PRODUCT DISCLOSURE STATEMENT

Margin FX Contracts and CFDs

Issuer:

Trademax Group Pty Ltd
ABN 76 162 331 311
Australian Financial Services Licence No. 436416

Date: 20 March 2017

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1. INTRODUCTION

1.1 IMPORTANT INFORMATION

This Product Disclosure Statement (**PDS**) has been prepared and issued by Trademax Group Pty Ltd (ABN 76 162 331 311) (**we, us** or **our**). It provides you with key information about our financial products being over the counter margin foreign exchange contracts (**Margin FX Contracts**) and contracts for difference (**CFDs**).

The information contained in this PDS does not constitute any recommendation, advice or opinion. This PDS does not take into account your objectives, financial situation or needs. You should consider our financial products and the information in this PDS having regard to your objectives, financial situation and needs, and should consult with professional advisers, before entering into the financial products.

Our products are complex, risky and highly leveraged and may not be suitable for you. Their prices and the Underlying Instruments may fluctuate rapidly and widely because of events or conditions which may not be foreseeable and cannot be controlled.

This PDS is not intended to and does not constitute any offer or invitation, directly or indirectly, in any jurisdiction where the offer or invitation would breach the applicable laws or require the PDS or any other document to be lodged or registered. The Australian Securities and Investments Commission will not extend investor protections to clients receiving financial services outside of Australia. The distribution of this PDS outside Australia may be restricted by the laws of the places where it is distributed and therefore persons into whose possession this PDS comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

If we ask you for your personal information to assess your suitability to trade Margin FX Contracts or CFDs and we accept your application to trade Margin FX Contracts or CFDs, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you after assessing your suitability. You remain solely responsible for your own assessments of the features and risks and seeking your own advice on whether Margin FX Contracts or CFDs are suitable for you.

This PDS, the Client Agreement and Financial Services Guide (FSG) are important documents. You should read this PDS, the Client Agreement and the Financial Services Guide (FSG) in their entirety before making any decision to enter into a financial product with us. A copy of this PDS, the Client Agreement and the FSG can be downloaded from our website at www.trademax.com.au.

The information in this PDS is current as of 20 March 2017. We may issue a supplementary or replacement PDS as a result of certain changes.

For information regarding our full range of products and services, please read our FSG.

If you have any queries, please contact us.

1.2 OUR CONTACT DETAILS

Office Address:	Suite 40.04 Level 40 One International Towers Tower 1, 100 Barangaroo Avenue Barangaroo NSW 2000
Postal Address:	GPO Box 826 Sydney NSW 2001
Phone:	+612 8036 8388
Fax:	+612 8036 8389
Email:	customerservice@trademax.com.au

1.3 ANTI – MONEY LAUNDERING LEGISLATION

We may require information from you from time to time to comply with the Anti– Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act). You undertake to provide us with all information and assistance that we may require to comply with the AML/CTF Act.

We may pass on information collected from you and relating to transactions as required by the AML/CTF Act or other applicable laws and regulations and are under no obligation to inform you we have done so. We may undertake all such anti money laundering and other checks in relation to you (including restricted lists, blocked persons and countries lists) as deemed necessary or appropriate by us, and we reserve the right to take any action with regard thereto with no liability whatsoever therefore.

You also warrant that:

- you are not aware and have no reason to suspect that:
  - the moneys used to fund your transactions have been or will be derived form or related to any money laundering, terrorism financing or other illegal activities whether prohibited under Australian law, international law or convention or by agreement; or
  - the proceeds of your investment will be used to finance any illegal activities; and
- neither you nor your directors, in the case of a company, are a politically exposed person as the term is used in the Anti- Money Laundering and Counter Terrorism Financing Rules Instrument 2007 (No. 1).

1.4 OPENING AN ACCOUNT

Before you begin dealing in our Margin FX Contract and CFD products, you must complete an Application Form and be approved by us to open an account. There are 3 Application Forms:

- one for applicants that are individuals (including joint applicants);
- one for corporations; and
- one for trusts.

Before completing the appropriate Application Form, you should read this PDS, the Client Agreement and the FSG.

You must provide us with your Application Form, or at any time requested by us, such of the documentation as set out in the Application Form.

The Application Forms require you to disclose personal information. You should refer to our privacy statement. Please contact us if you have any concerns or if you would like to see a copy of our privacy statement, which explains how we collect personal information and then maintain, use and disclose that information.

1.5 WARNING

The financial products offered by us in this PDS are derivatives as defined in the Corporations Act. Derivatives are complex and often high-risk financial products. You should not engage in derivative transactions or enter into derivative related contracts unless you properly understand the nature of derivative products and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX Contract or CFD to ensure this is appropriate for your objectives, financial situation and needs and in relation to the impact of any gains or losses on your particular financial situation.

You may lose substantially more than the initial investment. You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements.

It is important that you understand that when you enter into a Margin FX Contract or CFD you are not trading in (and do not own or have any rights to) the Underlying Instrument.

1.6 REGULATORY BENCHMARK DISCLOSURE

Benchmarks for Margin FX Contracts and CFDs

ASIC has developed seven disclosure benchmarks for these products, the regulatory requirements for which are contained in Regulatory Guide 227. This table sets out the benchmarks and the information which describes how we deal with the benchmarks.

Client Qualification Address the issuer's policy on investors' qualification for CFD trading.	Yes	We will assess client qualifications when you apply to open an account. Further information can be found in section 4.
Opening Collateral Addresses the issuer's policy on the types of assets accepted from investors as opening collateral.	No	To the extent that this benchmark requires that a limit of $1,000 be accepted for opening payments made by credit cards, we accept credit card payments for more than $1,000 as initial funding in order to provide flexible payment options to clients. See section 2.13.
Counterparty risk – hedging Addresses the issuer's practices in hedging its risk from client positions and the quality of this hedging.	Yes	We maintain a written policy to manage our exposure to market risks from open positions. See section 6.8 and the up-to-date hedging policies on our Website.
Counterparty risk – financial resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements.	Yes	We maintain and apply policies to ensure that we meet all of our financial regulatory obligations under the conditions of our Australian Financial Services Licence. We carry out financial stress tests. See section 6.8 for more information.
Client Money Addresses the issuer's policy on its use of client money.	Yes	We have a well-defined client money policy. These moneys are held and used in accordance with the Australian Client Money Rules. We do not use client money in a trust account for hedging with counterparties. See section 7 for more information.
Suspended or halted underlying assets Addresses the issuer's practices in relation to investor trading when trading in the underlying asset is suspended or halted.	Yes	With the exception of Margin FX Contracts where there is no suspension or halting of the underlying market, we do not allow new positions to be opened when the underlying market is halted or suspended. See section 2.10.
Margin calls Addresses the issuer's practices in the event of client accounts entering into margin call.	No	To the extent that this benchmark requires that we must make margin calls, we are not obliged to make margin calls, and you must monitor your margin. We do maintain and apply a clear policy in relation to margin requirements and our rights including to close out positions. See section 3.

2. KEY INFORMATION – QUESTIONS & ANSWERS

2.1 WHAT DO THE TERMS IN THIS PDS MEAN AND HOW DO I INTERPRET IT?

A full list of defined terms is available in the Glossary. See section 17.

2.2 WHAT FINANCIAL PRODUCTS DO WE PROVIDE?

We provide over the counter Margin FX Contracts and CFDs. We hold Australian Financial Services Licence No. 436416.

2.3 WHAT IS A MARGIN FX CONTRACT?

A Margin FX Contract is an agreement under which you may make a profit or incur a loss arising from fluctuations in the price of the contract. The price of our Margin FX Contracts is based on the price of an Underlying Instrument being currency. However, you do not own or have any interest or right to that Underlying Instrument or have an ability to trade it on an exchange by entering into a Margin FX Contract.

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

The amount of any gain or loss made on a Margin FX Contract will be the net of:

- the difference between the price of the contract when your Position is opened and the price of the contract when the Position is closed;
- any Margin Adjustments in respect of the contract;
- any Swap Charges or Swap Benefits relating to the contract.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on debit balances.

2.4 WHAT IS A CFD?

A CFD is an agreement which allows you to make a profit or loss from fluctuations in the price of the CFD. The price of the CFD is based on the price of the relevant Underlying Instrument. However, you do not own or have any interest or right in that Underlying Instrument or have an ability to trade it on an exchange by entering into a CFD.

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

The amount of any gain or loss made on a CFD will be the net of:

- the difference between the price of the CFD when your Position is opened and the price of the CFD when the Position is closed;
- any Margin Adjustments in respect of the contract;
- any Swap Charges or Swap Benefits relating to the CFD; and

- any Rollover Charges or Rollover Benefits relating to the CFD.

The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as interest on debit balances.

We offer CFDs based on the following Underlying Instruments:

- gold and silver (Bullion CFDs); and
- Commodity CFDs
- Index CFDs

2.5 WHAT IS A POSITION?

A Position is a Margin FX Contract or CFD entered into by you under the Client Agreement.

A Position is opened by either buying (going long) or selling (going short) a Margin FX Contract or CFD. You go “long” when you buy a Margin FX Contract or CFD in the expectation that the price of the Underlying Instrument to which the Margin FX Contract or CFD is referable will increase, which has the effect that the Margin FX Contract or CFD price will increase. You go “short” when you sell a Margin FX Contract or CFD in the expectation that the price of the Underlying Instrument to which the Margin FX Contract or CFD is referable will decline, which has the effect that the Margin FX Contract or CFD price will decline.

A Position in respect of a Margin FX Contract or a CFD is open until it is closed, and the amount of profit or loss to you can then be calculated.

You close a Margin FX Contract or CFD by entering into and executing an equal and opposite transaction in the same Margin FX Contract or CFD. If you close a Position, you must cancel any related orders you have placed against that Position. Failure to do so will mean that the related orders remain at risk of execution.

A Margin FX Contract or CFD will close automatically on the fifth anniversary of the date on which the Margin FX Contract or CFD was first entered into. Before that, you may give instructions to request close, or we can exercise its rights to close as set out in clause 12.1 and clause 12.2 of the Client Agreement.

2.6 WHAT IS A MARGIN FX CONTRACT OR CFD ISSUED “OVER THE COUNTER”?

Over the counter means that you do not trade in financial products through an exchange or market. Rather, it is a bilateral transaction between you and us. This means you can only enter into contracts with us.

You do not have the protections normally associated with trading on a regulated market.

It is not possible to close a Margin FX Contract or CFD by giving instructions to another provider, broker or Australian financial services licensee.

2.7 WHAT CHARGES ARE PAYABLE WHEN DEALING IN MARGIN FX CONTRACTS AND CFDS?

The common fees and charges you will incur when dealing in Margin FX Contracts and CFDs may incorporate any or all of the following:

- Payment of Margins (Initial Margin and in relation to your continuing obligation in relation to Margin);
- Swap Charges and Rollover Charges;
- Interest applied to debit balances in your Account;
- Administration charges; and
- In addition, we will apply a bid / offer spread in respect of financial products, which will also affect the profits or losses you make when dealing in these contracts.

See Section 8.

2.8 HOW DO WE DETERMINE THE PRICES OF MARGIN FX CONTRACTS AND CFDS?

Margin FX Contracts:. Our prices for Margin FX Contracts will be a bid and offer price (which ever is applicable) calculated by us.

IndexCFDs: Our prices for IndexCFDs are calculated by us with regard tomid market price of the relevant futures contract over an equity index on the relevant exchange.

Commodity CFDs: Our prices for Commodity CFDs are calculated by us based on to the last traded price of the Underlying Instrument (being a futures contract over a commodity) on the relevant exchange.

Bullion CFDs: Our prices for Bullion CFDs will be a bid and offer price (which ever is applicable) calculated by us.

2.9 CAN WE CHANGE OR RE-QUOTE THE PRICE AFTER YOU HAVE ALREADY PLACED YOUR REQUESTS FOR ORDER?

Yes.

When you make a request to place an order, we may:

(a) provide an amended quote of the Contract Price originally quoted by our Trading Platform; and/or

(b) make the quote subject to special conditions and requirements;

as notified to you by us at the time of the order being considered by us. This may occur, for example, when you place an order outside the Normal Trading Size, or the aggregate of your order and all other orders for a Margin FX Contract or CFD is outside the Normal Trading Size, or to take account of any change in market conditions since the original quote. Such amended Contract Price will be determined by us having regard to the applicable prices and costs of entering into a transaction of that size on the relevant market. You will not be obliged to proceed with any order for which an amended price or special conditions and requirements are notified to you by us. For example, we may quote a revised price applicable to the proposed Margin FX Contract or CFD which you may, at your absolute discretion, accept or reject. The amended quote may no longer be available if there is any delay in acceptance.

We can change or re‑quote prices after you have already placed your requests for order because, among other things, markets are subject to slippage from time to time.

Slippage is the difference between a requested price of a trade or pending order and the price at which the order was executed or filled. A gap in the markets is a break between prices on a chart that occurs when the price of a product makes a sharp move up or down with no trading occurring in between or when the market closes at different rate to when it opens again.

There are 2 common types of slippage:

(a) when a market gaps, either over the weekend or after a news event (like payroll figures or interest rate decisions); and

(b) when a price is clicked on and has substantially changed in the time it took to get back to the executing bank or broker.

For the benefit of our clients, we treat both slippage scenarios in the same way that they would be treated in the exchange‑traded share or futures markets in that we slip our clients to a better price if the interbank market from which we obtain prices has moved in the client's favour, and similarly a worse price if the market has moved against them. The price differences reflect the slippage that we get from the aggregated price obtained from our hedging counterparties.

2.10 IF THERE IS LITTLE OR NO TRADING GOING ON IN THE UNDERLYING MARKET FOR AN ASSET, CAN YOU STILL TRADE MARGIN FX CONTRACTS AND CFDS OVER THAT ASSET?

Foreign exchange markets trade continuously. However, our platform open at 05:30 pm American Eastern Standard Time Sunday and close at 04:30 pm American Eastern Standard Time on Friday. They are open 24 hours during this period other than a daily 14 minutes outage at 04:56 to 05:09pm American Eastern Standard Time. Prices are continuously streamed during this period. Because foreign exchange is not an exchange-traded product, it is not possible to suspend or halt the streaming of these prices.

For our futures, commodities and index future CFD products, we will halt client trading and the use of client money in an asset or derivative when a trading halt exists for the underlying asset, or trading in the underlying asset has been suspended through an exchange or otherwise.

We will only allow you to trade Margin FX Contracts and CFDs when the market is open.

2.11 CAN YOU PLACE STOP LOSS ORDERS AND LIMIT ORDERS?

Stop Loss Orders and Limit Orders are only available on selected instruments. We may refuse to accept any Stop Loss Orders or Limit Orders on any trade.

Stop Loss Orders: A Stop Loss Order allows you to specify a price at which you wish to close out a Position or open a Position. Stop Loss Orders must be placed at a minimum distance from our current bid and offer prices. The minimum distance away from a Stop Loss Order placement is specified on client's online trading account and will be advised to you upon request. We will execute a Stop Loss Order once the offer price reaches the order price in the case of a buy‑

order, or our bid price has reached the order price in the case of a sell-order. We note that stop losses are not guaranteed and the execution of such orders will depend on market volatility and liquidity. A Stop Loss Order is triggered automatically when the Stop Loss price is reached. Once the Stop Loss price is reached, the Stop Loss Order becomes a market order to buy or sell (depending on your instructions). The Stop Loss Order could be activated by a short-term fluctuation in the markets, or in a fast moving market, the price at which the trade is executed could be much different from the stop-loss order price. This is known as "gapping" and is due to market movements during the time it takes to open or close Positions. You should discuss the operation of these order types with one of our representatives. You should also refer to our Client Agreement with respect to the operation of these order types.

Limit Orders: A Limit Order may be used by you to either open or close a Position at a predetermined price that is more favourable to you than the current market price. We will execute your Limit Order when our offer price has reached the price of your buy-Limit Order or our bid price has reached the price of your sell-Limit Order.

You acknowledge and agree that under the Client Agreement we may impose a Stop Loss Order on one or more of your Positions.

Further, we may impose a limit on the number of open pending orders of each account to prevent the degradation of the Trading Platform performance of all other clients. The limit is currently set at 100 orders – but we retain the right to change this limit.

2.12 HOW DO YOU OPEN AN ACCOUNT?

Read this PDS, the Client Agreement and our FSG, and then complete an Application Form. See section 1.4.

2.13 WHAT PAYMENT OPTIONS DO YOU HAVE?

We offer a number of payment options for Clients to open and fund their accounts and provide credit card funding for the ease of providing secure electronic payment system to our Clients. This is used for both funding accounts and meeting Margin Calls. See also section 2.21.

Please be aware that using a credit card to fund your account may pose the risk of double leverage from the combined effect of utilising a credit facility to fund a leveraged trading account.

We do not accept "cash equivalents" as opening collateral (e.g. no securities as deposits).

2.14 WHAT IS THE MINIMUM TRADING SIZE, THE MAXIMUM TRADING SIZE AND THE MINIMUM BALANCE TO OPEN AN ACCOUNT?

The size of your Margin FX Contract or CFD must exceed the relevant Minimum Trading Size and must not exceed the relevant Maximum Trading Size, each as specified on our client's online trading account from time to time for the type of Margin FX Contract or CFD.

The minimum balance to open an account is as follows:

AUD 1,000* for Australian Clients.

AUD 2,000* or its currency equivalent for Foreign Clients.

* This may be varied at our discretion.

2.15 HOW DO YOU DEAL IN MARGIN FX CONTRACTS OR CFDS WITH US?

You may place requests for orders to deal in Margin FX Contracts or CFDs in two ways:

- by telephoning us on +612 8036 8388; or
- using our Trading Platform through a computer connected to the internet or your mobile telephone.

We will not accept requests for orders or instructions from you through any other means, such as email, unless we have previously agreed with you to do so.

It is possible for a third party to place orders on your behalf provided that a written and executed Power of Attorney or Authorised Person authority has been received and accepted by us.

2.16 WHEN IS A CONTRACT FORMED?

A quote given to you by one of our traders is not an offer to contract. If you indicate that you wish to trade at the price quoted you will be deemed to be making an offer to trade at the quoted price and our trader will be entitled to confirm or reject that offer. No trade will be effective unless and until such confirmation is given.

Your clicking ‘buy’ or ‘sell’ or accepting a quote to buy or sell by telephone will send a message to our traders indicating that you wish to trade on the terms and conditions indicated. This message will constitute an offer by you to buy or sell at the price and trade size chosen. If we accept the trade we will send you a message to this effect. Your trade will not have been placed and no contract will come into existence until we send this message to you. You must wait for this message to appear after sending a ‘buy’ or ‘sell’ message and should you not receive this within two minutes you must notify us immediately. If you do not receive our Confirmation and you do not notify us as required, you will be deemed to have agreed only the transactions recorded by us. Similarly, if you dispute the contents of any Confirmation sent by us to you, you must notify us immediately upon receipt by telephone; if you do not, the transactions recorded by us will be deemed to have been agreed by you.

2.17 WHAT ARE “LONG” AND “SHORT” POSITIONS?

You can take both ‘long’ and ‘short’ Positions. If you take a long Position, you profit from a rise in the underlying base currency price or the price of the Underlying Instrument, and you lose if the underlying base currency price or the price of the Underlying Instrument falls.

Conversely, if you take a short Position, you profit from a fall in the underlying base currency price or the price of the Underlying Instrument, and lose if the underlying base currency price or the price of the Underlying Instrument rises.

2.18 HOW DO YOU REQUEST TO CLOSE OUT A POSITION?

You can request to close a Position by selecting a Position in the Trading Platform and clicking the 'Close' button. However, please note that we may not be able to allow you to close a Position at a particular time and/or at the particular price, for example, without limitation, due to gapping or illiquidity.

2.19 WHAT IS MARGIN?

To place a trade that creates an open Position you are required to pay us, or have in your Account, the Margin for that trade as calculated by us ("Initial Margin").

In addition to the Initial Margin, you have a continuing obligation in relation to Margin in respect of all open Positions on your Account.

Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.

See section 3.

2.20 WHAT IS A MARGIN CALL?

A Margin Call is a call on you to top up the amount of money you have in your Account as Margin.

Notwithstanding any other terms of any document, we are not under any obligation to keep you informed of your Account balance and required Margin by making a Margin Call.

2.21 HOW ARE PAYMENTS MADE IN AND OUT OF YOUR ACCOUNT?

You may deposit funds by credit card, electronic transfer, B-Pay® or by cheque. All funds must be cleared funds before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in Margin FX Contracts or CFDs.

Payments using B-Pay® are not cleared funds at the time of use of B-Pay®.

We will pay you through electronic transfer.

You must ensure that:

- payments into an Account are from you as the holder of the Account and not from any third party;
- without limiting the above, payments from an account are payments from your account and not from any account of any third party.

You agree and acknowledge that we may refuse to accept or return any payment of money from any third party or from any account of any third party, and that we do not accept any liability or responsibility for any loss, cost or expense incurred or suffered by you in connection with such non-acceptance or return, including because you are subsequently in default of your obligations to us.

2.22 DO YOU RECEIVE INTEREST ON MONEYS HELD IN YOUR ACCOUNT OR PAY INTEREST ON MONEYS YOU OWE TO US?

We may pay interest on the credit balance in your Account (after deducting from your balance Margin Requirements only if:

- you are an Australian resident for tax purposes; and
- the credit balance in your Account is in excess of your Total Margin Requirements.

If there is a debit balance in your Account after the Margins for our products have been taken into account, (i.e. you owe money to meet the Margin Requirement), you will pay us interest on the debit balance.

The relevant rates of interest are determined by us at our discretion. Any amounts of interest payable to us will be deducted from any interest payable to you.

Further, if you fail to make any payment required under the Client Agreement when it falls due, interest will be charged (and you will pay interest) on the outstanding sum at the Australian Taxation Office (ATO) general interest rate, which can be found on the ATO website and is updated on a quarterly basis. Interest accrues and is calculated daily from the date payment was due until the date you pay in full and is compounded daily.

2.23 WHAT HAPPENS IF YOU HOLD A POSITION OVERNIGHT?

When you hold a Position or Positions overnight in a Margin FX Contract or CFD (other than an Excepted Contract) they will be rolled to the next Business Day which will result in you paying a Swap Charge or receiving a Swap Benefit.

No Swap Charge is paid or Swap Benefit is received in the case of Excepted Contracts; but there will be a Rollover Charge or Rollover Benefit.

For further information see section 8.3.

2.24 WHAT ARE THE RISKS OF MARGIN FX CONTRACTS AND CFDS?

Margin FX Contracts and CFDs are derivative products that are complex, highly leveraged, and carry significantly greater risk than non-geared investments.

You may lose substantially more than the initial investment. You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements.

It is important that you understand that when you enter into a Margin FX Contract or CFD you are not trading in (and do not own or have any rights to) the Underlying Instrument.

See section 6.

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

2.25 WHAT ARE THE TAXATION IMPLICATIONS OF ENTERING INTO MARGIN FX CONTRACTS AND CFDS?

The taxation consequences of dealing in Margin FX Contracts and CFDs depend on your personal circumstances. Some general taxation consequences are set out in section 9.

The taxation consequences can be complex and will differ for each individual's financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of foreign exchange and CFD transactions and products on your particular financial situation.

2.26 HOW DO I LEARN TO USE THE TRADING PLATFORM AND HOW TO DEAL WITH YOU?

Our Trading Platform contains an extensive user guide which is accessible from the 'Help' menu. We also provide free practice accounts also known as "Demo" accounts. Contact our Client Services Department for further details.

2.27 WHAT IF I NEED FURTHER INFORMATION?

You should speak to your financial advisor, or, alternatively, you can contact us by:

- telephone: +612 8036 8388
- email: customerservice@trademax.com.au

3. MARGINS AND MARGIN CALLS

3.1 INITIAL MARGIN

Upon placing a trade that creates an open Position you are required to pay us, and have in your Account, the Margin for that trade as calculated by us ("Initial Margin"). This Initial Margin is calculated as follows:
Initial Margin requirement = (Quantity of Contract Units x Contract Price) x Margin Percentage.

3.2 CONTINUING MARGIN OBLIGATION

In addition to the Initial Margin, you have a continuing obligation in relation to Margin as set out below in respect of all open Positions on your Account.

You have a continuing Margin obligation to us to ensure that at all times during which you have opened Positions, your Total Equity is at least the Margin that we require you to have paid to us for all of your open Positions, such Margin required by us at all times (the Margin Requirement) for each open Position being: (Quantity of Contract Units x Contract Price) x Margin Percentage. You must pay to us the Margin required by us for all of your open Positions.

Your Total Equity will be determined by us on an ongoing basis during the day.

If there is any shortfall between your Total Equity and your Total Margin Requirement for all your open Positions, you are required by us to deposit additional funds into your account so that there is no such shortfall. These funds are due and payable to us immediately on your Total Equity falling below your Total Margin Requirement for all your open Positions.

Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate. Also we may vary the Margin Percentage (and therefore the Margin) at any time at our discretion (see section 3.3).

The Total Equity of your Account will fluctuate according to the money you have deposited in your Account, the dealings conducted on your Account and the Positions you hold.
During the trading day, your Account is constantly calculated in line with movements in our prices. The Account balance is also calculated at the end of the day. It is your responsibility to monitor and manage your open Positions and exposures and ensure that your Account is sufficiently funded at all times for Margin. This may require:

- closing or reducing one or more of your open Position(s) in order to reduce your Margin Requirement; and/or
- depositing additional funds into your Account in order to satisfy the Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your obligations.

3.3 CHANGING MARGIN PERCENTAGE

We may vary the Margin Percentage at any time at our discretion. Without limitation, we may vary the Margin Percentage in response to or in anticipation of the following:

(a) changing volatility and/or liquidity in the Underlying Instrument or in the financial markets generally;
(b) economic news;
(c) changes in your dealing pattern with us;
(d) your credit circumstances change; or
(e) your exposure to us being concentrated in a particular Underlying Instrument.

You should note that there may be other circumstances which may give rise to us changing your Margin Percentage.

3.4 OUR RIGHTS WHERE YOUR (TOTAL EQUITY LESS AGGREGATE MARGIN REQUIREMENT) IS AT OR BELOW A CERTAIN LEVEL

In addition to the requirements set out in sections 3.1 and 3.2, if at any time (Total Equity less aggregate Margin Requirement) is at or below 20% of aggregate Margin Requirement, whilst it is not an Event of Default, we may (but are not obliged to) close some or all of your open Positions at our absolute discretion. We will not be responsible for any losses you may suffer or incur in connection with any such closing of your open Positions or any lack of closing thereof.

3.5 YOU MUST MONITOR MARGIN

Through the Electronic Service, you may have access to your Account and sufficient information to enable you to calculate the amount of any Margin required from you and the total amount of Margin due from you in the Base Currency using our Exchange Rate. It is your responsibility to ensure that you obtain all relevant information in respect of your Account (including when placing any orders over the telephone, to request such information before placing any orders to open or close a Position), including all information in respect of your current open Positions. We will not be responsible for any losses you may suffer or incur as a result of you not obtaining or requesting any such information.

It is your responsibility to monitor at all times (including by checking on the Electronic Service) the amount of Margin deposited with us from time to time against the amount of any Margin currently required and any additional Margin that may be necessary or desirable, having regard to such matters as:

(i) your open Positions;

(ii) the volatility of any relevant Underlying Instrument;

(iii) the volatility of the relevant market;

(iv) the volatility of the markets generally;

(v) any applicable exchange rate risk; and

(vi) the time it will take for you to remit sufficient cleared funds to us.

3.6 NO OBLIGATION TO MAKE MARGIN CALL; FAILURE TO PAY MARGIN

Notwithstanding any other terms of any document, we are not under any obligation to keep you informed of your Account balance and required Margin by making a Margin Call.

Your failure to pay any Margin or comply with your obligations in connection with Margin is an Event of Default. If an Event of Default occurs, we may, among other things, terminate the Client Agreement and/or close all or any of your open Positions and deduct the resulting realised loss from your Account. See section 11 for a description of our powers upon an Event of Default.

In addition, if you do not wish us to be able to exercise our rights referred to in section 3.4, you will ensure that at any time (Total Equity less aggregate Margin Requirement) is above 20% of aggregate Margin Requirement.

3.7 RISK

You may lose substantially more than the initial investment. You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements.

4. BECOMING A CLIENT

4.1 QUALIFICATION POLICY

We operate a client qualification policy that is intended to ensure that new Australian resident clients are adequately qualified to trade in any product offered through us because trading in Margin FX Contracts and CFDs is not suitable for all clients due to the significant risks involved.

In order to be deemed sufficiently qualified to trade with us, potential clients must prove that they are able to satisfy one of the two following criteria:

- have sufficient trading experience; or
- pass a multiple choice quiz designed to test the extent of their knowledge in trading and financial markets.

4.2 PROVING SUFFICIENT TRADING EXPERIENCE

In order to establish that an individual has had sufficient trading experience, potential clients must prove **all** of the following. That they:

- have operated, within the past three (3) years, an over the counter margin forex or CFD account, through an ASIC regulated provider similar to us[1]; **and**
- have had **at least** two months of trading experience; **and**
- operated as an active trader.[2]

If a potential client fails to **completely** satisfy **all three** of the above criteria, then they may attempt the quiz (section 4.3).

4.3 MULTIPLE-CHOICE QUIZ

In order to qualify, a potential client of us must record a pass score. The quiz consists of 10 (ten) multiple choice questions, with at least one correct answer required from each of the following sections:

- previous experience in investing in financial instruments, including securities and derivatives;
- an understanding of the concepts of leverage, margins and volatility;
- an understanding of the nature of CFD, and margin FX trading;
- an understanding of the processes and technologies used in trading;
- a preparedness to monitor and manage the risks of trading.

If you pass the multiple-choice quiz, you will be deemed qualified to trade through us.

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[1] Call us for clarification regarding the eligibility of your provider

[2] To be considered 'actively operating' as a trader, you must have made at least 20 trades during the time that your account has been open, and you must be assessed for compliance by providing your trading statement to us.

5. KEY BENEFITS

The use of our Margin FX Contracts and CFDs provide a number of benefits, which must, of course, be weighed up against the risk of using them. Benefits include the following: ---

5.1 HEDGING

You can use Margin FX Contracts and CFDs to hedge exposures in relation to the relevant Underlying Instrument. Hedging also means that you may not receive the benefits of movements on your favour.

5.2 INVESTMENT

You can also use Margin FX Contracts and CFDs for investment, with a view to possibly deriving gains from fluctuations with respect to the Underlying Instruments. Where used for investment, losses (rather than gains) may result.

5.3 LEVERAGE

The use of Margin FX Contracts and CFDs involves a high degree of leverage. These contracts enable you to outlay a relatively small amount (in the form of margin) to secure an exposure to the Underlying Instrument. Gains and losses are amplified by the extent of the leverage. The leverage can work against you as well as for you. The use of leverage can lead to large losses as well as large gains.

6. KEY RISKS OF TRADING WITH US AND IN OUR PRODUCTS

6.1 INTRODUCTION

You should carefully consider whether dealing in Margin FX Contracts or CFDs is appropriate for you in the light of your financial circumstances. In deciding whether or not you wish to become involved in these transactions, you should be aware that these products are derivative products that are speculative, highly leveraged and carry a significantly greater risk than non-geared investments.

We do not make or give any recommendation advice or opinion in relation to Margin FX Contracts or CFDs. We do not take into account your objectives, financial situation or needs. Without limitation, the Client Qualification process does not amount to personal financial product advice.

You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX Contract or CFD to ensure this is appropriate for your objectives, financial situation and needs.

The risks include the following:

6.2 LOSS OF MONEYS

You may lose substantially more than the initial investment. You may incur losses to the extent of your total exposure to us and any additional fees and charges that you are liable to pay to us. These losses may be far greater than the money that you have deposited into your Account or are required to satisfy Margin Requirements. You could be required to pay further funds that represent losses and other fees on your open and closed Positions.

If you acquire a Margin FX Contract or CFD you will be exposed to movements in the price, value or level of the Underlying Instrument. The risk of loss is increased as you are highly leveraged.

6.3 RISK RESULTING FROM FAILURE TO PROVIDE REQUIRED MARGIN

If the Margin FX Contract or CFD price moves against your Position you may be required to deposit further moneys with us in order to satisfy your Total Margin Requirement and maintain your Position. The amount of the additional Margin may be substantial and failure to pay it promptly may result in:

- some or all of your open Positions being closed or liquidated by us;
- you being prevented from opening new Positions or extending existing Positions; and
- you being liable for interest charges on negative or debit balances.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Requirement. Your Position may be liquidated before you have an opportunity to deposit additional funds and any additional funds that you deposit have had the opportunity to become cleared funds.

6.4 DERIVATIVE MARKETS

Derivative markets are speculative and volatile. Margin FX Contracts and CFDs are derivative instruments and can be highly volatile. When you enter into a Margin FX Contract or CFD you are not trading in (and do not own or have any rights to) the Underlying Instrument. Under certain market conditions, the price of contracts may not maintain the usual relationship with the Underlying Markets because of unforeseeable events or changes in conditions, which cannot be controlled by you.

6.5 DEALING MAY BE AFFECTED BY FACTORS IN THE UNDERLYING MARKET

Our prices are derived from prices in the Underlying Market.

Prices in Underlying Markets, and prices of Margin FX Contracts and CFDs, will be influenced by, amongst other things, changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and prevailing psychological characteristics and expectations of the markets.

Under certain market conditions, it could become difficult or impossible for you to manage the risk of open Positions by entering into opposite Positions in another contract or closing existing Positions.

Sometimes markets move so quickly that gapping occurs. Gapping is the exposure to loss from failure of market prices or rates to follow a "smooth" or continuous path due to external factors such as world, political, economic and specific corporate events. If gapping occurs in the Underlying Market, it will also occur in the price of the relevant Margin FX Contract or CFD and may mean that you are unable to close out your Position or open a new Position at the price at which you have placed your order or may have liked to place your order.

The Underlying Market may lack liquidity, caused by insufficient trading activity or because the aggregate of all requests for orders at a particular price determined by us exceeds the available volume in that market. This may affect our ability to offer Margin FX Contracts or CFDs in sufficient volume to allow you to close out your Position or open a new Position.

As a result, a potentially profitable deal may not be executed, or it may not be possible to close out a Position in a timely fashion at the price you require. This may lead to reduced profits and high losses.

We have the right to close your open Position, limit the size of your open Position or refuse orders to establish new Positions, by giving you notice orally or in writing. You should refer to clause 15.2 of the Client Agreement.

6.6 YOUR ACCOUNT WILL BE MAINTAINED IN THE CURRENCY THAT YOU HAVE NOMINATED: THAT IS, THE BASE CURRENCY.

When you deal in a Margin FX Contract or CFD whose settlement currency is denominated in a currency other than the Base Currency, all Margins, profits, losses, Swap Charges, Swap Benefits, Rollover Charges and Rollover Benefits in relation to that product are calculated using the currency in which the product is settled and is then converted to your Base Currency.

Accordingly, your profits or losses may be affected by fluctuations in the relevant Underlying Market price between the time the order is placed and the time the Position is closed, liquidated or offset.

6.7 LOSS CAUSED BY SPREAD

Because of the difference between the buying and selling price of a Margin FX Contract or CFD, the relevant price must move favourably before you can break even. In other words, even if the price does not move at all and you close out your Position, you will make a loss to the extent of our spread and any other charges you have incurred to us.

Furthermore, the spread may be larger at the time you close out the Position than it was at the time you opened it.

You should also note that a “spread position”, that is, the holding of a bought contract for one specified date and a sold contract for another specified date, is not necessarily less risky than a simple “long” (ie bought) or “short” (ie sold) Position.

6.8 COUNTERPARTY RISK

You will be dealing with us as counterparty to every transaction. You will have an exposure to us in relation to each transaction.

You will be reliant on our ability to meet our counterparty obligations to you to settle the relevant contract. If we default on our obligations, you may become an unsecured creditor in an administration or liquidation and will not have recourse to any underlying assets in the event of our insolvency.

We limit this exposure by entering into over-the-counter transactions as principal with counterparties to hedge the market risk arising from our transactions with you (and our other clients).

We are also exposed to the financial risks of the financial institutions with which we hold our client funds and with which we enter into hedging or offsetting transactions to manage our exposure to you. You should note that we manage these risks in accordance with our broad Compliance Plan, which is controlled and administered to ensure that risks are measured and managed.

In our Compliance Plan, we set out criteria for selecting counterparties. In respect of those counterparties with which we conduct over the counter transactions, each must meet the following criteria:

- It must have a good reputation and be a leader in the industry;
- It must be financially strong, well capitalised and have the financial resources to offer the requisite margin and leveraging supports;
- It must exhibit a good understanding of the foreign exchange and CFDs businesses;
- It must have efficient front and back office systems (including accounting and reporting supported by systems and interface and internal control).

Our policy also sets out the names of our hedging counterparties as they stand from time to time.

You can request from us a copy of our policy on the activities we undertake to mitigate our counterparty and market risk referred to above in this section 6.8.

We have risk management and compliance systems in place to manage our risks including but not limited to financial, operational and credit risks. Funds are held with reputable financial institutions. We have policies around monitoring of client positions, margin calls and liquidations.

We maintain a written policy to ensure we maintain adequate financial resources and comply with the financial requirements of our Australian Financial Services Licence. Amongst other things, we:

- perform a daily net tangible assets (NTA) calculation, ensuring that we meet the minimum NTA requirement set by ASIC; and
- perform a daily client cash segregation calculation, ensuring that we hold adequate cash in our client trust account in order to meet our obligations to the client.

Our capital requirements and surplus position is monitored on a daily basis by us.

Quarterly stress testing is conducted to ensure that in the event of significant adverse market movements, we would have sufficient liquid resources to meet our obligations to you and our other clients without needing to have recourse to client money to do so.

If you require further information about our financial position, please contact us and request a copy of our latest audited financial statements. These will be provided free of charge.

In relation to client money, in accordance with Australian Client Money Rules, we may use client money belonging to you for meeting our obligations for dealings with derivatives by us, including dealings on behalf of clients other than you. There is a risk that you may not receive all money held by us on your behalf in the client money account if there is a deficit in the client money account and we become insolvent or are otherwise unable to pay the deficiency.

6.9 NOT A REGULATED MARKET

We act as principal and contracts entered into with us are not traded on a licensed market. Accordingly, the protections associated with licensed markets are not available to individuals, corporations or other entities trading in our products.

6.10 REGULATORY CHANGES

Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect in your dealings in contracts with us.

6.11 SYSTEMS RISK

There are operational risks associated with any trading platform and any disruption to our Trading Platform may mean that you will be unable to trade in the product with us when desired. Accordingly, you may suffer a loss as a result caused by a delay in our operational processes such as communications, computers, computer networks, software or external events that cause delays in the execution and settlement of a transaction.

We do not warrant that the Trading Platform will always be available or accessible when the exchanges on which the Underlying Instruments in respect of which you have traded or wish to trade are open and we reserve the right to remove altogether or reduce the Trading Platform service at any time for any purpose, without thereby incurring any liability to you. We do not warrant that the Electronic Services or any component of any Electronic Services or any services performed in respect of any such Electronic Services will meet the requirements of any user, or that the operation of the Electronic Services will be uninterrupted or error-free, or that any services performed in respect of the Electronic Services will be uninterrupted or error-free. We have no liability to you for any loss, damage or cost which you may suffer as a result of transmission errors, technical faults, malfunctions, illegal intervention in network equipment, network overloads, malicious blocking of access by third parties, internet malfunctions, interruptions or other deficiencies on the part of internet service providers or other system errors. You acknowledge that access to Electronic Services may be limited or unavailable due to such system errors, and that we reserve the right upon notice to suspend access to Electronic Services for this reason. We do not accept any liability in respect of any delays, inaccuracies, errors or omissions in any data provided to you in connection with an Electronic Service. We have no liability to you in the event that any viruses, worms, software bombs or similar items are introduced via the Electronic Service or any software provided by us to you in order to enable you to use the Electronic Service, so long as we have taken reasonable steps to prevent any such introduction.

6.12 CHANGES IN MARGIN PERCENTAGE

We may under clause 10.5 of the Client Agreement exercise our right to alter the Margin Percentage in relation to any of our CFDs or Margin FX Contracts at any time at our discretion. This change will affect your Margin Requirement.

You should refer to section 3 of this PDS for further information.

7. HOLDING YOUR MONEY

7.1 TRUST ACCOUNT

We will handle all client funds we receive in accordance with and subject to Part 7.8 of Division 2 of the Corporations Act and ASIC Regulatory Guide 212: *Client money relating to dealing in OTC derivatives.* Client funds will be paid into a trust account maintained by us with an authorised deposit-taking institution (ADI). We will not be liable for the insolvency or any act or omission of any ADI holding the trust accounts. Your moneys may be co-mingled into one or more pooled trust accounts with our other clients' moneys.

We may use client money in a trust account for the purpose of meeting obligations incurred by us when hedging with our counterparties.

You should note that we are entitled, and you authorise us, amongst other things, to withdraw, deduct, pay or apply, from your moneys held in any segregated trust account or invested by us, towards any Margin or amounts payable by you to us and/or any Associate of ours under this Agreement, including, without limitation making a payment for, or in connection with, the margining, adjusting or settling of dealings in Margin FX Contracts or CFDs entered into by you with us or the payment of interest, fees or charges to us, it being acknowledged and agreed by you that such amounts belong to us and may be used by us from time to time for any purpose whatsoever.

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

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

7.2 PROTECTION AFFORDED BY THE AUSTRALIAN CLIENT MONEY RULES

Under the Australian Client Money Rules, we must hold your moneys on trust.

Furthermore, the Australian Client Money Rules provide that in the event that we ceased to be licenced (including because our Australian Financial Services Licence has been suspended or cancelled), become insolvent or cease to carry on some or all of the activities authorised by our Australian Financial Services Licence, client money held by us or an investment of client money, will be dealt with as follows:

- money in the trust account is held in trust for the persons entitled to it, and is paid in the order set out below in the third bullet point below;
- if money in the trust account is invested, the investment is likewise held in trust for each person entitled to money in the account;
- the money in the account is to be paid in the following order:
  - the first payment is of money that has been paid into the account in error;

- the next payment is payment to each person who is entitled to be paid money from the account;
- if the money in the account is not sufficient to be paid in accordance with the above paragraphs, the money in the account must be paid in proportion to the amount of each person's entitlement; and
- if there is any money remaining in the account after payments made in accordance with the above paragraphs, the remaining money is payable to us.

These rules override anything to the contrary in the Australian *Bankruptcy Act 1966*, in the *Corporations Act* or other law, or in the Client Agreement.

7.3 WARNING ABOUT TRUST ACCOUNTS

It is important to note that our holding your moneys in one or more pooled trust accounts may not afford you absolute protection.

The purpose of trust accounts is to segregate our clients' money, including your moneys, from our own funds.

However, an individual client's money is co-mingled into one or more trust accounts.

Furthermore, trust accounts may not protect your moneys from a deficit in the trust accounts.

Should there be a deficit in the trust accounts and in the event that we become insolvent before the topping up of the trust accounts in deficit, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

7.4 WHAT IS AN UNSECURED CREDITOR?

In the event that you become an unsecured creditor of us, you will need to lodge a proof of debt with the liquidator for the amount of moneys that are owing to you as evidenced by your account statements. The liquidator then assesses all proofs of debts to determine which creditors are able to share in the assets of the company, and to what extent depending on the amounts owing to them and any priority they may have to be paid.

8. FEES, COSTS AND CHARGES

8.1 GENERAL

Whilst we endeavour to include all fees and charges in the spread quoted, in some circumstances you may incur fees and charges.

The fees and charges when dealing in Margin FX Contracts and CFDs may incorporate any or all of the following:-

- Margin Adjustments;
- Swap Charges and Rollover Charges;
- Interest charges applied to debit balances in your Account;
- Exchange fees;
- Administration charges.

The fees and charges may change from time to time and may differ according to whether you are an Australian Client or a Foreign Client but will be notified to you.

8.2 COMMISSIONS

There will be no commissions payable on trades executed in our Margin FX Contracts or CFDs. Our fees for the products we offer are built into the price of the contract when you seek to transact with us. Because we deal as principal, the prices we offer you may not be the same as the market prices.

8.3 SWAP CHARGES AND SWAP BENEFITS, AND ROLLOVER CHARGES AND ROLLOVER BENEFITS

When you hold a Position or Positions overnight in a Margin FX Contract or CFD (other than an Excepted Contract) they will be rolled to the next Business Day which will result in you paying a Swap Charge or receiving a Swap Benefit. The amount is determined by us and depends on factors including our Swap Rate, being the rates at which you receive or pay interest on Positions that remain open overnight. This is a varying rate dependent upon the applicable rate in the interbank markets for the currencies or Bullion, the duration of the rollover period and the size of the Position.

No Swap Charge or Swap Benefit is paid or received in the case of Excepted Contracts; but there will be a Rollover Charge or Rollover Benefit.

If you are long on a Margin FX Contract you may either receive a Swap Benefit or pay a Swap Charge, depending on the currency you are long, and if you are short on a Margin FX Contract you may either pay a Swap Charge or receive a Swap Benefit, depending on the currency you are short on.

Long Margin FX Contracts

If you are long on a Margin FX Contract where the bought currency interest rates are higher than the sold currency interest rates you will receive interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the higher yielding currency. On the other hand, if you are long on a Margin FX Contract where the bought currency interest rates are lower than the sold currency interest rates then you will pay interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency.

Long Bullion CFDs

If you have a long US dollar/short Bullion Position and interest rates in the USA are higher than the Bullion Swap Rate you will receive a Swap Benefit at the Bullion Swap Rate if you hold the Position overnight and do not close it before settlement time. This is because you are holding the higher yielding asset.

Short Margin FX Contracts

If you are short on a Margin FX Contract where the sold currency interest rates are higher than the bought currency interest rates you will pay interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the lower yielding currency. On the other hand, if you are short on a Margin FX Contract where the sold currency interest rates are lower than the bought currency interest rates then you will receive interest at the Swap Rate if you hold the Position overnight and do not close it before the settlement time. This is because you are holding the higher yielding currency.

Short Bullion CFDs

If you have a short US dollar/long Bullion Position and interest rates in the USA are higher than the Bullion Swap Rate you will pay a Swap Charge at the relevant Swap Rate if you hold the Position overnight and do not close it before settlement time. This is because you are holding the lower yielding asset.

Rollover of Commodity CFDs

A rollover will arise in Commodity CFDs and Index CFDs when the underlying front month futures contract is approaching the Expiry Date and we change our CFD pricing feed from the front month to the Next Serial Futures Contract. When the new price feed takes effect you will immediately create a gain or loss in your open trade equity. This profit or loss will depend on your Position size and direction and the price differential of the expiring contract and the new contract on which the price will be now based. You will be credited or debited with a Rollover Charge or Rollover Benefit that will fully offset the effect of the abovementioned profit or loss. For example, if you have made a profit on the change the new Contract Price feed you will receive a Rollover Charge which will offset the gain.

Swap Charges and Swap Benefits due will be accrued in the swap value field of the open trade Position. In the event that there are insufficient funds in your Account, any amount due to us because of the Swap Charges becomes a debt due and owing by you to us.

Rollover Charges and Rollover Benefits due will be accrued in the rollover value field of the open trade Position. In the event that there are insufficient funds in your Account, any amount due to us because of the Rollover Charges becomes a debt due and owing by you to us.

8.4 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Base Currency nominated by you will be converted to the nominated Base Currency, but at spreads that may be wider than those shown on the Trading Platform.

8.5 INTEREST CHARGES APPLIED TO BALANCES

If there is a debit balance in your Account after the Margins for our products have been taken into account, (i.e. you owe money to meet the Margin Requirement), you will pay us interest on the debit balance.

We may pay interest on credit balance in your Account (after deducting from your balance Margin Requirements) only if:

- you are an Australian resident for tax purposes; and
- the credit balance in your Account is in excess of your aggregate Margin Requirements.

The relevant rates of interest are determined by us at our discretion. Any amounts of interest payable to us will be deducted from any interest payable to you.

8.6 ADMINISTRATION CHARGES

We reserve the right to charge the following additional fees:

All charges are inclusive of GST (where applicable).

Administration service	Fee Australian Clients	Fee Foreign Clients
Receipts		
Electronic Funds Transfer	AUD1.50	AUD 10.00
B-Pay® (AUD)	AUD1.50	n/a
Cash & cheque deposits (AUD)	AUD3.00	AUD10.00
Telegraphic transfer	n/a	AUD25.00
Credit card	3.20%	3.20%
Other funding methods	Refer to Website	Refer to Website
Withdrawals		
Electronic Funds Transfer	AUD1.50	AUD25.00
Other		
Duplicated statements by post	AUD4.00 per statement	AUD4.00 per statement
Returned cheque fee	Upon application	Upon application
Transcripts of telephone conversations	Upon application	Upon application
Audit certificates	Upon application	Upon application
Debt collection	First call AUD25.00	First call AUD25.00

Second call AUD50.00	Second call AUD50.00
Referral to agency AUD150.00	Referral to agency AUD150.00

8.7 INTEREST IN CLIENT MONEY ACCOUNTS

We are solely entitled to any interest or earnings derived from your moneys being deposited in a segregated trust account or invested by us in accordance with the Australian Client Money Rules with such interest or earnings being payable to us from the relevant segregated trust account or investment account, as the case requires as and when we determine.

8.8 DEFAULT INTEREST

If you fail to make any payment required under the Client Agreement when it falls due, interest will be charged on the outstanding sum at the Australian Taxation Office (ATO) general interest charge rate, which can be found on the ATO website and is updated on a quarterly basis. Interest accrues and is calculated daily from the date payment was due until the date you pay in full and is compounded daily.

9. TAXATION IMPLICATIONS

This section contains general information about the Australian taxation implications for Australian residents dealing in Margin FX Contracts and CFDs, and is based on Australian taxation laws as at the date of the PDS. It is general information only, and does not take into account your objectives, financial situation or needs.

Australian residents and non-Australian residents should seek professional taxation advice that is based on their individual circumstances and in the case of non-residents the taxation laws of both Australia and their country of taxation before trading in Margin FX Contracts and CFDs.

9.1 TAXATION RULING: CONTRACTS FOR DIFFERENCE

The approach of the Commissioner of Taxation to the income tax and capital gains tax consequences of dealing in financial contracts for difference, such as CFDs, is reflected in Taxation Ruling 2005/15. We set out a summary of that ruling below which may also be relevant to the income tax treatment of Margin FX Contracts.

A copy of Taxation Ruling 2005/15 is available at www.ato.gov.au.

It is the Commissioner's view that any gain a taxpayer makes from dealing in a CFD will be assessable income under section 6-5 of the Income Tax Assessment Act 1997 (ITAA 1997), while any loss it makes from dealing in CFD will be an allowable deduction under section 8-1 of ITAA 1997 provided that:-

- the CFD transaction is entered into as an ordinary part of carrying on a business; or
- the profit is made, or the loss is incurred, as a consequence of a business operation or commercial transaction entered into for the purpose of profit-making.

A gain from dealing in a CFD will also be assessable income under section 15-15 of ITAA 1997 where a taxpayer is carrying on, or has carried out, a profit-making undertaking or scheme, and the gain from it is not assessable under 6-5 of ITAA 1997. Correspondingly, a loss from dealing in a CFD where the gain would have been assessable under section 15-15 of ITAA 1997 is an allowable deduction under section 25-40 of ITAA 1997.

A gain or a loss from a CFD entered into for the purposes of recreation by gambling will not be assessable under either section 6-5 or 15-15 of ITAA 1997, or deductible under section 8-1 or 25-40 of that Act.

The Commissioner is also of the view that a capital gain or a capital loss from a CFD entered into for the purpose of recreation by gambling will be disregarded under paragraph 118-37 (1)(c) of ITAA 1997.

9.2 ADDITIONAL MATTERS NOT COVERED BY RULING

The following matters are also relevant when dealing in CFDs.

9.2.1 CAPITAL GAINS TAX

A CFD is a CGT asset under section 108-5 of ITAA 1997. On the maturity or closing-out of a CFD, CGT Event C2 happens (section 104-25 of 1997). However, to the extent that a gain from dealing in a CFD as a result of a CGT Event is assessable under section 6-5 or 15-15 of ITAA 1997, a capital gain arising from the event is reduced (section 118-20 of ITAA 1997). To the extent that a loss made from dealing in a CFD is deductible under sections 8-1 or 25-40 of ITAA 1997, the reduced cost base of the asset is reduced, thereby reducing the amount of the capital loss (subsection 110-55(4) of ITAA 1997).

Finally, in calculating any capital gain or loss, a taxpayer is entitled to take into account the cost of acquiring, holding and disposing of the CFD.

9.2.2 INTEREST

Any interest received in relation to a CFD is assessable income.

9.2.3 INTEREST ON DEBIT BALANCES

Any interest on the debit balance of an investor's account is deductible.

9.2.4 INTEREST PAID OR RECEIVED DUE TO HOLDING A CFD

Interest that is paid or received due to holding a CFD forms part of any net gain or loss that a taxpayer makes when dealing in CFDs.

9.3 THE INCOME TAX TREATMENT OF MARGIN FX CONTRACTS

It is significant that Income Tax Ruling 2005/15 did not refer specifically to Margin FX Contracts.

Margin FX Contracts take the same legal form as currency CFDs. It should, therefore, be reasonably expected that the taxation implications of dealing in both instruments, will be identical and will be treated accordingly by the Commissioner. However, it may well be that he will adopt the view that currency CFDs fall under Division 775 of ITAA 1997, because not only is the physical currency caught, but also a right to receive foreign currency, with an extended definition which would appear to include cash-settled margin foreign exchange contracts. It should, however, be noted that the tax treatment would appear to be the same whether a Margin FX Contract falls for treatment under the above Ruling or under Division 775; that is they are treated on revenue account.

It is problematic whether the entry into a Margin FX Contract could ever be regarded as an exercise in recreation by gambling.

9.4 TAXATION OF FINANCIAL ARRANGEMENTS

In March 2009, the Federal Parliament passed the Tax Laws Amendment (Taxation of Financial Arrangements) Act ("the legislation"). This legislation provides a framework for the taxation of gains and losses from certain financial arrangements. Gains from the financial arrangements are assessable and losses are deductible.

The legislation generally applies to all "financial arrangements" as defined in subdivision 230-A or included by the additional operation of subdivision 230-J. However, certain financial arrangements, as detailed below are effectively subject to an exemption under subdivision 230-H.

Division 230 of the legislation provides a range of elective methods for determining gains and losses; namely the fair value method, the retranslation method, the hedging method and the financial reports method. Where these selective methods are not, or cannot be made, the appropriate treatment is either the accruals or realisation method.

Relevantly, the legislation does not apply to: ---

- financial arrangements of individuals;
- financial arrangements of superannuation funds (regulated and self-managed), approved deposit funds, pooled superannuation funds or managed investment schemes for the purposes of the Corporations Act 2001 where the value of the entity's assets is less than $1 million;
- financial arrangements of authorised deposit-taking institutions, securitisation vehicles and financial sector entities with an aggregated annual turnover of less than $20 million per year; or
- financial arrangements of other entities:-
- with an aggregated annual turnover of less than $100 million – where the value of the entity's financial assets are less than $100 million; and
- where the value of the entity's assets is less than $300 million;
- except where the taxpayer elects to have division 30 of the legislation apply to all of its financial arrangements.
- The legislation will apply to income years commencing on or after 1 July 2010, unless a taxpayer elects to apply them to income years commencing on or after 1 July 2009.
- It will be appreciated that the legislation will have limited application to investors in CFDs and Margin FX Contracts. However, there may be special circumstances where it may be beneficial for you to elect to apply division 30 to your financial arrangements.
- You should, therefore, seek independent tax advice on how the legislation will apply to you.

9.5 GOODS AND SERVICES TAX (GST) RULING

The Commissioner has also released a determination relating to the GST implications of trading in CFDs: GST Determination GSTD 2005/3.

The Commissioner has stated that the costs incurred in having a CFD Position open, such as commissions (on both opening and closing), dividend and corporate event adjustments, Daily Funding Charges and Margins are all considered financial supplies under the A New Tax System (Goods and Services Tax) Act 1999 ("the GST Act"). Consequently, they are input taxed and no GST is payable on their supply. GST may apply to certain fees and costs charged to you and you should obtain your own advice as to whether an input tax credit is available to you for such fees and charges as it will depend on you personal circumstances.]

10. CHANGING YOUR MIND – COOLING OFF PROVISIONS

There are no cooling-off arrangements for our financial products being Margin FX Contracts and CFDs. This means that you do not have the right to return the product, nor request a refund of the money paid to acquire the product. You are bound by the terms when you enter into a contract, despite the fact that settlement may occur at a later date.

11. OUR RIGHTS AND POWERS

Events of Default

We have extensive powers under the Client Agreement to take action where there is an Event of Default (as described in clause 15.1 of the Client Agreement). These include, among others, where you fail to provide to us any Margin or other sum due under the Client Agreement in respect of any Margin FX Contract or CFD, or the Margin held by us in respect of any open Positions falls below the Margin Requirements, where an Insolvency Event occurs in relation to you or where at any time or for any period deemed reasonable by us you are not contactable or you do not respond to any notice or correspondence from us. Our powers (as described in clause 15.2 of the Client Agreement) enable us to, among other things, close out all or any of your Positions, immediately require payment of any amount you owe us and terminate the Client Agreement.

Additional Rights

We may also close your Account on 14 days' notice in certain circumstances (as described in clause 15.3 of the Client Agreement). If we rely on those rights, your Account will be suspended during the 14 day notice period and you will not be able to place trades other than those to close existing open Positions. If you have not closed all the open Positions within the 14 days' notice period, we may take any action referred to in clause 15.2 of the Client Agreement. The relevant circumstances are:

- any litigation is commenced involving you and us in an adversarial position to each other and, in view of the subject matter of or any issues in dispute in relation to that litigation, we reasonably decide that it cannot continue to deal with you while the litigation is pending;
- where you have acted in an abusive manner toward our staff (for example by displaying what we consider to be discourtesy or the use of offensive or insulting language);
- where we believe that you are unable to manage the risks that arise from your trades.

Further, if at any time (Total Equity less aggregate Margin Requirement) is at or below 20% of aggregate Margin Requirement, whilst it is not an Event of Default, we may (but are not obliged to) close some or all of your open Positions at our absolute discretion.

We may amend or replace the Client Agreement by giving written notice of the changes. We will only make changes for good reason, including:

- making the provisions clearer or more favourable to you;
- reflecting legitimate increases or reductions in the cost of providing services to you;
- rectifying any mistakes that may be discovered;
- reflecting any changes in the applicable laws, codes of practice or decisions by a court, ombudsman, regulator or similar body;
- reflecting changes in market conditions;

- reflecting changes in the way we do business.

We may also terminate the Client Agreement and close your Account and any Position at any time by giving you 30 days' written notice.

Force Majeure Events

If we determine that a Force Majeure Event exists, then we may, at our sole discretion, take any one or more of the steps outlined in clause 27.2 of the Client Agreement. These steps include altering the Margin Percentage, amending or varying the Client Agreement and any transaction insofar as it is impractical or impossible for us to comply with our obligations to you and closing any or all open Margin FX Contracts or CFDs as we deem to be appropriate in the circumstances.

Material Errors

It is possible that errors, omissions or misquotes ("Material Error") may occur in relation to Margin FX Contracts or CFDs, which by fault of either of us or any third party, is materially incorrect when taking into account market conditions and quotes in Underlying Instruments which prevailed at the time. A Material Error may include an incorrect price, date, time or other characteristic of a Margin FX Contract or CFD or any error or lack of clarity of any information. If a trade is based on a Material Error, we reserve the right without your consent to:

- amend the terms and conditions of the Margin FX Contract or CFD to reflect what we consider to have been the fair price at the time the Margin FX Contract or CFD was entered into and there had been no Material Error;
- close the trade and any open Positions resulting from it;
- void the Margin FX Contract or CFD from the outset; or
- refrain from taking action to amend or void the Margin FX Contract or CFD.

We will exercise our right in relation to Material Errors in good faith and as soon as reasonably practicable after we become aware of the Material Error. In the absence of fraud on our part, we are not liable to you for any loss, cost, claim, demand or expense that you incur or suffer (including loss of profits or indirect or consequential losses), arising from or connected with the Material Error including where the Material Error arising from an information service on which we rely.

We may, without notice, adjust your Account or require that any moneys paid to you in relation to the Margin FX Contract or CFD the subject of the Material Error be repaid to us as a debt due payable to us on demand.

Manipulation

If we believe that you have manipulated our prices, execution processes or Trading Platform, we may, in its sole and absolute discretion, without notice to you, take actions set out in clause 9.10 of the Client Agreement, including:

- enforce the trade(s) against you if it is a trade(s) which results in you owing money to us;
- treat some of or all your trades as void from the outset if they are trades which result in us owing money to you, unless you produce conclusive evidence (within 30 days of us giving you notice) that you have not committed any breach or warranty, misrepresentation or undertaking in the Client Agreement;
- take such other action as we consider appropriate.

12. CLIENT AGREEMENT

This PDS summarises many important elements of the Client Agreement. However, it is not a comprehensive description of the terms and conditions of the Client Agreement and you must read the Client Agreement in its entirety. The Client Agreement can be downloaded from our website at www.trademax.com.au. Indeed, you should consider seeking legal advice before entering into any transaction, as the terms and conditions contained in the Client Agreement are important and affect your dealings with us.

13. OUR DISCRETIONS

Under the Client Agreement, we may exercise a variety of discretions. In exercising such discretions, we will act in accordance with the following:

(a) we will have due regard to our commercial objectives, which include;
  (i) maintaining our reputation as a product issuer;
  (ii) responding to the market forces;
  (iii) managing all forms of risks, including, but not limited to operational risk and market risk;
  (iv) complying with our legal obligations as a holder of an Australian Financial Services Licence;

(b) we will act when necessary to protect our Position in relation to the trade or event; and

(c) we will take into account the circumstances existing at the time and required by the relevant provision.

14. SUPERANNUATION FUNDS

Complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities. They include those contained in the Superannuation Industry Supervision Act 1993, the regulations made under that Act, and circulars issued by past and present regulators of superannuation funds, namely the Insurance and Superannuation Commission, the Australian Prudential Regulation Authority and the Australian Taxation Office.

Complying superannuation funds must seek advice from their financial and legal advisers in relation to our financial products.

Some of the issues that should be considered by a trustee of a complying superannuation fund before entering into our financial products include:

- prohibitions on borrowing and charging assets and whether dealing in financial products would breach those borrowing and charging prohibitions;
- the dealing in financial products in the context of a complying superannuation fund's investment strategy, together with the fiduciary duties and other obligations owed by trustees of those funds;
- the necessity for trustees of a complying superannuation fund to be familiar with the risk involved in dealing in financial products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- the consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to have complying status.

15. COMPLAINTS AND DISPUTE RESOLUTION

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Complaints Officer (in writing by email, facsimile or letter) at the address and fax numbers provided at section 1.2 in this PDS. Your email, fax or letter should specify the nature of your complaint and all relevant details, as well as your desired outcome and how this may occur. We will investigate your complaint and, within 20 Business Days from receipt of your complaint, we will provide you with our decision and the reasons on which it is based, or reasons for any delay, in writing.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Service (FOS), an approved external dispute resolution scheme, of which we are a member, using the contact details below. You may also call the ASIC Infoline on 1300 300 630.

You can contact FOS by any of the means listed below:

In writing to:	FOS GPO Box 3 Melbourne VIC 3001
Telephone:	Free call 1300 780 808
Facsimile:	+613 9613 6399
Email:	info@fos.org.au
Website:	www.fos.org.au

16. PRIVACY POLICY

We are committed to protecting your privacy. The information you provide to us and any other information provided by you in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. We may share your information with our referrers or service providers. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Please contact us if you have any concerns or if you would like to see a copy of our privacy statement.

17. INTERPRETATION AND GLOSSARY

INTERPRETATION

1. The defined terms used in the PDS are capitalised and set out in this section.
2. If there is any conflict between the terms of the PDS and any Applicable Law, the Applicable Law (to the extent it cannot be excluded or modified by this ODS or the Client Agreement) will prevail.
3. In the PDS any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
4. In the PDS, all references to times of the day are to the time in Sydney, New South Wales, Australia, unless otherwise specified.
5. Headings and examples in the PDS are for reference only and do not affect the construction of the PDS.
6. In the PDS any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

In the PDS the following terms and expressions have, unless the context otherwise requires, the following meanings:

ACCOUNT	means the account you have with us;
AML/CTF ACT	means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and all regulations, rules and instruments made under that Act;
APPLICABLE LAWS	means all: (a) applicable provisions of laws and regulations, including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to the parties, this Agreement and the transactions contemplated by this Agreement; and (b) applicable Australian law; and (c) applicable Market Rules;
APPLICATION FORM	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with the AML/CTF Act, completed by you and submitted to us;
ASIC	means the Australian Securities and Investments Commission;

ASIC ACT	means the Australian Securities and Investment Commission Act 2001 of the Commonwealth of Australia;
ASSOCIATE	means: (a) a person who is an officer, employee, agent, representative or associate of a party; (b) a Related Body Corporate of a party; and (c) a person who is an officer, employee, agent, representative or associate of a Related Body Corporate of a party;
AUD OR $	means Australian dollars;
AUSTRALIAN CLIENT	means a client who is a resident within Australia (based on the address in their Application Form or as notified by the Client to us from time to time);
AUSTRALIAN CLIENT MONEY RULES	means the provisions in Part 7.8 of the Corporations Act and the Corporations Regulations made under those provisions that specify the manner in which financial services licensees are to deal with client moneys and property as modified by ASIC;
AUSTRALIAN LAW	means all laws, procedures, standards and codes of practice that apply in relation to the parties, the Client Agreement and the transactions contemplated by the Client Agreement, including the Corporations Act, the ASIC Act, ASIC Policy and the Privacy Act (Cth) 1998.;
AUTHORISED PERSON	means you and/or any person authorised by you to give instructions to us under the Client Agreement;
BASE CURRENCY	means Australian Dollars or the currency as agreed under clause 8.7 of the Client Agreement;
BULLION	means gold or silver;
BULLION CFD	means a CFD whose value fluctuates by reference to the fluctuations in the Underlying Instrument which relate to gold or silver;
BUSINESS DAY	means : (a) any day other than a Saturday, Sunday or public holiday on which banks are open for business in Sydney, New South Wales, Australia.; (b) in the case of services relating to spots on a security,

	basket or index to which Limited Hours Trading applies, any day on which the exchange on which the relevant security or each constituent security has its primary listing, or the exchange on which the index operates, whichever is applicable, is open for trading, and will exclude any day on which all trading on the relevant exchange is closed or suspended; (c) in the case of services relating to spots on a security, basket or index to which Limited Hours Trading does not apply, any day on which any relevant exchange is open for trading;
CFD	means a contract for difference that we offer to our clients from time to time under this PDS and the terms and conditions of the Client Agreement;
COMMODITY	means commodities as published though our Electronic Service;
COMMODITY CFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument relating to a Commodity;
CONFIRMATION	means a form of notification, which may be provided by us electronically, including via the Trading Platform or the internet, confirming entry into a Contract;
CONTRACT	means any contract, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to such financial products entered into by us with you or any back to back agreement which we may enter into to enable us to enter into or fulfil our obligations under such contract;
CONTRACT PRICE	means the price per Contract Unit of a Margin FX Contract or CFD, quoted by and accepted by us;
CONTRACT QUANTITY	means in relation to a Margin FX Contract or CFD, the number of Contract Units as the case may be, traded by you as stated in the Confirmation;
CONTRACT UNIT	means relevant unit for the type of Margin FX Contract or CFD you wish to trade with us as set out in clause 9 of the Client Agreement;
CONTRACT VALUE	means the total value of the Margin FX Contract as calculated by us in accordance with the terms of the Client Agreement;

CORPORATIONS ACT	means the *Corporations Act 2001* of the Commonwealth of Australia;
ELECTRONIC SERVICE	means any electronic service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and including relevant software provided by us to enable you to use an electronic trading service, and including the Trading Platform;
EQUITY INDEX FUTURES CONTRACT	means a futures contract over an equity index;
EVENT OF DEFAULT	means an event described in clause 15.1 of the Client Agreement;
EXCEPTED CONTRACT	means an Index Future CFD or a Commodity CFD;
EXPIRY DATE	means the day on which the Margin FX Contract or CFD expires;
FOREIGN CLIENT	means a Client who is a resident outside Australia (based on the address in their Application Form or as notified by the Client to us from time to time);
FOS	means the Financial Ombudsman Scheme;
FORCE MAJEURE EVENT	has the meaning given to it in clause 27 of the Client Agreement;
FSG	means our relevant financial services guide, including any supplementary and replacement financial services guide;
INDEX	means the market index on which a CFD is based;
INDEXCFD	means a CFD whose value fluctuates by reference to the fluctuations in the value of an Underlying Instrument, which is an Equity Index Contract;
INITIAL MARGIN	has the meaning referred to in section 3.1;
INSOLVENCY EVENT	means any of the following: (a) an order is made that a corporate client be wound up;

	(b) an application is made to a court for an order: (i) that a corporate client be wound up; (ii) appointing a liquidator or provisional liquidator for a corporate client; (c) a liquidator, provisional liquidator or controller is appointed to a corporate client; (d) a resolution is passed to appoint an administrator to a corporate client; (e) you enter into a deed of company arrangement or propose a reorganisation, moratorium or other administration involving all or any of your creditors; (f) a corporate client is dissolved or wound up in any other way; (g) you are or state that you are unable to pay your debts as and when they fall due; (h) you are or state that you are insolvent; (i) you seek or obtain protection from any of your creditors under any legislation; (j) you become insolvent or commit an act of bankruptcy or your estate comes within the law dealing with bankrupts; (k) a bankruptcy petition is presented in respect of you or, if a partnership, in respect of one or more of the partners, or if a company, a receiver, trustee, administrative receiver or similar officer is appointed; (l) if execution is levied against your business or your property and is not removed, released, lifted, discharged or discontinued within 28 days; (m) you seek a moratorium or propose any arrangement or compromise with your creditors; (n) any other event having substantially the same legal effect as the events specified in paragraphs ((a) to (n) above; (o) any security created by any mortgagee or charge becomes enforceable against you and the mortgagee or chargee takes steps to enforce the security or charge; (p) any indebtedness of you or any of your Related Corporations becomes immediately due and payable, or capable of being declared so due and payable, prior to its stated maturity by reason of your default or the default of any of your subsidiaries, or you or any of your subsidiaries fail to discharge any indebtedness on its due date;

	(q) you fail fully to comply with ay obligations under this Agreement or any Margin FX Contract or CFD; (r) any of the representations or warranties given by you are, or become, untrue; (s) we consider it necessary for our own protection or the protection of our Associates;
INTERBANK RATE	means the wholesale rate quoted between banks and other liquidity providers;
LIMIT ORDER	has the meaning referred to in section 2.11;
LIMITED TRADING HOURS	means the ability of the Client to trade Margin FX Contracts and CFDs and (where available) as are designated by us from time to time under the Client Agreement only during such hours as the relevant exchange is open;
LIQUIDATION LEVEL	means the minimum Total Equity balance specified at section 3.2 of this document;
MARGIN	means the amount that you must pay to us and have in your Account to enter into or maintain a Margin FX Contract or CFD with us in accordance with the Client Agreement;
MARGIN ADJUSTMENT	means an adjustment to the amount of Margin you need to pay to us and have in your Account to maintain a Position;
MARGIN CALL	means a call on you normally made via the Trading Platform, requesting you to top up the amount of money you have in your Account as Margin;
MARGIN FX CONTRACT	means a contract between you and us for the taking of a spot Position in a foreign currency;
MARGIN PERCENTAGE	means such percentage as specified by us, and as amended by us in accordance with the Client Agreement from time to time;
MARGIN REQUIREMENT	means the amount of money you are required to pay to us and deposit with us for entering into a trade and/or maintaining an open Position;
MARKET ORDER	means an order placed to buy or sell a CFD at our current price;
MARKET RULES	means the rules, regulations, customs and practices from time

	to time of any exchange, licensed financial market, clearing house, licensed clearing and settlement facility, or other organisation or market involved in the conclusion, execution or settlement of a transaction or Contract and any exercise by such exchange, clearing house or other organisation or market of any power or authority conferred on it;
MINIMUM TRADING SIZE	means such minimum Contract Quantity or Contract Value as we may specify through our Electronic Service from time to time for any type of Margin FX Contract or CFD;
MAXIMUM TRADING SIZE	means such maximum Contract Quantity or Contract Value as we may specify through our Electronic Service from time to time for any type of Margin FX Contract or CFD;
NEXT SERIAL FUTURES CONTRACT	means a contract of the same type as the futures contract, which is the Underlying Instrument of the relevant CFD Contract, but with the expiry date being the next occurring expiry date;
NORMAL TRADING SIZE	means the minimum and maximum Contract Quantity or Contract Value that we consider appropriate, having regard if appropriate, to the normal market size for which prices are available on any relevant exchange and for which we quote live price information;
PDS	means this product disclosure statement, including any supplementary and replacement product disclosure statement;
POSITION	means the long or short Position you have taken in your Margin FX Contract or CFD with us;
RELATED BODY CORPORATE	has the meaning given in the Corporations Act, with any necessary modifications for companies incorporated outside Australia;
ROLLOVER BENEFIT	means a benefit you may receive on Excepted Contracts held overnight;
ROLLOVER CHARGE	means a charge you may have to pay where you have an Excepted Contract held overnight;
STOP LOSS ORDER	has the meaning referred to in section 2.11;
SWAP BENEFIT	means a benefit you may receive on a Position held overnight in a Margin FX contract or CFD (other than an Excepted Contract);

SWAP CHARGE	means a charge you may have to pay on a Position held overnight in a Margin FX contract or CFD (other than an Excepted Contract);
SWAP RATE	means the rate determined by us from time to time having regard to, among things, Interbank Rates;
TOTAL EQUITY	means the aggregate of the current cash balance in your Account, taking into account all your current realised profits and losses, and your current unrealised profits and losses;
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all of your open Positions;
TRADING PLATFORM	means the trading platform in the Electronic Service we make available to you by which you may trade with us online in our Margin FX Contracts and CFDs;
UNDERLYING INSTRUMENT	means the index, commodity, currency, futures contract, Bullion or other instrument or asset or factor the reference to which the value of a Margin FX Contract or CFD is determined;
UNDERLYING MARKET	means the underlying market in which the Underlying Instrument is traded;
WE/ US/ OUR	means Trademax Group Pty Ltd (ABN 76 162 331 311);
WEBSITE	means the internet address www.trademax.com.au and includes the Trading Platform.