

## ISDG CLIENT AGREEMENT

### Agreements & Disclosures - Clearing Agreement

#### NOTICE AND ACKNOWLEDGEMENT OF CLEARING ARRANGEMENT

1. This Notice applies to Customers who have been introduced to Interactive Brokers ("Interactive") by International Securities & Derivatives Group Pty Ltd ("Introducing Broker"). Interactive Brokers and Introducing Broker are parties to a Fully Disclosed Clearing Agreement pursuant to which Interactive performs certain services with respect to your account and other accounts introduced to Interactive by the Introducing Broker.

2. The terms and conditions of the Interactive Brokers Customer Agreement and the Interactive Brokers Margin Agreement apply to your account and are incorporated herein by reference. TO THE EXTENT THAT THIS NOTICE DIFFERS FROM OR SUPERCEDES SPECIFIC PROVISIONS OF THE INTERACTIVE BROKERS CUSTOMER AGREEMENT OR MARGIN AGREEMENT, THIS NOTICE CONTROLS AND IS BINDING ON YOUR ACCOUNT.

#### 3. Responsibilities of Interactive Brokers:

Interactive will be responsible for the following services regarding Customer accounts:

- a. Obtaining and verifying account information and documentation and opening and closing Customer accounts.
- b. Receiving, segregating, safeguarding and delivering Customer funds, securities, and other property.
- c. Extending credit to Customer accounts, collecting margin from the accounts, and determining and enforcing credit or margin limits applicable to the accounts.
- d. Receiving orders from you or from your Introducing Broker for your account and executing such orders and clearing executed transactions.
- e. Providing confirmations and statements to Customers.
- f. Accepting instructions regarding voluntary corporate actions (e.g., tender or exchange offers) and accepting instructions with respect to options and securities rights.

#### 4. Responsibilities of Introducing Brokers:

Introducing Broker will be responsible for the following services regarding Customer accounts:

- a. Introducing Customer accounts to Interactive Brokers and providing Customers with instructions on how to apply for Interactive Brokers accounts.
- b. Providing all customer service and technical support and responding to Customer complaints, inquiries and requests.
- c. Accepting Customer orders and transmitting them to Interactive for execution (you may also submit orders directly to Interactive through Interactive's order entry software).
- d. Providing notice to Customers of commission rates and fees.

5. Commissions and Fees: Introducing Broker is responsible for notifying Customers of all commissions and fees applicable to Customer accounts. Interactive will deduct applicable commissions and fees from Customer accounts. Commission and fee payments owed by Customers may be shared and allocated between Introducing Broker and Interactive as Introducing Broker and Interactive agree from time to time.

6. Customer Service: Introducing Broker is solely responsible for providing all customer service and technical support for your account and for responding to your questions or inquiries concerning your account, your orders and your trading. You should not contact IB customer support directly, and instead you must contact the Introducing Broker. All disputes and issues concerning Interactive's performance of its responsibilities for Customer accounts (such as trading issues, execution questions, margin and credit issues, etc.) will be forwarded to Interactive by the Introducing Broker and Interactive will communicate the resolution to the Introducing Broker (or in exceptional cases, the Customer). INTRODUCING BROKER SHALL HAVE NO AUTHORITY TO BIND INTERACTIVE OR TO ENTER INTO ANY AGREEMENT, UNDERSTANDING OR COMMITMENT GIVING RISE TO ANY LIABILITY OR OBLIGATION OF INTERACTIVE.

7. Orders: Interactive Brokers is authorized to accept orders from you or from your Introducing Broker for your account. Interactive will not contact you to verify or confirm, prior to execution, orders entered for your account by your Introducing Broker. ALL DISPUTES REGARDING ORDERS ENTERED BY YOUR INTRODUCING BROKER ARE BETWEEN YOU AND THE INTRODUCING BROKER. ERRORS IN COMMUNICATIONS OR TRANSMISSIONS OF ORDERS FROM YOUR INTRODUCING BROKER TO INTERACTIVE ARE THE SOLE RESPONSIBILITY OF YOUR INTRODUCING BROKER.

8. Account Information: Introducing Broker is responsible for providing all customer and technical support regarding your account and is therefore authorized to view all information regarding your account. INTRODUCING BROKER'S MISUSE OR DISCLOSURE OF INFORMATION REGARDING YOUR ACCOUNT IS SOLELY THE RESPONSIBILITY OF INTRODUCING BROKER AND INTERACTIVE SHALL BEAR NO LIABILITY FOR ANY CLAIMS ARISING FROM INTRODUCING BROKER'S ACCESS TO YOUR ACCOUNT INFORMATION.

9. No Investment or Tax Advice: You acknowledge that neither Interactive nor its employees or representatives provide any investment, tax or trading advice; nor do they solicit orders. You further acknowledge that neither Interactive nor its employees or representatives advise you or your Introducing Broker on any matters pertaining to the suitability of any order; offer any opinion, judgment or other type of information pertaining to the nature, value, potential or suitability of any particular investment; or review the appropriateness of investment advice or transactions entered by you or by Introducing Broker on your behalf.

10. Interactive does not control, audit or supervise the activities of Introducing Broker or its registered representatives. Neither Introducing Broker nor any of its officers, directors, employees or representatives are employees or agents of Interactive, nor shall they hold themselves out as such.

#### DISCLOSURE OF RISKS OF MARGIN TRADING

Interactive Brokers (“IB”) is furnishing this document to you to provide some basic facts about purchasing securities and futures contracts on margin, and to alert you to the risks involved with trading in a margin account. “Margin trading” can mean engaging in a transaction in which securities are purchased partially through a margin loan extended to you by IB, for which the securities act as collateral. Margin trading can also mean trading investment products such as futures or options in which an initial “margin” deposit is made to secure your obligations and further margin may be required to secure your obligations as the value of your positions changes.

This document also describes special risks associated with trading on margin in an IRA account, as described below.

Before trading stocks, futures or other investment products in a margin account, you should carefully review the margin agreement provided by IB and you should consult IB regarding any questions or concerns you may have with your margin accounts.

When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from IB. If you choose to borrow funds from IB, you will open a margin account with the firm. The securities purchased are IB’s collateral for the loan to you. If the securities or futures contracts in your account decline in value, so does the value of the collateral supporting your loan, and, as a result, IB can take action, such as sell securities or other assets in any of your accounts held with IB or issue a margin call, in order to maintain the required equity in the account.

You should understand that pursuant to the IB Margin Agreement, IB generally will not issue margin calls, that IB will not credit your account to meet intraday margin deficiencies, and that IB generally will liquidate positions in your account in order to satisfy margin requirements without prior notice to you and without an opportunity for you to choose the positions to be liquidated or the timing or order of liquidation.

In addition, it is important that you fully understand the risks involved in trading securities or futures contracts on margin. These risks include the following:

- You can lose more funds than you deposit in the margin account. A decline in the value of securities or futures contracts that are purchased on margin may require you to provide additional funds to IB or you must put up margin to avoid the forced sale of those securities or futures contracts or other assets in your account(s).
- IB can force the sale of securities or other assets in your account(s). If the equity in your account falls below the maintenance margin requirements, or if IB has higher “house” requirements, IB can sell the securities or futures contracts or other assets in any of your accounts held at the firm to cover the margin deficiency. You also will be responsible for any shortfall in the account after such a sale.
- IB can sell your securities or other assets without contacting you. Some investors mistakenly believe that a firm must contact them for a margin call to be valid, and that the firm cannot liquidate securities or other assets in their accounts to meet the call unless the firm has contacted them first. This is not the case. As noted above, IB generally will not issue margin calls and can immediately sell your securities or futures contracts without notice to you in the event that your account has insufficient margin.
- You are not entitled to choose which securities or futures contracts or other assets in your account(s) are liquidated or sold to meet a margin call. IB has the right to decide which positions to sell in order to protect its interests.
- IB can increase its “house” maintenance margin requirements at any time and is not required to provide you with advance written notice. These changes in firm policy often take effect immediately. Your failure to maintain adequate margin in the event of an increased margin rate generally will cause IB to liquidate or sell securities or futures contracts in your account(s).

- If IB chooses to issue a margin call rather than immediately liquidating under margined positions, you are not entitled to an extension of time on the margin call.
- Special Risks of Trading on Margin in an IRA Account:
  - Margin Trading in an IRA Account May Not Be Suitable Depending on Your Financial Circumstances. Trading requiring margin (including futures trading and short option trading) involves a high degree of risk and may result in a loss of funds greater than the amount you have deposited in your IRA account. You must determine whether trading on margin in an IRA account is advisable based on your financial circumstances, your tolerance for risk, the number of years until your retirement, and other factors. You should consult a professional financial advisor to determine if margin trading in your IRA account is consistent with your financial goals.
  - You Must Closely Monitor Your Account and Your Trading to Avoid Adverse Tax Consequences: Trading requiring margin (including futures trading and short option trading) may require the deposit of additional funds to your account to maintain sufficient margin. At the same time, provisions of the Internal Revenue Code place limits on the amount of funds that can be deposited to an IRA account. Deposits to the account in excess of such limits may cause adverse tax consequences, including but not limited to forfeiture of tax-advantaged status of the IRA account and/or penalties. As described above, IB will liquidate positions in your account in the event that you cannot or do not deposit sufficient funds to satisfy margin requirements.

## **RISK DISCLOSURE STATEMENT FOR FOREX TRADING AND MULTI-CURRENCY ACCOUNTS**

A. Overview: Interactive Brokers Multi-Currency enabled accounts allow IB Customers to trade investment products denominated in different currencies using a single IB account denominated in a "base" currency of the customer's choosing. IB Customers can also use their Multi-Currency enabled accounts to conduct spot foreign exchange transactions in order to manage credits or debits generated by foreign securities, options or futures trading, to convert such credits or debits back into the Customer's base currency, or to hedge or speculate.

B. General Risk: Customer understands and acknowledges that buying and selling securities, options, futures and other financial products that are denominated in foreign currencies or traded on foreign markets is inherently risky and requires substantial knowledge and expertise. Customers applying for Interactive Brokers ("IB") Multi-Currency enabled accounts represent that they are aware of and understand the risks involved in trading foreign securities, options, futures and currencies and that they have sufficient financial resources to bear such risks.

C. Customer Responsibility for Investment Decisions: Customer acknowledges that IB representatives are not authorized to provide investment, trading or tax advice and therefore will not provide advice or guidance on trading or hedging strategies in the Multi-Currency enabled account. Customers must evaluate carefully whether any particular transaction is appropriate for them in light of their investment experience, financial objectives and needs, financial resources, and other relevant circumstances and whether they have the operational resources in place to monitor the associated risks and contractual obligations over the term of the transaction. In making these assessments, IB strongly recommends that Customers obtain independent business, legal, and accounting advice before entering into any transactions.

D. Exchange Rate Risk: Exchange rates between foreign currencies can change rapidly due to a wide range of economic, political and other conditions, exposing the Customer to risk of exchange rate losses in addition to the inherent risk of loss from trading the underlying financial product. If a Customer deposits funds in a currency to trade products denominated in a different currency, Customer's gains or losses on the underlying investment therefore may be affected by changes in the exchange rate between the currencies. If Customer is trading on margin, the impact of currency fluctuation on Customer's gains or losses may be even greater.

E. Currency Fluctuation: When Customer uses the spot foreign exchange facility provided by IB to purchase or sell foreign currency, fluctuation in currency exchange rates between the foreign currency and the base currency could cause substantial losses to the Customer, including losses when the Customer converts the foreign currency back into the base currency.

F. Foreign Currency Exchange Transactions Unregulated: Although IB is registered with the Securities and Exchange Commission as a broker-dealer and registered with the Commodity Futures Trading Commission as a futures commission merchant, spot foreign currency exchange transactions between Customer and IB are not regulated or overseen by the SEC, the CFTC or any other regulatory agency.

G. Nature of Foreign Currency Exchange Transactions between Customer and IB: When Customer enters into a foreign exchange transaction through IB, Customer will be entering into a privately negotiated transaction with one of IB's affiliates or with a third party bank. In such transactions, IB's affiliate or the third party bank ("the Forex Counterparty") is acting solely in the capacity of an arm's length contractual counterparty in connection with the transaction and not in the capacity of a financial adviser or fiduciary. Customer should be aware that the Forex Counterparty may from time to time have substantial positions in, and may make a market in or otherwise buy or sell instruments similar or economically related to, foreign currency transactions entered into with Customer. The Forex Counterparty may also undertake proprietary trading activities, including hedging transactions related to the initiation or termination of foreign exchange transactions with Customer, that may adversely affect the market price or other factors underlying the foreign currency transaction entered into with Customer and consequently, the value of such transaction.

H. Trades Not Executed or Cleared by an Exchange: Foreign exchange transactions executed by Customer through IB are not executed on an exchange and are not cleared by a central clearing organization. Consequently, any foreign currency transaction contract through IB will be an obligation of the Forex Counterparty (as opposed to an obligation of a clearing house as in the case of an exchange-traded contract) and Customer will not be afforded the regulatory and financial protections offered by exchange-traded contracts. Moreover, the prices quoted by IB to Customers for foreign exchange transactions will be determined based on Forex Counterparty quotes and are not determined by a competitive auction as on an exchange market. Prices quoted by IB for foreign currency exchange transactions therefore may not be the most competitive prices available. IB will charge transaction fees as specified by IB for foreign currency exchange transactions. The Forex Counterparty will try to earn a spread profit on these transactions (differential between the bid and ask prices quoted for various currencies).

I. Other Risks: There are other risks that relate to trading foreign investment products and trading foreign currencies that cannot be described in detail in this document. Generally, however, foreign securities, options, futures and currency transactions involve exposure to a combination of the following risk factors: market risk, credit risk, settlement risk, liquidity risk, operational risk and legal risk. For example, there can be serious market disruptions if economic or political or other unforeseen events locally or overseas affect the market. In addition to these types of risk there may be other factors such as accounting and tax treatment issues that Customers should consider.

## **INTERACTIVE BROKERS LLC SUPPLEMENTAL AGREEMENT & DISCLOSURES FOR TRADING ON THE AUSTRALIAN STOCK EXCHANGE LIMITED**

### **Effect of the Supplemental Agreement & Disclosures**

This Supplemental Agreement & Disclosures for Trading on the Australian Stock Exchange Limited ("ASX") ("the Agreement") is in addition to the Interactive Brokers (ARBN 091191141; AFSL 245574) ("IB") Customer Agreement and forms part of the contract between IB and Customer (hereinafter, "Customer" or "Client") regarding transactions on ASX.

Market Transactions on ASX are entered into subject to the Rules, directions, decisions and requirements of ASX, and the Australian Clearing House Pty Limited ("ACH") Clearing Rules, and, where relevant, the ASX Settlement and Transfer Corporation Pty Limited ("ASTC") Settlement Rules; the customs and usages of the Market; and the correction of errors and omissions. Confirmations regarding Customer's transactions are issued subject to these terms.

### **ASX Authority Regarding Market Transactions**

Customer understands and agrees that ASX has the power under the Rules to cancel or amend Market Transactions or Crossings.

### **Disclosures Regarding the Execution and Clearing of ASX Transactions**

Pursuant to ASX Market Rule 7.1.1, IB provides you with the following information:

IB is not a participant on the ASX. IB's proprietary trading affiliate, Timber Hill Australia Pty Limited (ABN 25079993534) ("THA") is a participant on the ASX. IB shall route customers' ASX orders through THA's connection to the ASX dedicated to the routing of only IB customer orders.

The business address and phone number for THA is:

Level 25  
56 Pitt Street  
Sydney  
NSW, 2000, Australia  
PH: 61 2 9240 5145

Orders executed for IB clients shall be cleared by Fortis Clearing Sydney Pty Ltd ("Fortis"), an ACH Clearing Participant. With respect to clients' orders executed on ASX and cleared by Fortis, Fortis carries the Clearing Obligations and any settlement obligations for all Market Transactions of THA and IB (including those of Customer). As the Clearing Participant, Fortis must settle such transactions as principal with ACH or the relevant counterparty, even though the Market Transaction may have been entered into on Customer's behalf. The Clearing Obligations and any settlement obligations of Customer are therefore owed directly to Fortis, as the Clearing Participant. If Customer fails to pay the amounts due in respect of a Market Transaction; or if Customer fails to fulfil its settlement obligations in respect of a Market Transaction, Fortis has direct rights against Customer, including the rights of sale under the Market Rules. As such, an agreement is deemed to have been entered into between Fortis and Customer upon the terms included herein. Such deemed agreement comes into existence immediately upon the receipt by IB of an order by Customer to enter into a Cash Market Transaction.

The business address and phone number for Fortis are below:

Level 8  
50 Bridge Street  
Sydney  
NSW, 2000, Australia  
PH: 61 2 8221 3000

**National Guarantee Fund Coverage of ASX Market Transactions**

IB is not a participant on the ASX and Customer's market transactions are not covered by the National Guarantee Fund ("NGF").

**Contact**

Customer may contact IB's Customer Service Department with any questions regarding this document. The contact details to reach an IB Customer Service Representative are available on the IB website at: [www.interactivebrokers.com](http://www.interactivebrokers.com). IB's main customer service telephone number in Australia is (02) 8093 7907.

**5. Acknowledgement**

I confirm that I have read and understood both ISDG's and IB's General Terms and Conditions, Agreements, Regulatory Notices and Risk Disclosures and we agree to abide by all of these terms and conditions. We agree that ISDG and IB may vary, alter and amend any of the terms and conditions at their sole discretion.

I also consent to a representative of ISDG electronically lodging and signing the information I have provided in this application with IB, for the purpose of opening my account.

Applicant's Name \_\_\_\_\_

Applicant's Signature \_\_\_\_\_

Date \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

**A photocopy of the following certified identity documents are required to complete your account application:**

**Proof of Identity (one of below)**

- a. Drivers License
- b. Passport

**Proof of Address (one of below)**

- a. Rates Notice
- b. Government Issued Tax Notice
- c. Bank Statement
- d. Insurance Documents

***\*Drivers license cannot be used for both proof of Identity & address.***

**List of Approved Certifiers**

- A Justice of The Peace with a registration number;
- Accountant, Barrister, or Solicitor
- Legal practitioners of a Federal, State or Territory court;
- Manager of a bank, credit union, or post office
- Medical practitioners including dentists
- Police Officer in charge of Police Stations or of the rank of Sergeant and above;
- Principal of a Secondary College, High School or Primary School;
- ISDG authorised representative