

Neptune Securities Ltd
Product Disclosure Statement:
CFDs

30 July 2019

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1. Our Contact Details

Issuer: Neptune Securities Limited
(ACN 133 085 908)

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Chatswood NSW 2067 Australia

Website: www.neptunefx.com.au

Phone: +61 1300 459 688

AFS Licensee: 332 890

Preparation date: 30 July 2019

Version: 1.0

2. Trading hours

Local trading hours:

Monday to Friday – 9am to 5.30pm AEST

3. Key information

Neptune Securities Limited (*Neptune*) ACN 133 085 908, AFSL 332 890 is the issuer of the products described in this Product Disclosure Statement (*PDS*). Should you have any queries about this document, please do not hesitate to contact us. Our contact details are at the start of this PDS.

Neptune is the service provider of the product in this PDS. Neptune is authorised to provide financial product advice as well as arrange for the issue of products in this PDS. Neptune's contact details are:

Address: Suite 706, South Tower, Chatswood Central, 1-5 Railway Street NSW 2067

Website: www.neptunefx.com.au

Phone: +61 1300 459 688

This PDS explains everything you need to know about the products we can offer you. It is designed to:

- provide you with the information you need to determine whether the products we offer are appropriate for your needs;
- explain the terms and conditions, rights and obligations associated with our products; and

- help you to compare products.

Warning: Trading in margin contracts involves the potential for profit as well as the risk of loss of which may vastly exceed the amount of your initial investment and is not suitable for all investors. Movements in the price of the margin contract's underlying asset (e.g. foreign exchange rates) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the underlying currency may occur in the market as a result of which you may be unable to settle adverse trades. We are unable to guarantee a maximum loss that you may suffer from your trading.

4. What are we authorised to do?

Neptune holds an AFSL (332 890) which authorises us to provide the following services to both wholesale and retail investors:

- Provide general financial product advice in interests in managed investment schemes excluding investor directed portfolio services; and securities;
- Deal in by issuing, applying for, acquiring, varying or disposing of a financial product in respect of the following classes of financial products: derivatives, foreign exchange contracts;
- Deal in by applying for, acquiring, varying or disposing of a financial product on behalf of another person in respect of the following classes of products: deposit and payment products other than basic deposit products; derivatives; foreign exchange contracts; general insurance products; debentures, stocks or bonds issued or proposed to be issued by a government; interest in managed investment schemes excluding investor directed portfolio services; and securities.

Neptune will only provide general advice to its clients. Neptune does not provide any personal advice which takes into account your personal objectives, financial situation or needs. If you require personal advice, please contact your financial adviser, who will provide you with a statement of advice in respect of any personal financial product advice given to you.

Neptune does not provide market making services through its online trading platforms. All prices for financial products issued by and are quoted from the exchange rates used by our liquidity provider, Saxo Bank A/S (Company Registration No: 15731249, Denmark) (**Saxo Bank**). Neptune MT4 trades will be processed by authorised Third Parties.

Before acting on any advice asked of or given by an employee of Neptune, you should carefully consider the appropriateness of the advice with regards to your personal objectives, financial situation and needs.

Before using the products referred to in this PDS you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our trading platforms. We recommend you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements.

We offer margin trading services via our trading platform. The type of products that you can trade with us are Margin FX contracts and Margin Securities. This product type is explained in more detail below, along with the risks and benefits.

The product name, contract size and any value used in the examples in the PDS are for illustrative purposes only. They may differ from what are actually provided. Therefore, you should refer to the products actually provided by us while trading. We reserve the right to change any value of the actual trading product.

At the end of this PDS, there is a separate document titled “Terms of Business”. It contains terms and conditions that govern our relationship with you.

5. Products we provide

Neptune provides Margin FX contracts, a type of contract for difference (**CFD**). A CFD is a contract between the parties to pay in cash the difference between the price or value of an underlying asset between the time at which the contract is entered into (**opened**) and the time which it is exited (**closed**). CFDs are a leveraged product, which means you only need to deposit a small percentage of the full trade (**Margin**) in order to open a position. The money you will receive under a CFD will depend on whether the underlying asset you choose moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited.

Margin is typically a relatively small proportion of the overall contract value. For example, a contract trading on leverage of 100:1 will require margin of 1% of the contract value. This means that a small price movement in the underlying will result in large movement in the value of your trade – this can work in your favour or result in substantial losses.

You may lose your initial deposit and be required to deposit additional margin in order to maintain your position. If you fail to meet any margin requirement your position will be liquidated and you will be responsible for any resulting losses.

CFD trading is high risk and not suitable for everyone. Most importantly, do not invest money you can't afford to lose.

6. Neptune does not provide personal advice

Neptune will only provide general advice to Clients. We do not provide personal advice which takes into account your personal objectives, financial situation or needs. This PDS does not constitute a recommendation or opinion that any of the products and services offered are appropriate for you.

If you require personal advice, please contact your financial advisor, who will provide you with a statement of advice in respect to any personal financial product advice given to you. Before acting on any advice asked of or given by an employee of Neptune, you should carefully consider the appropriateness of the advice with regards to your personal objectives, financial situation and needs.

7. Changes to information in this PDS

Information in this PDS may change from time to time, without notice, where the information is not materially adverse to Clients. We may provide updated information via our website: www.neptunefx.com.au. A copy of the updated information is also available upon request free of charge by contacting us on +61 1300 459 688.

If we issue a new or supplementary PDS, we will notify you by posting the new or supplementary PDS on our website. Alternatively, we may notify you via email of the new or supplementary PDS at least five (5) days prior to the effective date of the new or supplementary PDS.

8. Client Monies

Neptune Securities Limited operates to hold client monies in a designated client money account with an Australian authorized deposit-taking institution (ADI) as per the rules of s 981B of the *Corporations Act 2001*. The client money account is subject to the statutory protections on use, withdrawals and distribution of client money in the event of the licensee's insolvency or ceasing to carry on business. Any monies held by Neptune will be transferred to the authorized liquidity provider account within 48 hours of the initial receipt of such monies.

9. ASIC Disclosure Benchmarks

Throughout this PDS, we will refer to ASIC benchmarks, like this:

ASIC Benchmark...

ASIC is the government regulator that monitors financial markets in Australia and has issued Neptune its Australian Financial Services Licence that allows us to be authorised to provide financial services.

ASIC has developed seven disclosure benchmarks for OTC CFDs that can help retail investors understand the risks associated with CFDs, assess their potential benefits and risks and decide whether an investment in CFDs is suitable for them.

More information about the disclosure benchmarks can be found in [ASIC Regulatory Guide 227 \(RG 227\)](#).

This table sets out which benchmarks Neptune meets and refers to related disclosure information that describes how we meet the benchmarks.

DISCLOSURE BENCHMARK	MEETS BENCHMARK?	RELATED INFORMATION
Client Qualification Addresses the issuer's policy on investors' qualification for CFD trading	Yes	<p>Trading in CFDs is not suitable for everyone because of the significant risks involved. As such, Neptune assesses client qualifications and experience when potential clients apply to open an account.</p> <p>Further information can be found in ASIC Benchmark- Client Qualification section below.</p>
Opening Collateral Addresses the issuers policy on the types of assets accepted from investors as opening collateral	Yes	<p>ASIC's RG 227 suggests that a limit of \$1,000 be accepted for opening payments made by credit card. Neptune meets this benchmark as it does not accept credit card payments for opening collateral.</p>
Counterparty Risk – Hedging Addresses the issuers practices in hedging its risk from client	Yes	<p>Neptune maintains and applies a written Counterparty Credit & Hedging Policy. Further information can be found in ASIC</p>

positions and the quality of this hedging		Benchmark-Counterparty Risk section below.
Counterparty Risk – Financial Resources Addresses whether the issuer holds sufficient liquid funds to withstand significant adverse market movements	Yes	Neptune maintains and applies policies to ensure it meets all financial regulatory obligations including the requirements of an Australian Financial Services Licensee. Further information can be found in the ASIC Benchmark Counterparty Risk – Financial Resources section below.
Client Money Addresses the issuers policy on client money	Yes	Neptune have a detailed Client Money policy and does not use client money for hedging with counterparties. Further information can be found in the ASIC Benchmark- Client Money section below.
Suspended or Halted Underlying Assets Addresses the issuers practices in relation to investor trading when trading in the underlying asset is suspended or halted	Yes	In the event of a currency being suspended, Neptune has the discretion to close out positions on the last price.
Margin Calls Addresses the issuers practices in the event of client accounts entering into margin call	Yes	Neptune maintains and applies a written policy in relation to margin call practices and our discretions relating to close outs. Further information can be found in the ASIC Benchmark Margin Calls section below.

10. Margin FX Contracts

Margin FX trading contracts are agreements between you and us which allow you to make a gain or loss, depending on the movement of underlying currencies. The Contract derives its value from underlying currencies (usually referred to as a **Currency Pair**) which is never delivered to you, and you do not have a legal right to, or ownership of it. Rather, your rights are attached to the contract itself.

The currency pairs we offer are available on our website.

This is how our Margin FX Trading service works:

Step 1: First, you must set up a trading account with us.

ASIC Benchmark – Client Qualification

Trading in CFDs is not suitable for many investors because of the significant risks involved. Because of this, we include minimum qualification criteria in our account opening form, which prospective clients like you must satisfy before we will open an account for you.

Our written client qualification policy involves an assessment of your understanding of the products listed in this PDS, income and your previous experience before agreeing to open an account for you.

In assessing your knowledge of the key product concepts about CFD trading and the processes and technologies used in trading these products, we will use a series of multiple-choice questions in order to ascertain your understanding of concepts such as leverage, volatility, margins and the nature of margin FX trading using an online platform.

We will not use your answers or any other information that you provide us to tailor recommendations to you, as we do not provide personal advice. You should refer to our Privacy Policy on our website which explains how we collect personal information and then maintain, use and disclose that information.

If you do not satisfy the qualification criteria then you are not able to open an account with us. When this occurs, we will provide you with access to a demo account on which you can practice trading in CFDs before being able to re-apply for an account.

For any client that signs up with Neptune, please be aware that Neptune has the right to refuse account openings, limit the amount of deposits, or limit the maximum lot of a single transaction.

Step 2: You then need to deposit an Initial Margin of a base currency into your newly established account before you start trading. You will be required to deposit an Initial Margin which is a percentage of the notional contract amount. Our online platform will tell you what amount you need to deposit before you make the deposit. Because our platform typically requires trades to be placed in USD, you will need to convert your Australian dollars or other currencies into the required foreign currency through your bank and deposit the money into your Neptune trading account. The bank will charge you for this service. The new currency will be delivered to your Neptune

account and you will be able to see your balance by logging on to the online platform.

ASIC Benchmark – Opening Collateral

We only accept opening deposits via electronic or telegraphic transfer. We do not accept opening deposits via credit card. The minimum initial deposit is USD\$1,000. Opening collateral is referred to in this PDS as *Initial Margin*.

Step 3: You are now ready to trade. When you log in to the Neptune online platform, you will see prices which reflect different currencies. Currencies are traded in pairs. We note that Neptune does not provide market services, and we use licenced third-party currency prices. If you choose to accept the quoted price, it will be adjusted for our fees as set out in the ‘The Costs of Using or Product’ section of this PDS.

Example

An example of a currency pair is EUR/USD. EUR/USD 1.24656 means that one euro is exchanged for 1.24656 AU dollars. The currency on the left of a pair is the base currency.

You can buy or sell a Margin FX Contract. If you buy or sell as your first transaction, you are opening your position. When you buy, you buy at the “offer” price, and when you sell, you sell at the “bid” price.

Example

If the EUR/USD currency pair is quoted at 1.24656/1.24674, then this is showing the bid/offer price. To buy (offer), you would pay 1.24674 x contract size. To sell (bid), you would receive 1.24656 x contract size. The difference between the two prices is 0.00018 which, in this example, is the “spread”.

Each contract’s size can be any amount equal to or greater than \$10,000 of a particular trading currency i.e. 0.1 of a standard lot where 1 lot equals \$100,000.

Remember: what you are actually buying is a contract – not the currency itself. In the event that our online trading platform is unable to process trades, you can trade with us over the phone.

Step 4: You then choose when to sell or buy in order to close your position. You close your position by taking an opposite position to what you did under Step 3 above, with the intention of making a profit when the currencies move in the intended direction.

Step 5: The profit or loss resulting from the trade will be credited or debited to your account. Neptune has trading rules (including “forced liquidation” which is explained in this section of the PDS, and an Initial Margin requirement which is explained above) to help you limit any losses. The trading rules also help reduce (but not avoid) the risk that you will lose more than your deposited funds (see the section titled “Risks of using our services” at section 10. Neptune usually offers settlement of trades on a T+2 basis. This is a global standard which refers to the trade date, plus two Business Days. What constitutes a Business Day depends on what currency you are trading. See “Business Day” in the glossary for more information. This means that your account will be credited or debited within 2 business days after you close your position.

Example

Bill thinks that the EUR will appreciate against the USD in the near future. He sees that the prices quoted on the EUR/USD currency pair by Neptune is 1.24656/1.24674. The “offer” price is the buy price, so he buys a contract of EUR/USD, at our minimum lot size, which is 100,000. He wants to sell it later at a higher price.

<u>Opening the position</u>	
Buy 100,000 at offer price:	$1 \times 100,000 \times 1.24674 = \$124,674$ USD (contract size)
The contract is leveraged on a 1:200 ratio. That means that we require an Initial Margin from Alan to be deposited into our account, which is 0.5% of the contract value.	$124,674 \times 0.005 = \$623.37$ USD (Initial Margin)
<u>Rollover Interest</u>	
When a position is held open overnight, you are paid or debited interest. In this example, because Alan is long EUR, he will be paid.	Buy 1 lot of EUR/USD and hold a position overnight, the rollover interest rate is $1 \text{ lot} \times 1.81 \text{ pips} \times 1 \text{ day} = \18.1 USD
<u>Closing the position</u>	
The next day the price of EUR/USD has increased by 100 pips to 1.25646 (bid) / 1.25674 (offer). The trade has moved in Bill’s favour and he decides to take his	$1 \times 1.25646 \times 100,000 = \$125,656$ USD

profit and close the position by selling at the bid price.	
His gross profit is the difference between the opening position and the closing position.	$\$125,656 - 124,674 = \982.00 USD
His net profit is the gross profit less the costs. The spread was built in to the price, but includes \$22 USD commission in this example.	982.00 = 98.2 pips Net Profit: $\$982 \text{ USD} - \$22 + \$18.1 = \978.1 USD

Summary: In the above example, Alan had to deposit \$623.37 to cover his Initial Margin requirement, and he has made a total gain of \$960. In that example, if the price had decreased by 100 points instead of increasing, Alan would have made a loss of \$1021.9.

Note: More detailed explanations are set out under the heading “The Costs in Using our products” below. Rates and prices are for illustrative purposes only.

Forced liquidation

The Margin Level in your account represents the level of equity held in your account divided by the margin required by your trade(s). It is expressed as a percentage. For example, if you have equity in your account of \$1,000 and a trade which requires a margin of \$500, your Margin Level is 200%. If you have equity in your account of \$1,000 and a trade which requires a margin of \$1,001, your Margin Level is 99.9%.

If the margin level in your account drops below a predetermined level set by us (e.g. 50% of an Initial Margin) or if we exercise our discretion, then we are entitled to close out your position at the prevailing market rate without notice to you. We could do this in order to minimise trading risk and deduct the resulting realised loss from your remaining funds held by Neptune. You will remain liable for any negative positions which cannot be covered by the closing out of your positions.

Example

Bill has made an initial deposit of USD 1,000. He thinks that the EUR will depreciate against the USD in the near future. He sees that the prices quoted on the EUR/USD currency pair by Neptune is 1.24656 / 1.24674. The “bid” price is the sell price, so he sells a contract of EUR/USD, at our minimum lot size, which is 100,000. He wants to buy it later at a lower price, in order to close his position.

<u>Opening the position</u>	
Sell 100,000 at bid price:	$1 \times 100,000 \times \text{USD}1.24656 = \text{USD } \$124,656$

The contract is leveraged on a 1:200 ratio. That means that we require an Initial Margin from Alan to be deposited into our account, which is 0.5% of the contract value.	$\text{USD}\$124,656 \times 0.005 = \text{USD}\623.28 (Initial Margin)
<u>Rollover Interest</u>	
When a position is held open overnight, you are paid or debited interest. In this example, because Alan is short EUR, he is required to pay interest, the swap rate is -2.46pips.	$1 \text{ lot} \times -2.46\text{pips} \times 1 \text{ day} = \text{USD} -\24.6
<u>Closing the position</u>	
The next day the price of EUR/USD has increased swiftly by 37.5 pips which is against what Alan had expected to 1.25013 (bid) / 1.25031(offer). The trade has moved against Alan and Neptune forces the closing of his position to protect him from further loss.	At this time, there are -37.5pips of losses in Bill's account. 1 pip of EUR/USD is USD\$10 on a standard lot. Therefore, losses equal USD\$375. The equity in Bill's account is $\text{USD}\$1,000 - \text{USD}\$24.6 - \text{USD}\$375 = \text{USD}\600.4 . The Margin Level, $\text{USD}\$600.4 / \text{USD}\$623.28 = 96.33\%$, is lower than 100%. The Forced Liquidation is triggered.
His total loss is the gross loss less the costs. The spread was built in to the price, but includes \$20 USD in this example.	Trading Loss: $\text{USD}\$125,031 - \text{USD}\$124,656 = \text{USD} -\$375$ Interest paid = $\text{USD} -\$24.6$ Total Loss: $\text{USD}\$-375 - \text{USD}\$24.6 = \text{USD} -\$399.6$ $-\$399.6 - \$22 = \text{USD}\$421.6$

Summary: In the above example, Alan had to have free margin of more than USD\$623.28 to cover his Margin requirement to execute this trade, and he has made a total loss of USD\$421.6.

Note:

The above example and the rates and prices are for illustrative purposes only. More detailed explanations are set out under the heading "The Costs in Using Our products" below.

In addition to forced liquidation, we may margin call your position while a trade is open. See the section below titled "Margin Calls" for more detail.

11. Margin calls

ASIC Benchmark – Margin Calls

Neptune maintains and applies a written policy in relation to margin calls and our discretion relating to close outs. This section sets out our policy on margin calls.

When the Margin Level for a Margin FX transaction is lower than 100%, the Margin Call is triggered. The trading platform will show a Margin Call alert. When the Margin Level falls below 100%, open orders will be liquidated (Forced Liquidation).

Example

The following example involves Bill, who has deposited USD \$1,000 with Neptune. He anticipates that the EUR will depreciate against the USD in the near future. After the first day, his position deteriorates and a Margin Call is triggered. The following day, his position deteriorates further and Neptune forces his position to be liquidated.

<u>Account Initial Deposit</u>	
Bill deposits \$1,000 USD with Neptune	Initial Deposit = USD \$1,000
<u>Opening the position</u>	
He sells a contract of EUR/USD at our standard lot size, which is 100,000.	$1 \times 100,000 \times \text{USD} \$1.24656 = \text{USD} \$124,656$
The contract is leveraged on a 1:200 ratio.	$124,656 \times 0.005 = \text{USD} \623.28 (Initial Margin)
The Margin Level is the equity divided by the margin	Equity: USD\$1,000 Margin: USD\$623.28 Margin Level: $\$1,000 / \$623.28 = 157.55\%$
<u>Rollover Interest</u>	
Bill holds his position overnight. In this example, the swap (short position) for EUR/USD is 2.46 pips. This is charged against the funds that Alan has deposited with Neptune.	$1 \text{ lot} \times -2.46\text{pips} \times 1 \text{ day} = \text{USD} -\24.6
<u>Next Day: Margin Call</u>	
The next day the price of EUR/USD has increased by 23.5 pips to 1.24891 (bid) / 1.24909 (offer). The trade has moved against Alan and the Margin Call is lower than 150% equity. At this time, the trading platform will show a Margin Call alert.	Equity: $\text{USD} \$1000 - \text{USD} \$24.6 - (\text{USD} \$0.00235 \times 100,000) = \text{USD} \740.4 The Margin Level $\text{USD} \$740.4 / \text{USD} \$623.28 = 118.8\%$ (lower than 150%)
<u>Rollover Interest</u>	
Bill has not responded to the Margin Call. The position is held open overnight. The swap (short position) for EUR/USD remains 2.46 pips, for which Alan is charged.	$1 \text{ lot} \times -2.46\text{pips} \times 1 \text{ day} = \text{USD} \24.6
<u>Third day: Forced Liquidation</u>	

<p>The following day, the price of EUR/USD has increased by a further 11.9 points to 1.25010 (bid) / 1.25028 (offer).</p> <p>Neptune forced the closing of his position to protect him from further loss.</p>	<p>Equity:</p> $\text{USD\$740.4} - \text{USD\$24.6} - (\text{USD\$0.00119} \times 100,000)$ $= \text{USD\$715.8} - \text{USD\$119} = \text{USD } \$596.8$ <p>Margin remains</p> <p>Margin Level:</p> $\text{USD\$596.8} / \text{USD } \$623.28 = 95.8\% \text{ (below 100\% so Forced Liquidation is triggered)}$
<p>Bills total loss is the gross loss less the costs. The spread was built in to the price, but includes \$22 USD commission in this example,</p>	<p>Trading Loss:</p> $= \text{USD\$124,656} - \text{USD } \$125,028 = \text{USD } -\$372$ <p>Interest Loss:</p> $= \text{USD } -\$24.6 \times 2 = \text{USD } -\49.2 <p>Total Loss:</p> $\text{USD } -\$372 - \text{USD } \$49.2 - \text{USD\$22} = \text{USD } -\443.2

Summary: In the above example, Alan had to have free margin of more than USD\$623.28 to cover his Margin requirement to execute this trade. Neptune forced a liquidation of Bill's position because a Margin Call was triggered and Alan did not respond by depositing the necessary amount of funds into his account with Neptune. He has made a total loss of USD\$443.2.

Note:

The above example and the rates and prices are for illustrative purposes only. More detailed explanations are set out under the heading "The Costs in Using Our products" below.

As noted on the first page of this PDS, trading in Margin FX involves the risk of losing substantially more than your initial investment.

12. Managing Risks by using Stops and Limits

We offer features on our trading platforms that help you take profit and manage trading risk. These include:

(a) Stop Order

A Stop Order is generally placed to provide some risk protection, for example in the event of your transaction moving into loss, and can be used to close a transaction. Each Stop Order has a specific stop level, set by you (but subject to our agreement). Your Stop Order will be triggered if our bid price (in the case of an Order to sell) or our offer price (in the case of an Order to buy) moves against you to a point that is at or beyond the level

specified by you. Once a Stop Order is triggered we will close a Transaction at a level that is, where possible, the same or similar to your stop level.

(b) A Trail Stop

A Trailing Stop is similar to a Stop Order. A trailing Stop allows you to set a floating stop level that automatically moves when our quote moves in your favour. A Trailing Stop is triggered and executed in the same way as a Stop Order. If you wish to use Trailing Stops, you must first activate this function via our electronic trading Service. By choosing to activate our Trailing Stop function, you acknowledge that Trailing Stops are an automated tool that must be used with caution and supervision by you.

You can set up a Trailing Stop in the MT4 platform. Please refer to the instructions provided in the Neptune MT4 platform. We do not guarantee to operate our Trailing stop system on a continuous basis so there may be instances in which your stop level might not in fact move with our current quote for the relevant Instrument.

(c) Take a Profit Order

A Take Profit Order is generally placed to provide some profit protection, for example in the event of your Transaction moving into profit, and can be used to close a transaction. Each Take Profit Order has a specific take profit level, set by you (but subject to our agreement). Your Take Profit Order will be triggered if our bid price (in the case of an Order to sell) or our offer price (in the case of an Order to buy) moves in your favour to a point that is at or beyond the level specified by you. Once a Take Profit Order is triggered we will close a transaction at a level that is, where possible, the same or similar to your take profit level.

(d) A Limit Order

A Limit Order can be used to either open or close a transaction. Each Limit Order has a specified limit, set by you. Your Limit Order will be triggered if our bid price (in the case of an Order to sell) or our offer price (in the case of an order to buy) is at your specified limit.

If your Order or Stop Order is triggered (as set out above) we will seek to open/close the transaction to which your Order relates. In the case of a Stop Order, we will seek to close a transaction at a level that is the same (but may be worse than) your stop level; and in the case of a Limit Order, we will seek to open/close a Transaction at a level that is the same or similar to your limit. You acknowledge and agree that the time and level at which Orders are executed will be determined by us, acting reasonably. In this regard we will seek to execute your Order

within a reasonable time of your Order being triggered. Because there may be manual element to our processing of Orders and because it is possible for a single sudden event to trigger a large number of Orders, you acknowledge and agree that what constitutes a “reasonable time” may vary according to the size of your Order, the level of activity in the underlying market, and the number of Orders that have been triggered at the time your Order is triggered.

Your order may fail to be executed at your stop loss order due to several factors, however the most common is “Slippage”. Slippage is usually seen during periods of extremely high or low volatility and generally occurs during key news releases and occurs both in equity and forex markets and can cause detrimental problems to traders.

13. Conversion of currency

Your trading account with Neptune is normally denominated in a “base currency” which is in USD. In order to trade, you may need to convert existing funds into USD or another base currency. For example, a margin FX contract based on EUR/USD currency pair uses USD. If you deposit USD into your account, you will be required to convert it to USD before you commence Margin FX trading.

You can use your own bank to convert your currency into USD.

14. Trading Facilities

We are able to provide foreign exchange trading facilities through our online trading platform. Dealers in our trading room will also accept orders in the event of the online trading platform being unable to take orders.

Our online trading platform is an internet-based tool for you to trade. When you use our trading platform, you may “plug in” other third-party applications. The use of those applications can carry significant risk (see section 16 of this PDS titled “Risks of using our products and services”). We do not take responsibility and will not indemnify you from any loss incurred in connection with third party plugins that you choose to use, regardless of whether or not we know about them or approve them.

15. Benefits of using our products and services

The benefits of using our products and services are:

- **Hedging**

You can place a leveraged foreign exchange trade to protect your exposure to the price movements in an underlying currency.

Example: If you are based in Australia but have an obligation to pay USD at some time in the future, and you are concerned that the Australian dollar will weaken, you could sell an USD/USD position so that you will possibly make a gain to offset your other losses, in the event that the USD weakens.

- **Speculation**

In addition to using our trading facilities as a hedging tool, you can benefit by using the quoted underlying currency offered by us to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a contract that derives its value from the movement of an underlying currency for which they have no practical use. The example of foreign exchange dealing above illustrates trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

- **Access to the foreign exchange markets at any time**

When using our online trading platforms, you gain access to and trade on, systems which are updated 24 hours a day, 5 days a week.

Neptune is open at 9:30am on Monday, New York time (GMT-4) and closed 4pm on Friday, New York time. If for some reason our systems are unavailable, you can contact us by telephone using the details at the top of this PDS, and make telephone orders.

- **Real time streaming quotes**

Our online trading platforms provide real time quotes. You may check your accounts and positions in real time and you may enter into trades based on real-time information.

- **Control over your account and positions**

When using our trading facilities, we allow you to place stop loss limits on your trades. This means that if the market moves against you we will close out your position in accordance with your stop loss order. However, please refer to risk numbers below, which highlights the risk to you that in a volatile market we may not be able to close out your position until after the stop loss limit is exceeded. If this occurs you may lose more than you deposited.

16. Risks of using our products and services

There are a number of risks in trading in CFDs. These risks may lead to unfavourable financial outcomes for you. Monitoring of any risks associated with our trading facilities is your responsibility. You should seek independent legal, financial and taxation advice prior to commencing trading activities and should not use our services unless you fully understand the products, and the benefits and risks associated with them. Some of the risks associated with using our foreign exchange trading facilities include:

- **Unforeseen Circumstances**

If we are unable to perform our obligations to you due to reasons beyond our control then we may suspend our obligations to you. For example, during periods of significant market disturbance it may be impractical or impossible to trade in relevant financial markets. We will inform you if any of these events occur.

- **Market volatility:**

Foreign exchange markets are subject to many influences which may result in rapid fluctuations. Because of this market volatility, there is no foreign exchange transaction or stop loss which is available via our online platform that can be considered “risk free”.

Given the potential levels of volatility in foreign exchange markets, it is recommended that you closely monitor your transactions at all times. You can manage some of the downside risk by the use of stop loss orders. If you use a stop loss order we will enter into a position opposite to your existing position if the exchange rate reaches a level specified by you in advance. However, in a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the entry or exit price may be significantly lower or higher than the price at which the sell (or buy) order (including a stop loss order) was placed. This is known as “gapping”, and Neptune does not guarantee that the stop loss order will be successful in limiting your downside risk, which may be greater than you initially anticipated.

- **Leverage risk**

Trading Margin FX involves a high degree of leverage. You can outlay a relatively small initial margin which secures a significantly larger exposure to an underlying currency. The use of products like this magnifies the size of your trade, so your potential gain and your potential loss is equally magnified. You should closely monitor all of your open positions. If the market moves against you and your initial margin deposit is diminished, we may automatically close out your position by entering into an equal and opposite

position once pre-set limits are triggered (refer to the example of forced liquidation). Any remaining balance will be returned to you.

- **Counterparty risk**

Given you are dealing with us as a counterparty to every transaction, you will have an exposure to us in relation to each transaction. In all cases, you are reliant on our ability to meet our obligations to you under the terms of each transaction. This risk is sometimes described as counterparty risk.

The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are called over-the-counter derivatives. This means that you contact directly with us, and you are subject to our credit risk. If our business becomes insolvent we may be unable to meet our obligations to you. You can assess our financial ability to meet these counterparty obligations to you by reviewing financial information about our company. You can obtain a free copy of our financial statements by contacting us by using the details at the start of this PDS.

We typically limit our exposure to our clients by entering into opposite transactions with hedging counterparties as principal in the wholesale market. However, there is also a risk that a hedging counterparty that we deal with may become insolvent. Where this occurs, we may not have recourse to underlying assets and will become an unsecured creditor of the hedging counterparty.

ASIC Benchmark – Counterparty Risk

We typically limit our exposure to clients by entering into matching transaction with hedging counterparties as principle. Our hedging policy includes carefully selecting hedging counterparties. One factor in selecting them is whether the hedging counterparty is of sufficient financial standing. We can provide a written hedging policy to clients and prospective clients upon request. You can request a copy of these statements via email. This policy is updated regularly. We include a list of our hedging counterparties on our website at [www.ogfx.com.au].

We have a written policy to maintain adequate financial resources, which set out how we monitor compliance with our financial requirements, as well as how we conduct stress testing to ensure we hold sufficient liquid funds to withstand significant adverse market movements.

- **Systems Risks**

We rely on technology to provide our trading facilities to you. A disruption to the facility may mean you are unable to trade when you want to. Alternatively, an existing

transaction may be aborted as a result of a technology failure. An example of disruption includes the “crash” of the computer systems used to operate the online facility. We manage this risk by having state-of-the-art IT systems and backup measures.

- **Fees and charges**

It is possible that you enter into a trade with us and the underlying currency moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the spread between bid and offer prices, and the negative rollover interest which could apply on consecutive days that a contract is held open.

- **Use and Access to our Website**

You are responsible for providing and maintaining the means by which you access our website. These may include, without limitation, a personal computer, modem and telephone or other access system available to you.

While the internet is generally reliable, technical problems or other conditions may delay or prevent you from accessing our website. If you are unable to access the internet and thus, our online facility, it may mean you are unable to enter into asset transactions when desired and you may suffer a loss as a result.

- **Using third party plugins**

Third party plugins can be risky. They are often called “expert advisers” or “mirror trading plugins”. They may enable your account to mirror trades made by third party asset managers. They may claim to exploit price latency across platforms or markets. They may promise exceptional returns. Our platforms may allow you to plug-in third-party applications to help you trade. We are not responsible for, and will not indemnify you from, reliance on any statements made by their makers or promoters, or any loss incurred in connection with third party plugins that you use.

Key risks about third party plugins are:

- You can lose control of your trades and suffer financial loss.
- The software may stop working and you are stuck with Open Positions and you suffer financial loss.
- You can lose more money than your initial deposit.
- They may result in you being margin called (see section 11 of this PDS titled “Margin Calls”) and your positions may be liquidated.

- Some are offered by fraudulent or illegal / underground entities in remote parts of the world.
- Some create or are otherwise affected by price latency which may result in significant losses on your account due to inaccurate pricing.

If promoters of these plugins make promises that are too good to be true, then you should avoid them. **You should never provide your account user name or password to a third party – to do so would be a breach of the Terms of Business. You are wholly responsible for managing the risks (including the risk of loss) associated with using third party plugins.**

- **Client money co-mingling risk**

The funds in your account will be held in a client designated account. Funds deposited by Neptune clients are segregated from Neptune’s money and held in a designated account in accordance with the Corporations Act 2001. You relinquish the right to any interest on funds deposited with Neptune. Individual client accounts are not separated from each other but instead are pooled together. The money is held on trust for you until you use the money to purchase a Contract or otherwise provide us with a legal right to that money because of outstanding fees owed to us or in such other circumstances as referred to Section 7 ‘Operation of Client Account’ of the Neptune Terms and Conditions. There is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated account.

- **Suspension or trading halt of the underlying currency**

Our products relate only to major currencies, so the likelihood of these currencies being suspended or halted is remote.

ASIC Benchmark – Suspended or halted underlying assets

In the event of an underlying currency being suspended, we have a discretion to re-price open positions, close out positions, or change the margin requirements on a position.

17. The costs in using our products

Please refer to our current FSG for a description of how Neptune, its employees and related parties are paid, and for information about the spread, conversion costs, administrative charges, rollover interest and commission that may be payable in relation to the products described in this PDS. You can find this information in the current FSG which is available on our website. You

can download or obtain a free hard copy of the FSG by contacting us using the details at the start of this PDS.

Summary of costs

<i>Costs</i>	<i>Description</i>
Commission	We may charge you a commission added to the spread quoted by Saxo Bank A/S
Brokerage Fee	We may charge a brokerage fee for each transaction. This differs depending the on the lot size of the transaction.
Rollover interest	You may earn or pay interest if you hold a margined contract overnight. The amount of interest you earn or pay depends on the type and size of products that you buy or sell, the interest rate differential between the currency pair you have bought/sold (where applicable) and the duration of the rollover period.

18. How do the online trading platforms work?

See section **Error! Reference source not found.** “How Margin Trading works” above for a detailed explanation and example of how our trading platform works. To make a trade using our online trading platforms:

- You must first register with us by filling out the registration form either provided to you at the same time as this PDS, or located at www.neptunefx.com.au. A pre-condition to successful registration is an acknowledgement by you that you have read this Product Disclosure Statement, the Financial Services Guide and that you have read and agreed to be bound by the Neptune Terms and Conditions. Another pre-condition is that you meet our client qualification criteria, which is explained in section 9 of this PDS in more detail. There may also be other terms and conditions that you will need to agree to, if you are outside of Australia.
- Once you are registered, you will be able to login online to your user account using your username and password.
- First, you download MT4 software. Our MT4 tutorial can be found on our website www.neptunefx.com.au:
- Then, you deposit funds.

- Once logged in, a number of windows will pop up in the platform. In order to place a trade, you first select a foreign exchange currency pair from the trade window. For example, you can choose the currency pair of EUR/USD. Once you have selected a currency pair, you need to select the amount you wish to invest by buying/selling the intended number of contracts.
- Once you have chosen your currency pair you determine whether to buy or sell the currency pair.
- Once the trade has been executed, the particulars of that trade will be communicated to you via the trading platform. You can transfer money into or out of your account, subject to our Terms of Business, which is set out at the end of this PDS.

19. How much money do you need to trade?

Before you can trade, you need to deposit with us an Initial Margin.

- This is typically 0.5% of the contract amount in the case of Margin FX. However, we will tell you what Initial Margin is required before you trade. Neptune may vary the Initial Margin at its own discretion.

Example: You need to deposit USD \$500 for a USD/JPY contract with a notional value of USD \$500,000).

20. How do we handle your money?

The funds in your account will be held in a client designated account with a custodial provider. Funds deposited by our clients are segregated from our money and held in a client designated account in accordance with Australian law. Once we have received the monies, Neptune will transfer the funds to either of the liquidity providers account listed above within forty-eight (48) hours of the initial receipt of transfer.

ASIC Benchmark – Client Money

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your account. It also mentions the counterparty risk associated with the use of your money

By using our services, you relinquish the right to any interest on funds deposited in our client designated accounts (also known as client segregated accounts). Individual client accounts are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money, use the money to place a trade, or otherwise provide us with a legal right to that money because of outstanding fees owed to us or in such other circumstances as referred to in the Terms of Business and as permitted by law. The Terms of Business are set out at the bottom of this PDS.

Example

If you close a position and incur a loss, your account balance will be debited within 1 hour of closing that position.

Example

If you hold a position overnight (i.e. holding a position from 4:30 New York time onwards), and you are charged rollover interest, then that money is deducted from your account balance within 1 hour of 4:30 London time.

There is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated client segregated account. See the section above titled “Risks of using our Products” for more information concerning counterparty risk.

Neptune does not use client money to hedge its own derivative transactions.

21. Tax implications

CFD transactions can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss is deducted from your assessable income. However, the taxation laws are complex and vary depending on your personal circumstance and the purpose of your currency trading. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

22. Recording of phone conversations

Neptune may record phone conversations between you and our employees. Such recordings or transcripts from such recordings may be used as evidence in any dispute or anticipated dispute between you and Neptune.

23. Neptune's Privacy Policy

We value the privacy of your personal information. Please refer to the Privacy Policy available on our website for information on how we deal with your personal information and comply with the Privacy Act 1988 (Cth) and Australian Privacy Principles.

24. Trading as Principal

We will enter into all CFDs with you as principal, not as an agent. We will treat you as our client for all purposes and you will be directly responsible for performing your obligations under each CFD.

25. Prices used by Neptune

We do not have a market-making authorisation. This means that we cannot state our own prices when acquiring or disposing of financial products in this PDS.

All prices quoted to you for financial products in this PDS uses Saxo Bank's exchange rates. Neptune may add a fee to prices quoted by Saxo Bank. See Section 17 'The costs in using our products' for more information about the costs associated with using the products in this PDS.

26. What should you do if you have a complaint?

In the event you have a complaint about us, you can contact your Neptune representative you have been dealing with to discuss your complaint.

If your complaint is not satisfactorily resolved within fourteen (14) days, please contact Neptune by telephone or in writing, Neptune's Complaints Manager using the contact details on page 1 of this PDS.

We will try and resolve your complaint quickly, fairly and within prescribed time frames, but no longer than forty-five (45) days after the receipt of the complaint. If the complaint is more complex and takes longer than forty-five (45) days, we will communicate the reason for the delay.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA) which is an external complaints service, of which Neptune is a member.

You can contact the AFCA 9:00am-5:00pm AEST on weekdays by telephoning 1800 931 678, or in writing at:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001, Australia

You can also contact the AFCA through their website: www.afca.org.au

27. ANTI-MONEY LAUNDERING & COUNTER TERRORISM FINANCING (AML/CTF)

Neptune is bound by laws for the prevention of money laundering and the financing of terrorism, including the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML / CTF Laws**). By completing the Application Form, you agree that:

- You do not create an account with Neptune under an assumed name;
- Any money used by you to invest in Units is not derived from or related to any criminal activities;
- Any proceeds of your investment will not be used in relation to any criminal activities;
- If we ask, you will provide us with additional information we reasonably require for the purposes of AML / CTF Laws (including information about a Client, any beneficial interest in the Account, or the source of funds used to invest);
- We may obtain information about you or any beneficial owner of the account from third parties if we believe this is necessary to comply with AML / CTF Law; and
- In order to comply with AML / CTF Laws we may be required to take action, including:
 - Delaying or refusing the processing of any application or transfer; or
 - Disclosing information that we hold about you or any beneficial owner of the Unit to our service providers, or relevant regulators of AML / CTF Laws (whether in or outside of Australia).

28. Our Terms and Conditions

Our Terms of Business are set out at the bottom of this PDS and must be read and signed before a contract is entered into. If you are outside Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use our services you will be bound to our Terms of Business as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia). However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- Neptune Terms and Conditions
- Account Opening Form

The information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our website (see contact details on page 1). You can access that information by visiting the website, or telephoning us and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about our products.

There is no cooling off period for any product offered by Neptune.

You must provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services. We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability if it does so. We may disclose any information that you provide to a relevant authority where required by any law in Australia or any other country.

Unless you have disclosed to us that you are acting in trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf when obtaining services from us.

When you use our services, you are promising that you will not breach any law in Australia or any other country.

We reserve the right to suspend the operation of our website and online facility or any part or sections of them. In such an event, we may, at our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable.

We may impose volume limits on client accounts, at our sole discretion.

Glossary

- **Account** means your account with Neptune established under the Terms of Business, including all trading accounts and all Transactions recorded in them.
- **ADI** is short for Australian deposit-taking institution.
- **AFSL** means Australian Financial Services Licence issued under the Corporations Act.
- **ASIC** means the Australian Securities and Investments Commission.
- **Base currency** means the second denominated currency in a currency pair. Also refers to the currency the profit or loss the position is in;
- **Bid price** means the level you can sell the underlying asset;
- **Business Day** means a day that is not a Saturday, a Sunday or a public holiday or bank holiday in the place concerned;
- **CFD** stands for “contracts for difference”. A CFD is a contract between the parties to pay in cash the difference in prices/index levels of the underlying asset on the terms of the Contract whose term continues until the Closing Date;
- **Close out, closed out or closing out** in relation to a transaction means discharging or satisfying the obligations of the Client and Neptune under the transaction and this includes matching up the transaction with a transaction of the same kind under which the Client has assumed an offsetting opposite position;
- **Closing Date** means the date on which the CFD is agreed to be Closed Out, or earlier, if deemed to be Closed out in accordance with the Terms of Business;
- **Client** means a person who has an account with Neptune;
- **Client Segregated Account** means an account with an ADI or an approved foreign bank which holds client monies, segregated from Neptune’s own money, established, maintained and operated in accordance with the Client Money Rules;
- **Client Money Rules** means the provisions of Part 7.8 of the Corporations Act 2001 (Cth) and the relevant provisions of the Corporations Regulations 2001 (Cth);
- **Corporations Act** means the Corporations Act 2001 (Commonwealth) and any regulations made under it, as amended from time to time;
- **Currency pair** means
- **FX** means foreign exchange;
- **Initial Margin** is the initial deposit required by you before you can trade with us;
- **Margin** means the amount of cash paid to Neptune and credited to your Account as Margin;
- **Margin Call** means an amount that Neptune may at its sole discretion require the Client to pay, in addition to the Margin Deposit when an Account falls below its Margin Requirement;
- **Margin Level** refers to the equity or balance of funds in your account;

- **PDS** means Product Disclosure Statement;
- **Open Position** is where a client has entered into a transaction with Neptune and a further transaction has not been entered in order to close the position;
- **Representative** includes a director or employee of Neptune as well as any other entity that is appointed as authorised representative of Neptune;
- **Spread** is described in our FSG under the heading “What fees and commissions are payable to Neptune?”;
- **Spot rate** refers to the price that a currency pair is quoted at , for an immediate “on the spot” transaction. All prices quoted by us are quoted using the spot rate;
- **Underlying asset** means the financial asset upon which a derivative (such as a margin FX contract’s) price is based

Neptune's Terms and Conditions

1. Definitions

Whenever used in this Agreement, unless inconsistent with the subject matter or context, the following words shall have the following meanings:

- **Acceptance** has the meaning given in clause 7.2(iv) of this Agreement.
- **Agreement** means these Terms of Business together with all other documents which are referred to in this Terms of Business.
- **Authorised User** has the meaning given in clause 6.1.1 of this Agreement.
- **Client Account** means the Client's Neptune account which operates under the terms of this Agreement and allows the Client and the nominated Authorised Users to enter into Margin FX transactions with Neptune.
- **Credit Limit** means the limit on the total amount of credit that Neptune will provide to the Client.
- **Client** means the Client named in the Account Opening Form, together with its officers, directors, employees and agents.
- **Contract** means a transaction in which the Client agrees to purchase or sell a currency or derivative from or to Neptune or enter into any other transaction with Neptune for the provision of Neptune's services under the applicable Trade Contract Terms.
- **Day** means a day on which commercial banks are open for business (including dealings in foreign exchange) in the place specified by Neptune for that purpose.
- **Disturbance Notice** has the meaning stated in clause 9.2.1 of this Agreement.
- **Financial Product Advice** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Force Majeure Event** means events or causes including, but not limited to, the following: an act of God, unavoidable accident of navigation, war (whether declared or not), sabotage, riot, insurrection, civil commotion, national emergency (whether in fact or law), martial law, fire, flood, cyclone, earthquake, landslide, explosion, power or water shortage, failure of a transmission or communication network, epidemic, quarantine, strike or other labour difficulty or expropriation, restriction, prohibition, law, regulation, decree or other legally enforceable order of a government agency, breakage or accident, change of International, State or Commonwealth law or regulation or any damage of Neptune's machinery or systems, unless occurring as a result of an act, omission, default or negligence of the Client or Neptune.

- **General Financial Product Advice** or **General Advice** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Instructions** has the meaning given in clause 6.2.2 of this Agreement.
- **Intellectual Property** means the trade marks, designs, patents and copyrights of the parties to this agreement.
- **Internet** means the interconnected system of networks that connects computers around the world, and includes any online trading platform provided by Neptune.
- **Law** means the statutes, regulations and general law of the Commonwealth of Australia, and of New South Wales, Australia, and includes the *Corporations Act 2001* and *Corporations Regulations 2001* as varied from time to time.
- **Neptune Website** means the Neptune website located at www.neptunefx.com.au or elsewhere as nominated by Neptune from time to time.
- **Neptune Securities Pty Ltd (Neptune)** means the AFS Licensee (AFSL 332 890)
- **Margin Call** means an amount that Neptune may at its sole discretion require the Client to pay, in addition to the Margin Deposit, solely determined by Neptune.
- **Margin Deposit** has the meaning stated in clause 6.8.1 of this Agreement.
- **Monies** has the meaning stated in clause 10.1 of this Agreement
- **Notice** has the meaning stated in clause 11 of this Agreement.
- **Online Platform** has the meaning stated in clause 7.1 of this Agreement.
- **Open Position** is where a client has entered into a transaction with Neptune, and a further transaction has not been entered into in order to close the position.
- **Personal Financial Product Advice** or **Personal Advice** means Personal Advice as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Personal Information** is as defined in the *Privacy Act 1988 (Cth)* as varied from time to time.
- **Product Disclosure Statement** or **PDS** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Quoting Error** has the meaning stated in clause 6.13.1 of this Agreement;
- **Registered Office** means the registered office of Neptune as notified to the Australian Securities and Investments Commission.
- **Representatives** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Related Entity** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Senior Officer** – means an “officer” as defined in the *Corporations Act 2001 (Cth)* of Neptune or Neptune and/or the Client Company, and in the case of Neptune, includes an employee, director or consultant nominated by Neptune as the Complaints Officer.
- **Trade Contract Terms** has the meaning stated in clause 6.2.3 of this Agreement.

- **Value Date** means either the Day selected by the Client and agreed by Neptune for the settlement of a Contract or if there is no such Day, then the second Day after the execution of a Contract by the Client.

2. This Agreement

- (i) This is a master agreement and sets out the terms and conditions upon which any future contracts between the Client and Neptune, relating to the provision of Financial Product Advice to the Client and/or the execution of Contracts relating to transactions of margin foreign exchange.
- (ii) This Agreement includes the Neptune Account Opening Form, PDS and other contracts or documents that may have been exchanged and/or executed between the Parties. However, in the event of any inconsistency between this Agreement and other contracts or documents, exchanged and/or executed between the Client and Neptune, the PDS shall prevail to the extent of the inconsistency. To the extent of any inconsistency between this Agreement and the Account Opening Form, this Agreement shall prevail to the extent of any inconsistency.
- (iii) In the event of any inconsistency between the English language version of each of the documents described in clause 2(ii) above and their translated equivalent in any other language, the English language version shall prevail, to the extent of any inconsistency.

3. Our services and risks

- (i) Neptune may provide General Advice in relation to its foreign currency CFD trading services. If Neptune provides General Financial Product Advice only to the Client then the Client acknowledges that the advice is general in nature and does not consider the personal objectives, circumstances or needs of the Client. The Client must consider its own objectives, circumstances or needs, as well as the relevant PDS, before making a decision to use Neptune's services.
- (ii) If the Client does not fully understand the risks associated with Neptune's services, then they should not use Neptune's services.

4. Client representations and warranties

- (i) The Client warrants that in the case of an individual or more than one individual, they are of full age and capacity and in the case of a firm or corporation, it is duly

constituted and incorporated and possesses the requisite power to enter into this Agreement and all contracts made or to be made, and in any case, this Agreement and such contracts are and will constitute legally binding and enforceable obligations of the Client.

- (ii) If the Client enters into this Agreement in its capacity as trustee of a trust, the Client makes the following representations and undertakings:
 - (a) The relevant trust instrument is valid and complies with all applicable laws as defined in clause 6.2 of this agreement;
 - (b) the Client is properly appointed as trustee of the trust;
 - (c) the Client has a right of indemnity from the trust assets in respect of this Agreement and the transactions contemplated by it;
 - (d) the Client will comply with its duties as trustee of the trust;
 - (e) the Client will not do anything which may result in the loss of its right of indemnity from the trust assets;
 - (f) if the Client is replaced or joined as trustee, the Client will make sure the new trustee becomes bound to Neptune's satisfaction by this Agreement and any other Agreement relating to a transaction contemplated by this Agreement to which the Client is expressed to be a party, or by a document which is identical in effect;
 - (g) the Client will not resetttle, set aside or distribute any of the assets of the trust without Neptune's written consent unless compelled to do so by the trust instrument;
 - (h) the Client will not amend or vary the trust instrument without Neptune's written consent; and
 - (i) if the Client is not the sole trustee of the trust it is a requirement that each and every trustee agrees in writing to be bound by the terms of this Agreement and by any transactions entered into in connection with this Agreement.
- (iii) The Client represents and warrants to Neptune that:
 - (a) Execution and delivery by the Client of this Agreement, and performance of all of the Client's obligations contemplated under this Agreement, does not violate any Law applicable to the Client.
 - (b) All information provided by the Client to Neptune is true, correct and complete, and the Client will notify Neptune promptly of any changes to such information.
 - (c) All information provided by the Client to Neptune is true in all material respects as at the date of this Agreement or, if later, when the information is

provided. Neither that information nor the Client's conduct or the conduct of anyone acting on its behalf in relation to the transactions contemplated by this Agreement, was or is misleading, by omission or otherwise.

- (d) The Client shall make ongoing disclosure to Neptune of any matters that may affect the operation of this Agreement or of the ability of the Client to pay Margin Calls or to remain solvent.
- (iv) The Client acknowledges that Neptune will enter into the transactions contemplated by this Agreement in reliance on the representations and warranties made by the Client.
- (v) The Client acknowledges that if the Client accepts a price quoted by Neptune, Neptune may add applicable fees and charges as permitted under this Agreement.
- (vi) If the Client is comprised of two or more legal persons then a reference to a right or obligation of the Client under this Agreement or under a transaction contemplated by this Agreement confers that right or imposes that obligation, as the case may be, jointly and severally on those persons.

5. Confidentiality

5.1 Privacy Statement

- (i) Neptune collects your personal information to provide you with our margin FX trading services and to manage our relationship with you. We will not be able to supply the Client with our services if they do not provide us with your personal information. The information is generally collected from the Client when they are applying to open a trading account with us.
- (ii) At times we rely on third party suppliers (agents, lawyers etc.) to perform specialised activities for us. A Client's personal information may be provided to them so that they can carry out their agreed activities. We may provide your personal information to overseas recipients e.g. in China, Taiwan and the Philippines.
- (iii) Our Privacy Policy includes further information about how we handle a Client's personal information including how a Client can access and correct their information or make a privacy related complaint. For more information please visit our website: www.neptunefx.com.au or contact our office using the contact details at the beginning of the PDS.

5.2 Confidentiality of Client Information

- (i) Neptune will use reasonable precautions to maintain the confidentiality of information Neptune receives from the Client and material and/or data the Client provides, creates,

inputs or develops in connection with the Client's use of the Neptune services.

Nonetheless, because such information, material and/or data may be provided through the Internet or by facsimile transmission, the Client hereby acknowledges and agrees that Neptune cannot assure that such information, material and/or data will continue to be confidential.

- (ii) The Client accepts the risk of a third party receiving confidential information concerning the Client and specifically releases and indemnifies Neptune, Neptune and all related parties from any claim arising out of a third-party intercepting, accessing, monitoring or receiving any communication from a Client intended to be provided to Neptune or from Neptune intended to be provided to the Client.
- (iii) The Client acknowledges and agrees that Neptune may, subject to clause 5.2(iv), disclose the Client's name and other personal and financial information about the Client, and any relevant details of an Authorised User, to its employees, Representatives, officers, agents, and affiliates, as well as to a governmental entity or self-regulatory authority, an Internet service provider or any other third party agent or service provider for any purpose related to offering, providing, administering or maintaining the Neptune Services, or to comply with applicable Laws.
- (iv) Neptune will treat the Client's Personal Information in accordance with its Privacy Policy, which the Client may obtain by contacting Neptune or on the Neptune Website.

5.3 Money Laundering

In appropriate cases all communications and information concerning the Client held by Neptune, may be disclosed to and reviewed by law enforcement agencies and regulatory authorities. In addition, the Client agrees to comply with all applicable money laundering and counter terrorism financing laws, including, but not limited to, the requirement to obtain or provide satisfactory evidence of the identity of any person whom the Client may represent in any transaction entered into with Neptune.

6. General

6.1 Indemnity and Survival

- (i) The Client shall indemnify and hold Neptune harmless from any and all liabilities, claims, costs, expenses and damages of any nature, including, but not limited to, reasonable legal fees and any fees and expenses incurred in connection with litigation, arising out of or relating to the Client or an Authorised User's negligence, mistake or

wilful misconduct, the violation of any Law by the Client, or the breach by the Client of any provision of this Agreement.

- (ii) The Client also agrees to promptly pay Neptune for all damages, costs and expenses, including reasonable legal fees and expenses, incurred by Neptune in the enforcement of any of the provisions of this Agreement. The Client's obligations under this Clause shall survive the termination of this Agreement.

6.2 Compliance with Law

This Agreement shall be governed by and construed in accordance with the laws of New South Wales, Australia. The parties agree to irrevocably submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

6.3 Intellectual Property

At no time shall either party enter into commitments for or in the name of the other party or use their Intellectual Property for any purpose whatsoever. Except as specifically provided for in this Agreement, neither party will: (a) use the other party's name or Intellectual Property without the prior written approval of the other party; or (b) represent itself as being affiliated with, or authorised to act for, the other party.

6.4 Assignment

Any rights or obligations that the Client may have pursuant to this Agreement shall not be assigned, transferred, sold, or otherwise conveyed, except with the prior written consent of Neptune. Neptune may, however, transfer any rights or obligations it may have pursuant to this Agreement to another party without the consent of the Client. Such an assignment shall only take place if a reasonable person would not expect it to cause detriment to a typical client of Neptune. The Client will execute any documents (including a deed of novation) reasonably required by Neptune to affect such a transfer. If the Client does not agree to Neptune assigning its rights, the Client may terminate this agreement. However, termination in this case does not affect any obligations owed by the Client, or rights of Neptune with regard to any open Contracts held by the Client.

6.5 Amending this Agreement

- (i) The terms of this Agreement and any transactions under it, may be amended by Neptune at any time. Neptune will provide Notice to the Client of any such amendment. The Client agrees to be bound by the terms of such an amendment on the earlier of: (a) ten Days after Neptune has posted Notice of the amendment on the Neptune Website; or (b) on the date of the Client entering any trade contract after the amendment. Any other amendments must be agreed to in writing between Neptune and the Client. If the Client does not consent to the amendment the Client can

terminate the Agreement and the amendment will not apply retrospectively. Termination in this case does not affect any obligations owed by the Client, or rights of Neptune with regard to any open Contracts held by the Client.

- (ii) Clause 6.5(i) does not apply to an existing Contract if the Client would be disadvantaged by the amendment.

7. Operation of client account

7.1 List of Authorised Users

- (i) The Client shall provide Neptune with a list of people authorised to access Neptune's services and/or enter into Contracts on the Client's behalf (each an **Authorised User**). The Client shall immediately notify Neptune when any new person becomes an Authorised User or when any existing Authorised User is no longer entitled to be an Authorised User. Upon receiving Notice, the change in Authorised User is effective immediately. However, the notice shall not affect any Contracts already executed.
- (ii) The Client hereby indemnifies and agrees to hold Neptune harmless in respect of any loss incurred by an Authorised User entering into any Contract or other transaction contemplated under this Agreement. Any appointment of an Authorised User made pursuant to clause 7.1(i) shall remain in full force and effect as an appointment in writing required by the Agreement unless and until Notice of cancellation of appointment and/or replacement has been delivered to Neptune's registered office.
- (iii) Until the Client has provided a Notice to Neptune to the contrary, Neptune may continue to assume that all existing Authorised Users have authority to execute legally binding transactions with Neptune. All Instructions given and accepted by an Authorised User will be deemed to be Instructions authorised by the Client and shall be binding upon the Client.

7.2 Formation of Each Contract

- (i) When the Client, or an Authorised User, contacts Neptune by either telephone or via the Internet, Neptune may, but is not obligated to, ask for or clarify the following information where applicable:
 - the Client's account number;
 - further Client identification details;
 - the Contract type (e.g. foreign exchange or margin foreign exchange);
 - whether the Contract is to buy or sell;
 - the number of Contracts; and
 - for Contract orders, the order type, the order price and the order expiry date.

- (ii) Collectively, though not exhaustively, the information referred to in clause 7.2(i) or any portion thereof, constitutes the Instructions.
- (iii) Neptune will immediately provide the client with, either verbally or via the Internet, prices at which the relevant currency can be purchased or sold. These are the Trade Contract Terms. The Client acknowledges that Neptune uses liquidity providers' corresponding exchange rates. Neptune may add fees and charges to the quoted prices as permitted under this Agreement.
- (iv) If the Client, or an Authorised User, then indicates by either telephone or by clicking the relevant button on the Online Platform that they accept the Trade Contract Terms (**Acceptance**), then Neptune shall have a discretionary right to create a Contract. If Neptune exercises this right then a Contract is formed between the Client and Neptune. When a Contract is created the parties shall become bound by the content of the relevant Trade Contract Terms and this Agreement. If Neptune declines to exercise the right to create a Contract, Neptune shall not be obliged to give a reason, however, Neptune shall promptly notify the Client that Neptune has not created a Contract with the Client.

7.3 Method and Timing of Payment

- (i) The Client must not deposit physical cash into Neptune's accounts under any circumstances. Neptune has an absolute discretion as to whether the Client may pay by cheque.
- (ii) Any sums that the Client owes to Neptune must be paid in one of the following:
 - a. by online bank transfer;
 - b. by same day bank transfer; or
 - c. by international TT transfer.
- (iii) Any payment to Neptune in any currency will be at the prevailing market conversion rate at the time the Contract is entered into as explained within Neptune's PDS and FSG.
- (iv) The Client must have sufficient cleared funds deposited in Neptune's designated account before Neptune will execute any Contracts. Neptune will indicate to the Client the sum required as the Margin Deposit for each Contract.
- (v) Neptune may impose other fees and charges for using its services, by providing Notice to the Client. If the Client does not consent to the charges, it can terminate the Agreement and the charges will not apply to new Contracts. If the Client terminates the Agreement under this clause, all existing Contracts will survive the termination of this Agreement.

- (vi) Neptune is not responsible for any fees or charges imposed by third party banks or other counterparties, which are incurred by the Client in connection with the use of Neptune's services.

7.4 Credit Limits

The Client understands that:

- (i) Neptune may grant certain Clients a Credit Limit. A Credit Limit is a pre-agreed amount of USD or other agreed currency that can be offset against a negative mark to market value on an Open Position, or an amount applicable to unsettled trading losses to some or all Contracts (either individually or in aggregate or both);
- (ii) if the negative mark to market of an Open Position is approaching or has exceeded the Client's Credit Limit, Neptune reserves the right to Margin Call the Client in an amount entirely at Neptune's discretion;
- (iii) Neptune is not obliged to provide credit to the Client; and
- (iv) Any Credit Limit set by Neptune may be reduced or withdrawn at any time by giving Notice to the Client.
- (v) The Client acknowledges that if Neptune acts on an Instruction which would result in a Credit Limit being exceeded:
 - (a) Neptune is not obliged to advise the Client that the Credit Limit will be exceeded;
 - (b) the Client will continue to be liable to Neptune for all amounts including those above the Credit Limit; and
 - (c) Neptune is not obliged to act upon any subsequent Instruction where a Credit Limit might be exceeded.

7.5 Authorisation Limits

- (i) The Client may inform Neptune of an authorisation limit applicable to some or all Contracts either in general or for particular Authorised Users.
- (ii) Any authorisation limit provided by the Client to Neptune may be withdrawn by the Client at any time by giving Notice to Neptune.
- (iii) Neptune may, at its own discretion, impose an authorisation limit on the Client and/or one or more Authorised Users at any time, by providing Notice before the imposition of the limit.

7.6 Interest Charges on Open Position

- (i) In any Open Position held by the Client, Neptune will from time to time add an amount to the Client Account for interest earned, or subtract an amount from the Client's account for interest incurred from the Value Date until the position is liquidated, in the following manner:

- (a) For buying of one currency against the sale of another currency and the currency bought has a higher interest rate than the currency sold, the amount of interest arising therefrom shall be added to the Client Account.
- (b) For selling of one currency against the purchase of another currency and the currency sold has a higher interest rate than the currency bought, the amount of interest arising therefrom shall be subtracted from the Client Account.
- (c) In the case of a negative interest rate, interest arising shall be subtracted from the Client Account.
- (d) In all cases, interest shall be at the annual rate to be determined by Neptune from time to time without Notice.

7.7 Advances and Interest Rate

- (i) The Client is required to settle each Contract on the Value Date or on such date as Neptune may require settlement. In the event of the Client not being able or not willing to settle any Contract on the Value Date or on such date as Neptune shall require settlement, Neptune may (but without obligation to do so) make an advance to the Client by way of direct settlement of any Contract in whole or in part and the Client undertakes to repay the US dollar equivalent (at the exchange rate or rates as Neptune shall stipulate) upon demand calculated on a daily basis from the date of such advance up to and including the date of repayment in full.
- (ii) In addition to clause 7.7(i) above, interest at the interest rate specified in clause 7.7(i) shall be chargeable on the following items:
 - (a) any part of the Margin Deposit or additional Margin Deposit not paid or deposited in the form of cash; and
 - (b) any amount due to Neptune which remains outstanding.
- (iii) Anything in this clause 7.7 or other clauses shall not be interpreted as binding Neptune to make any advance to the Client nor shall it prejudice any of the rights and remedies of Neptune against the Client or any other persons under this Agreement, the Contracts or otherwise conferred by law, equity or usage.

7.8 Margin Deposit

- (i) Before executing a Contract, Neptune may in its absolute discretion require a deposit of between 0.01% and 100% of the Contract's value in respect of any anticipated or existing Open Positions which the Client has or will have with Neptune (**Margin Deposit**).
- (ii) Payment must be made pursuant to clause 7.3 of this Agreement.

7.9 Forced Liquidation

- (i) The Client is required to maintain sufficient level of Margin Deposit. Neptune reserves its full rights to close out all Open Positions:
 - (a) if at any time the Margin Deposit held by Neptune is approaching or is no longer sufficient to cover the negative mark to market value of any or all Open Positions that the Client has open with Neptune; or
 - (b) if at any time the pre-agreed Credit Limit assigned to the client by Neptune is no longer sufficient to cover the negative mark to market value of any or all Open Positions that the Client has open with Neptune.
- (ii) Neptune shall have the right, at its sole discretion, to determine the mark to market value from time to time.
- (iii) In addition to other remedies available to Neptune, if the Client fails to pay an amount when due under this Agreement, Neptune has the right to terminate (by either buying or selling) any or all of the Client's Open Positions.

7.10 Set Off Against Monies Owed

- (i) In addition to other remedies available to Neptune, if the Client fails to pay any amount when due under this Agreement, Neptune may set-off such amount against any amount payable by Neptune to the Client.
- (ii) Neptune is entitled to set-off against any amounts due to it by the Client, any amounts received by Neptune from or on behalf of the Client including but not limited to moneys received as Margin Deposits or Margin Calls. Neptune may determine the application of any amounts which are to be set-off at its own discretion.
- (iii) A Client must not set-off against any amounts the client owes to Neptune by any amounts Neptune owes to the Client.

7.11 Delay

Neptune will use all reasonable efforts to process the Client's Contract order on a timely basis. However, Neptune shall not, in the absence of willful misconduct, be liable for delays, damages, failures or errors in the completion of the Contract order.

7.12 Rates

Rate indications from Neptune are available via the Online Platform or by telephone (the **Indication**). The Indication is not binding, and the Client agrees to accept the prices offered by Neptune when the Contract is executed.

7.13 Quoting Error

Neptune will take reasonable steps to prevent quoting errors from occurring. Should a quoting error occur due to a typographical error or obvious mistake in a quote or indication (the **Quoting Error**), Neptune is not liable for any damages, claims, losses, liabilities or costs

arising from the Quoting Error. Neptune reserves the right to make the necessary adjustments to correct the Quoting Error. Any dispute arising from a Quoting Error will be resolved on the basis of the fair market value, as determined by Neptune acting reasonably, of the relevant currency at the time such Quoting Error occurred.

7.14 Face to Face

Neptune will not typically accept instructions face to face at Neptune's Registered Office. However, Neptune may at its discretion allow an Authorised User to request Neptune to accept Instructions, enter into Contracts and make financial dealings by physically visiting Neptune's Registered Office. The Client acknowledges and agrees that upon the Acceptance by Neptune of the Authorised User's Instructions, the Client shall be bound by those Instructions.

7.15 Telephone

- (i) In the event of the Online Platform being unable to accept instructions, an Authorised User may request Neptune to accept Instructions and enter into Contracts by telephone. Neptune may check the authority of the caller by requesting the caller give his or her name and confirming that such name has been notified to Neptune by the Client as an Authorised User. Neptune may at its discretion ask the caller for additional information to confirm the caller's identity. Upon such check confirming the identity of the caller, Neptune may assume that the caller has the full authority as previously advised by the Client.
- (ii) The Client acknowledges and agrees, and will ensure that each Authorised User acknowledges and agrees, that Neptune may make a recording of any telephone conversation between any person and Neptune at any time. The recording remains the property of Neptune. The telephone recording can be used by Neptune to confirm the terms and conditions of any transaction where there is dispute with a Client as to the Trade Contract Terms of the transaction, and for training, monitoring and compliance purposes.

7.16 Use of third party software or plugins

- (i) The Client acknowledges and agrees, and will ensure that each Authorised User acknowledges and agrees, that:
 - (a) Neptune is authorised to deduct fees from the Client Account, upon receipt by Neptune of confirmation that the Client has elected to subscribe to a particular third-party software or plugin.
 - (b) Neptune is entitled to refuse to allow or terminate, refuse access or otherwise impose limitations on certain third-party software or plugins at any time, without reason.

- (c) The Client is wholly responsible for managing the risks (including the risk of financial loss) associated with using third party software or plugins, however they are characterised.
- (d) The Client is aware of the risks associated with third party software or plugins, all of which may result in substantial financial loss. Risks include: loss of control of trades; potentially misleading claims made by software vendors; software not working with Neptune's Online Platform; being subject to a Margin Call or Forced Liquidation; and fraudulent or other illegal activity by software vendors.
- (e) The Client will assist Neptune by providing any requested documents, if Neptune chooses to investigate a third-party software or plugin vendor.
- (f) The act by Neptune of deducting fees from a Client Account on behalf of a third party or referring to a third-party asset manager, software vendor or plugin on Neptune's website or elsewhere, is not an endorsement of that third party or its software. Neptune or any related parties take no responsibility whatsoever for any losses incurred by the Client or its employees, agents or assigns, in connection with a third party or its software.
- (g) Neptune reserves the right in its absolute discretion to cancel, unwind, close out, repair, reinstate or take other action with respect to open or closed trades where the Client is using or has otherwise engaged third party software or plugins, if in Neptune's view, there has been an actual, suspected or potential breach of this Agreement, or Neptune believes acting in such way is necessary to protect its own interests, or the interests of clients.

7.17 By using our Orders, you expressly acknowledge and agree that:

- (i) Details about how each of the Orders work are set out in the Product Disclosure Statement and Terms of Business which are your responsibility to read and understand in full. It is also your responsibility to understand how an Order operates before you place any such Order with us. You will not place an Order unless you fully understand the terms and conditions attached to such an Order. Details about how Orders work are available from our dealers on request.
- (ii) Whether or not we accept an Order is at our absolute discretion. Not all Orders are available on all transactions, nor on all electronic trading services.
- (iii) When you place, and we accept, an Order you are trading with us as principal and not dealing on the Underlying Market. Your Order may be triggered even though the bid,

or offer as the case may be, may have moved to or through the level of your Order for only a short period.

- (iv) Following your Order being triggered, we do not guarantee that a transaction will be opened/closed, nor do we guarantee that if it is opened/closed it will be done so at your specified stop level or limit.

8. Online Transaction Platform

If the Client uses Neptune's online transaction systems (the **Online Platform**) the Client confirms and accepts the following:

- (i) The Client may be able to enter into Contracts at the rates quoted on the Online Platform.
- (ii) All transactions must be completed using the logins and passwords allocated to the Client by Neptune and valid entry of such a login and password will constitute an authorisation by the Client to complete the Contract specified irrespective of whether the login and password are entered by an Authorised User.
- (iii) The Client must ensure that the logins and passwords are kept secure and confidential. The Client must also ensure that each Authorised User to whom a login and password is provided, will keep them secure and confidential. The Client will advise Neptune immediately if the Client has any reason to believe that the login and passwords allocated to the Client have not been kept secure and confidential.
- (iv) The Client must ensure that no unauthorised person is able to use the logins and passwords. As part of this obligation the Client must ensure that each Authorised User quits the Internet browser after using the Online Platform.
- (v) Neptune may at any time without Notice to the Client suspend, withdraw or deny access to the Online Platform for any reason including but not limited to security, quality of service, failure by the Client to pay an amount when due or breach by the Client of any provision of this Agreement.

9. Deduction of Intermediary/Receiving Bank Fees

- (i) In some circumstances a number of intermediaries may be involved in payment transaction and may deduct a charge. The receiving bank may also take a charge. These charges cannot always be calculated in advance, and the Client will be liable for these expenses.
- (ii) Neptune will not be liable for losses that result from fees under clause 9(i) being levied. Neptune will use its best endeavours to ensure that all fees associated with a transaction

are disclosed in the Trade Contract Terms or PDS or FSG. However, due to the complexity of the international foreign exchange markets this may not always be possible. If it is important that an exact amount of a particular currency arrives, the Client agrees to advise Neptune accordingly and Neptune may be able to pre-cover any undefined charges.

10. Circumstances Beyond Neptune's Control

(i) If Neptune is unable to perform its obligations under this Agreement or a Contract because of factors beyond its control or because of a Force Majeure Event, Neptune will notify the Client as soon as is reasonably practicable and will use reasonable endeavours to secure the return of any money paid by the Client in respect of which Neptune has been unable to discharge its obligations under this Agreement.

(ii) Market Disturbance

- (a) Neptune may give a notice (a **Disturbance Notice**) to the Client at any time if it forms the view that market conditions in the relevant financial market for the currency or other underlying asset concerned are seriously disturbed.
- (b) This includes circumstances where, in Neptune's opinion, deposits in the currency concerned are not available in the ordinary course of business to Neptune in the relevant financial market or because of national or international financial, political or economic circumstances or because of exchange controls.
- (c) When a Disturbance Notice is given, Neptune's obligations will be suspended while it and the Client negotiate alternative arrangements. If both parties reach agreement before the Value Date, those alternative arrangements will apply. If they do not reach agreement within that period, each will be released from its obligations under the relevant transaction.

(iii) Manifest Errors

- (a) A "Manifest Error" means a manifest or obvious misquote by us, or any Market, Stock Exchange, price providing bank, information source, commentator or official on whom we reasonably rely, having regard to the current market conditions at the time an Order is placed. When determining whether or not a situation amounts to a Manifest Error, we may take into account all information in our possession including, without limitation, information concerning all relevant market conditions and any error in, or lack of clarity of, any information source or announcement.

- (b) We will, when making a determination as to whether or not a situation amounts to a Manifest Error, act fairly towards you but the fact that you may have entered into, or refrained from entering into, a corresponding financial commitment, contract or transaction in reliance on an Order placed with us (or that you have suffered or may suffer any loss of profit, consequential or indirect loss) shall not be taken into account by us in determining whether there has been a Manifest Error. We reserve the right, without prior notice, to:
 - a. amend the details of such a transaction to reflect what we consider in our discretion, acting in good faith, to be the correct or fair terms of such transaction absent such Manifest Error/s;
 - b. if you do not promptly agree to any amendment made under (a) herein we may void from its inception any transaction resulting from or deriving from a Manifest Error; and/or (b) refrain from taking any action at all to amend the details of such a transaction or void such transaction.
- (c) We shall not be liable to you for any loss, cost, claim, demand or expense you suffer (including loss of profits or any indirect or consequential losses) resulting from a Manifest Error or our decision to enforce the details of a transaction notwithstanding any Manifest Error. In the event that a Manifest Error is made by any Market, Stock Exchange, price providing bank, information source, commentator or official on whom we reasonably rely, we will not be liable to you for any loss, cost, claim, demand, or expense.

10.1 Neptune Online Facility

- (i) Access to the Neptune Online Facility is provided "as is". Neptune makes no warranties, express or implied, representations, or guarantees as to the merchantability, fitness for any particular purpose or otherwise with respect to the Neptune Online Facility, its content, any documentation or any hardware or software provided. Technical difficulties could be encountered in connection with the Neptune Online Facility. These difficulties could involve, among others, failures, delays, malfunction, software erosion or hardware damage, which difficulties could be the result of hardware, software or communication link inadequacies or other causes. Such difficulties could lead to possible economic and/or data loss. In no event will Neptune or its Affiliates or any of their employees be liable for any possible loss (including loss of profit or revenue whether direct or indirect), cost or damage including, without limitation, consequential, unforeseeable, special or indirect damages or expense which might occur as a result of or arising out of using, accessing, installing, maintaining,

modifying, de-activating or attempting to access the Neptune Online Facility or otherwise.

- (ii) Since Neptune does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, Neptune cannot be responsible for communication failures, distortions or delays occurred when using the Neptune online facilities.

11. Client Money

- (i) The Client agrees that Neptune may aggregate money paid into the Client's Segregated Account (the **Monies**) with funds received from other Clients into a single designated account (the **Client Segregated Account**), which will be maintained as required by Law.
- (ii) The Client consents to and directs Neptune to retain any interest accrued from time to time on the Monies, and to invest that money as permitted by Law.
- (iii) The Client authorises and directs Neptune to withdraw, apply or otherwise utilise the Monies:
 - (a) in order to meet obligations (the **Obligations**) incurred by Neptune on behalf of the Client;
 - (b) in order to enforce other rights that Neptune has under this agreement or in the PDS; and
 - (c) for any other reason allowed by Law.
- (iv) The client agrees that when Neptune uses the Monies for a lawful purpose as set out in this clause 11, the Monies do not belong to the client and do not constitute a loan or constructive trust in favour of the client.
- (v) If the Client has an open Contract, and it requires a deduction for any reason as set out in this Agreement or the PDS, that deduction may occur immediately when the deduction arises, and the Monies will become Neptune money. Conversely, if the Client has an open Contract, and it requires a credit for any reason as set out in this Agreement or the PDS, that credit will typically be applied to the Client's Monies within twenty-four (24) hours of the Client's position being closed.

12. Notices

- (i) Any notice or other writing required or permitted to be given under this Agreement or for the purposes of this Agreement (**Notice**) shall be in writing and shall:
 - (a) If to the Client, be sent by prepaid registered mail or delivered by hand to the address of the Client set out in this Agreement, or such other address the

Client designates in writing, or by Neptune posting a Notice to the Neptune Website; and

- i. if posted on the Neptune Website, Notice is deemed to have been given 3 Days after the Notice was posted on the Neptune Website; or
 - ii. if the Notice was sent to the address of the Client, the Notice is deemed to have been given on the Day after the Notice was sent, unless delivered by hand in which case the Notice is deemed to have been given on delivery.
 - (b) If to Neptune, be sent by prepaid registered mail or delivered by hand to the address of Neptune set out in this Agreement or the PDS, or such other address as Neptune designates in writing, and such Notice is deemed to have been given on the Day after the Notice was sent, unless delivered by hand in which case the Notice is deemed to have been given on delivery.
- (ii) Any Notice given or made under this Agreement may also be sent by email if:
 - (a) the Notice is sent to the email address last notified by the intended recipient to the sender; and
 - (b) the sender keeps an electronic or printed copy of the Notice sent.
- (iii) A Notice sent by email will be deemed to have been given on the first to occur of:
 - (a) receipt by the sender of an email acknowledgement from the recipient's information system showing that the Notice has been delivered to the email address stated above;
 - (b) the time that the Notice enters an information system which is under the control of the recipient; or
 - (c) the time that the Notice is first opened or read by an employee or officer of the recipient.

13. Termination

- (i) This Agreement may be terminated immediately by the Client or Neptune by Notice to the other in writing. However, termination by either party shall not affect any Contract or other transaction previously entered into and shall not relieve either party of any outstanding obligations arising out of this Agreement, nor shall it relieve the Client of any obligations arising out of any Contract entered into prior to such termination.
- (ii) In the event that Neptune is made aware of or has reason to believe any of the following:
 - (a) that the Client has provided false or misleading information to Neptune; or
 - (b) that the Client has participated or is participating or has assisted or is assisting in money laundering or terrorist financing; or

(c) that the Client is being officially investigated by law enforcement and/or regulatory agencies;

then Neptune at its sole discretion, may terminate this Agreement immediately by Notice to the Client, and Neptune shall be relieved of any obligations set out in this Agreement or arising out of the transactions contemplated by this Agreement, including any obligations arising out of any Contract already entered into with Neptune.

14. Limitation of Liability

- (i) Neptune will use all reasonable endeavours to execute Contracts or make payments to the Client or to any third party specified by the Client, in accordance with the timing specified in the Client's Instructions. However, Neptune shall not be liable under any circumstances for any direct, indirect or consequential loss (including any loss of profits) incurred as a result of a delay in funds reaching the Client's nominated account.
- (ii) Nothing in this Agreement is intended to limit or exclude any liability Neptune may owe the Client under any statutory rights the Client may have.

15. Dispute Resolution

- (i) Except to the extent that this clause is inconsistent with the requirements of any legislative or regulatory regime, the dispute resolution process set out in this clause shall apply. The parties must use all their reasonable endeavours to resolve any dispute arising in connection with this Agreement or any transactions there under.
- (ii) Neptune will attempt to deal with complaints and disputes in a prompt and efficient manner, within a period of forty-five (45) days (where possible). Some complaints may be resolved more quickly depending on the facts and nature of the complaint. If the complaint is more complex and takes longer than forty-five (45) days, we will communicate the reason for the delay.
- (iii) If the Senior Officers (or individual and the Neptune Senior Officer) fail to resolve the dispute within forty-five (45) days, the parties must, at the written request of either party and within ten (10) days of receipt of the request, refer the dispute to mediation in accordance with, and subject to, the Institute of Arbitrators and Mediators Australia Rules for the Mediation of Commercial Disputes. The costs of the mediator shall be met equally by the parties. If the dispute or difference is not settled within thirty (30) days of the submission to mediation (unless such period is extended by Agreement of the parties), it shall be submitted to arbitration in accordance with, and subject to, the Institute of Arbitrators Australia Rules for the Conduct of Commercial Arbitrations.

- (iv) This clause, however, does not limit the Client's rights (if applicable) to take any dispute to the Financial Ombudsman Service, or an equivalent external dispute resolution scheme of which Neptune is a member.

We are committed to providing quality advice to our clients. This commitment extends to providing accessible complaint resolution mechanisms. If you have any complaint about the service provided to you, you should take the following steps –

- Contact your adviser and tell your adviser about your complaint. The majority of complaints can be resolved this way.
- If you do not have an adviser, or your complaint is not acknowledged within seven (7) days, please contact the Complaints Manager at Neptune:

The Complaints Officer
Neptune Securities Ltd
Suite 706
South Tower, Chatswood Central,
1-5 Railway Street
Chatswood NSW 2067 Australia

We will try and resolve your complaint quickly and fairly. You should receive written acknowledgement of your complaint within 5 business days after we have received your complaint in writing.

If your complaint is not satisfactorily resolved within a further 45 days, you can contact the Australian Financial Complaints Authority (AFCA) on 1300 56 55 62 or in writing at GPO Box 3, Melbourne, Victoria 3001, Australia. You can also contact AFCA through their website: www.afca.org.au
by email: info@afca.org.au
or by facsimile (03) 9613 6399

The Australian Securities & Investments Commission (ASIC) also has a free call information line 1300 300 630 which you may use to make a complaint and obtain information about your rights.