We collect information about you (such as your name, address and contact details), and information about your interactions with us, such as activity on your account. We may also collect publicly available information about you.

Why we collect your information and what we use it for

We collect your information because we are required to identify you in accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and in order to comply with taxation laws, such as the Taxation Administration Act 1953 and the Income Tax Assessment Act 1936. We also collect it to administer our customer relationships and internal processes including risk management and pricing, under our arrangements with government agencies, and to identify and tell you about products and services that may interest you (unless you tell us not to). If you don't want to receive marketing information you can opt out on our website at commsec.com.au.

If you give us your electronic and telephone details, you agree we may use this to communicate with you electronically, by phone or SMS including providing updates, reminders and (unless you tell us not to) marketing information.

You must give us accurate and complete information; otherwise you may be breaking the law and we may not be able to provide you with the products and services that you require. If you change your personal details (e.g. address, name or email address) you must tell us straight away.

Who we may exchange your information with

We may exchange your information with other members of the Group who may use your information for any of the purposes we can.

We may also exchange your information with others outside the Group, for example:

- your representatives, advisers, brokers and agents, and their service providers;
- our service providers and those who refer business to us;
- market operators, operators of clearing and settlements facilities, share and other registries, regulatory and government authorities;
- platform providers, issuers of financial products, other financial institutions, and other bodies (for example, if you do not perform your obligations under a share trade).

Sometimes it may be necessary to send your information overseas – for example, where we outsource functions overseas, send information to Group members overseas, where we need to complete a transaction on your behalf or where this is required by laws and regulations in Australia or in another country. We will send your information to the UK for the purpose of managing your CFD account, and If you join our community forum we send your email address to our 3rd party service provider's data centre in the US to facilitate the direct sign on to the forum. See our Group Privacy Policy for more information.

Group Privacy Policy

Our Group Privacy Policy is available on our website at commsec.com.au (follow the Privacy Policy link) and should be read in conjunction with the above. It contains further details about our information collection and handling practices including information about:

- other ways and reasons we may collect, use or exchange your information;
- how you may access and seek correction of the information; and
- how to make a complaint about a breach of your privacy rights, and our complaint handling procedures.

We encourage you to check our website regularly for any updates to the Policy.

Additional Obligations

We may be subject to laws or regulations in Australia or another country that affect your relationship with us (e.g. laws that address taxation). So that we may comply with our obligations under these laws or regulations, we may:

- require you to provide information about you or your product;
- disclose any information we are required to concerning you (including sending your information overseas);
- withhold an amount from a payment to you if required to do so, and if we do, we will not reimburse you for the amount withheld; and/or
- take such other action as is reasonably required, including, for example, closing your account.

How to contact us

For privacy-related enquiries, please contact us by calling 13 15 19 as we aim to resolve your query or complaint at your first point of contact with us, however if you have tried to resolve your complaint and are not satisfied with the outcome, you may also contact our Customer Relations team directly by calling 1800 805 605, or writing to the address in our Group Privacy Policy.

1300 307 853

commsec.com.au