



Futures

**MF** Global<sup>SM</sup>

# Futures Agreement



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Dear Client

Thank you for your interest in MF Global Australia Limited. Please read, complete and sign the attached Client Agreement and return it to your original contact at MF Global, along with your cheque (minimum AUD10,000), or details of funds transferred to our account (see banking details below).

You should read MF Global's Product Disclosure Statement and Supplementary Product Disclosure Statement in respect of Futures and obtain your own financial, legal, taxation and other professional advice as to whether Futures are an appropriate investment for you.

PLEASE  TICK AS COMPLETED.

### TO OPEN AN ACCOUNT IN AN INDIVIDUAL NAME

- Complete all the details in Section 1 on page 6.
- If you would like someone other than yourself to trade the account, in accordance with Clause 41 of the Agreement please also complete section 2 on page 6.
- Complete the banking details in section 3 on page 6. Attach a certified\* copy of your bank account statement, dated not more than three months old (details to be shown on the statement are bank account number, account name and residential address).
- Complete the boxed details on page 8.
- Sign Section 1 on page 30.
- Complete the Statement of Assets and Liabilities on page 33.
- If you would like access to an electronic trading system please complete page 38. (Please note a minimum of AUD10,000 (or the equivalent of such other currency agreed to by MF Global) is required to open an electronic trading account and a monthly fee is charged for the service).
- Attach a certified\* copy of your current, valid driver's licence or passport, to the account details form on page 6.

\* See page 4 for Acceptable Methods of Certification.

### TO OPEN AN ACCOUNT IN A JOINT NAME

- Complete all the details in Section 1 on page 6, please include all the names in which the account is to be held.
- Complete Section 2 on page 5, indicating all persons who will be trading on the account in accordance with Clause 41 of the Agreement.
- Complete the banking details in Section 3 on page 6. Attach a certified\* copy of your bank account statement, dated not more than three months old (details to be shown on the statement are bank account number, account name and residential address).
- Complete the boxed details on page 8.
- All parties to the agreement must sign Section 2 on page 30.
- Complete the Statement of Assets and Liabilities for each person who is a party to the agreement on page 33 and 34.
- If you would like access to an electronic trading system please complete page 38. (Please note a minimum of AUD10,000 (or the equivalent of such other currency agreed to by MF Global) is required to open an electronic trading account and a monthly fee is charged for the service).
- Attach a certified\* copy of each person's current, valid driver's licence or passport, to the account details form on page 6 (details for each and all parties must be included).

\* See page 4 for Acceptable Methods of Certification.

## TO OPEN AN ACCOUNT IN A COMPANY NAME

- Complete all the details in Section 1 on page 6.
- Complete Section 2 on page 6, indicating all the people who will be trading on the account in accordance with Clause 41 of the Agreement.
- Complete the banking details in Section 3 on page 6. You must provide the company's banking details. Attach a certified\* copy of the company's bank account statement, dated not more than three months old (details to be shown on the statement are bank account number, account name and business address).
- As a guarantor is required for all company accounts, complete the details of the Guarantor in Section 4 on page 6. The guarantor must be a director of the company.
- Complete the boxed details on page 8.
- If the Company is a sole director company sign Section 3 on page 30, if the Company has more than one director complete Section 4 on page 30.
- Complete the Guarantee and Indemnity on page 32. The guarantee and indemnity must be completed by a director acting in their personal capacity.
- Complete the Statement of Assets and Liabilities on page 33 for the company. Complete the Statement of Assets and Liability for the personal assets and liabilities of the director guaranteeing the account on page 34.
- Please also include a copy of the Certificate of Incorporation of the Company.
- If you would like access to an electronic trading system please complete page 35. (Please note a minimum of AUD10,000 (or the equivalent of such other currency agreed to by MF Global) is required to open an electronic trading account and a monthly fee is charged for the service).
- Attach a certified\* copy of the current, valid driver's license or passport for each Company Director.

\* See page 4 for Acceptable Methods of Certification.

## TO OPEN AN ACCOUNT IN THE NAME OF A TRUST

- Complete all the details in Section 1 on page 6.
- The name of the account should follow the example: Joe Smith ATF the Smith Family Trust or Company X ATF the Smith Family Trust.
- Complete Section 2 on page 6, indicating all the people who will be trading on the account in accordance with Clause 41 of the Agreement.
- Complete the banking details in Section 3 on page 6. The banking details must be those of the trust. Attach a certified\* copy of the trust's nominated bank account statement, dated not more than three months old (details to be shown on the statement are bank account number, account name and address).
- The trustee must act as guarantor for the trust and must complete Section 4 on page 6. If the trustee is a company one of the directors of the trustee company must guarantee the account. The guarantor details should be the personal details of the director guaranteeing the account.
- Complete Section 5 on page 7 and attach a certified\* copy of the trust deed.
- Complete the boxed details on page 8.
- Sign Section 1 on page 29 if the trustee is an individual, sign section 2 if two or more people are the trustees, sign Section 3 or Section 5 if a company is the trustee.
- The Trustee must complete the Guarantee and Indemnity on page 32 (the Trustee must act as guarantor for the trust). If the trustee is a company, one of the director's should complete the guarantee and indemnity in their personal name.
- Complete the Statement of Assets and Liabilities on page 33 for the trust. Complete the Statement of Assets and Liabilities for the guarantor in their personal capacity on page 33.
- If you would like access to an electronic trading system please complete page 35. (Please note a minimum of AUD10,000 (or the equivalent of such other currency agreed to by MF Global) is required to open an electronic trading account and a monthly fee is charged for the service).
- Attach a certified\* copy of the current, valid driver's licence(s) or passport(s) for each Individual Trustee of the Trust or each Director of the Trustee company.

\* See page 4 for Acceptable Methods of Certification.

# Acceptable Methods of Certification

**CERTIFIED COPY** means a document that has been certified as a true copy of an original document by one of the following persons:

1. a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described);
2. a judge of a court;
3. a magistrate;
4. a chief executive officer of a Commonwealth court;
5. a registrar or deputy registrar of a court;
6. a Justice of the Peace;
7. a notary public (for the purposes of the Statutory Declaration Regulations 1993);
8. a police officer;
9. an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
10. a permanent employee of the Australian Postal Corporation with 2 or more years of continuous service who is employed in an office supplying postal services to the public;
11. an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955);
12. an officer with 2 or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993);
13. a finance company officer with 2 or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993);
14. an officer with, or authorised representative of, a holder of an Australian financial services licence, having 2 or more continuous years of service with one or more licensees; or
15. a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with 2 or more years of continuous membership.

**How did you hear about MF Global Australia Limited?**

- Internet
  - Newspaper
  - Trade Magazine
  - Trade Show/Seminar
  - Referral
  - Other
- 

**DEPOSITS TO MF Global Australia Limited****Australian Dollar**

Westpac Banking Corporation  
341 George Street, Sydney, Australia  
in favour of: MF Global Australia Limited  
Client Bank Account  
BSB No: 032000 A/C No: 700812  
Ref: "account number / account name"  
Send Swift Message MT100 WPAC AU2F

If you would like to make a deposit in a currency other than in Australian Dollars please contact MF Global directly on (02) 8273 8822 or by email at [futures@mfglobal.com.au](mailto:futures@mfglobal.com.au)

# Account Details - Master Schedule

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Date of this Agreement:

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## 1. CLIENT DETAILS

Account Name:

Contact Name:

(if different to above)

ABN: (Company only)

Address:

Postal Address:

(if different to above)

Home Telephone:

Work Telephone:

Mobile:

Facsimile:

E-Mail:

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## 2. AUTHORISED PERSON DETAILS (see Clause 41)

Name:

Name:

Name:

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## 3. BANKING DETAILS

Please provide bank account details to enable the direct deposit of funds into your account.

Account Name:

Bank:

BSB Number:

Branch Address:

Account Number:

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## 4. GUARANTOR DETAILS (For Company or Trust Accounts only)

Name:

Address:

Telephone:

# Account Details - Master Schedule continued

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## 5. TRUST DETAILS (Trust Accounts Only)

Trust Name:

Date of Trust Deed:

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## 6. FUND DETAILS (if applicable)

Name:

Description of Constitution:

Date of Constitution:

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## 7. INVESTMENT MANAGER'S DETAILS (investment Managers only)

Name:

ABN:

Address:

Telephone:  Facsimile:

Email:

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# Standard Futures Client Agreement

THIS AGREEMENT is made on the  (DAY) day of  (MONTH) 20  (YEAR)

BETWEEN MF GLOBAL AUSTRALIA LIMITED ABN 50 001 662 077 (AFSL 230563)  
of Level 21, Grosvenor Place, 225 George Street, Sydney, New South Wales ("MF Global")

AND   
(PRINT CLIENT NAME)

The person or persons identified in item 1 of the Master Schedule (and where more than one is identified, those persons jointly and severally) ("Client")

## WHEREAS

MF Global is a participant of SFE and ASX and a clearing participant of their respective Clearing Houses. The Client wishes to engage MF Global to execute and/or clear Contracts in accordance with the Client's instructions.

IT IS HEREBY AGREED AND ACKNOWLEDGED AS FOLLOWS:

## INTERPRETATION

1. In this Agreement, unless the contrary intention appears:

1.1 **"Approved Securities"** means approved securities however described in the Business Rules on which or in accordance with which a Trade takes place;

**"ACH"** means Australian Clearing House Pty Limited ABN 48 001 314 503;

**"ACH Clearing Rules"** means the operating rules of ACH as amended from time to time;

**"ASX"** means ASX Limited 98 008 624 691 or a subsidiary of ASX Limited which operates a financial market for Futures Contracts.

**"ASX Market Rules"** means the operating rules of ASX as amended from time to time;

**"AUD"** means the lawful currency of the Commonwealth of Australia;

**"Authorised Person"** means a person authorised pursuant to clause 41 to bind the Client under this Agreement;

**"Block Trade"** means a Trade which is executed via a block trade facility, however described in the Business Rules of a Futures Exchange.

**"Business Day"** means a day on which trading banks in Sydney, Australia are open for business;

**"Business Rules"** means the operating rules of the Futures Exchange on which a particular Trade is effected or the operating rules of the Clearing House in which the Contract is Cleared (as the context requires);

**"Clearing House"** means a clearing and settlement facility appointed by a Futures Exchange to clear Trades effected on that Futures Exchange;

**"Clearing Participant"** means a participant or member of a Clearing House;

**"Client Automated Order Entry Agreement"** means the agreement contained in Annexure 1 to this Agreement;

**"Close Out"** means to enter into arrangements to reverse the effect of a Contract including, without limitation, to enter into an opposite Contract;

**"Contract"** means any one, or a combination of two or more of a Futures Contract, a spot bullion contract and/or an EFP Transaction;

**"Corporation"** shall include a body corporate, association (whether incorporated or not), governmental, semi-governmental or local authority or agency;

**"Dealing"** means dealing as defined in the Futures Law;

**“EFP Transaction”** means an exchange for physical transaction as defined in the Business Rules, or if not so defined, a transaction recognised as an EFP Transaction as understood under the customs and practices of the Futures Exchange on which the relevant Trade occurs;

**“Event of Default”** means any of the events listed in clause 11 of this Agreement;

**“Exchange Participant”** means a participant or member of a Futures Exchange;

**“Exchange Rate”** means, in relation to any currency, any widely recognised and published foreign exchange rate selected by MF Global in its sole discretion;

**“Exchange System”** means any computer system utilised by any Futures Exchange or Clearing House to effect trading, matching, clearing or price reporting of a Contract or utilised by any Futures Exchange or Clearing House, in connection with such trading, matching, clearing or price reporting;

**“Foreign Currency”** means the single currency of the European Economic and Monetary Union (EUR) and the lawful currency of each of Hong Kong Special Administrative Region of the People’s Republic of China (HKD), the Republic of Singapore (SGD), Japan (JPY), the United States of America (USD), the United Kingdom (GBP), New Zealand (NZD), or such other currency agreed to by MAN (other than AUD);

**“Foreign Currency Ledger”** has the meaning given to such term in clause 17;

**“Futures Contract”** means a derivative made available for trading on a Futures Exchange (other than an Options Market Contract as defined in the ASX Market Rules that is made available for trading on ASX) and, for the avoidance of doubt, includes an Option and a contract for difference;

**“Futures Exchange”** means the SFE, ASX or another person who operates a financial market (within the meaning of the Corporations Act) or any other market designated by MF Global;

**“Futures Law”** means the Corporations Act and the Australian Securities and Investments Commission Act 2001 (Cth) or the equivalent law of any State or Territory of Australia as amended from time to time or, in the case of a Futures Exchange to which that legislation does not apply, all applicable laws relevant to that Futures Exchange;

**“Initial Margin”** means deposit or initial margin as defined in the Business Rules, or if not so defined, the initial margin to be deposited in connection with a Trade in accordance with the customs and practices of the Futures Exchange on which the relevant Trade occurs;

**“Option”** means an option over a Futures Contract or a number of Futures Contracts or an Option over an Underlying Physical as listed by the Exchange.

**“Order Entry Facility”** means a computer or telecommunications facility through which Client instructions are communicated to MF Global or to a third person instructed to Deal in Contracts on behalf of the Client;

**“Position Limit”** means a limit imposed pursuant to clause 22.3.

**“Proper Law”** means the laws described in clause 40;

**“SFE”** means SFE Corporation Limited ABN 74 000 299 392;

**“SFE Business Rules”** means the operating rules of SFE as amended from time to time;

**“SFECH”** means SFE Clearing Corporation Pty Limited ABN 91 050 615 864 or such other body as is appointed as the Clearing House of SFE;

**“SYCOM”** means Sydney Computerised Market operated by SFE;

**“Trade”** means the buying or selling of a Contract by MF Global on behalf of the Client; and

**“Variation Margin”** means margin (other than deposit) or variation margin as those terms are defined in the Business Rules or, if not defined in the Business Rules, any similar mark to market or settlement to market amount relating to a Trade in accordance with the customs and practices of the Futures Exchange on which the relevant Trade occurs.

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

1.3 a reference to any legislation or provision of any legislation includes any modification or re-enactment of the legislation or any legislative provisions substituted for, and all legislative and statutory instruments and regulations issued under, the legislation;

- 1.4 except where expressly defined in this Agreement or where contrary intention appears, all terms in this Agreement shall bear the meaning given to them in the Business Rules or the Futures Law and in the event of any inconsistency between the meaning in the Futures Law and in the Business Rules, the meaning in the Futures Law shall prevail;
- 1.5 the singular includes the plural and vice versa;
- 1.6 headings are for convenience of reference only and shall not affect the construction of this Agreement;
- 1.7 where a party to this Agreement is more than one person they shall be jointly and severally liable under the terms of this Agreement; and
- 1.8 anything permitted to be done by MF Global in accordance with this Agreement may be done in its absolute discretion, any opinion or view required to be formed by MF Global may be formed in its absolute discretion.
- (b) the trustee of a trust, the Client makes the additional representations and warranties in favour of MF Global and agrees to be bound by the additional terms contained in schedule 2;
- (c) trustee of a Superannuation Fund, the Client makes the additional representations and warranties in favour of MF Global and agrees to be bound by the additional terms contained in schedule 3;
- (d) the agent of any investor, (including without limitation an investment manager) the Client makes the additional representations and warranties in favour of MF Global and agrees to be bound by the additional terms contained in schedule 4;

This clause will apply to the intent that where the Client has more than one of the capacities referred to in paragraphs (a) - (d) inclusive above, the Client makes each of the relevant additional representations and warranties in favour of MF Global and agrees to be bound by the additional terms contained in each of the relevant schedules referred to in those paragraphs;

## REPRESENTATIONS AND WARRANTIES

2. The Client REPRESENTS AND WARRANTS that as at the date of this Agreement and at all times during the term of the Agreement:
- 2.1 where the Client is a corporation, the Client has been and is duly formed under the laws of the place of its formation and has power and authority to deal in Contracts, and the person executing this Agreement has full power and authority to execute this Agreement on behalf of the Client;
- 2.2 where the Client is a partnership, the Client and each partner of the Client has power and authority to deal in Contracts, and the person executing this Agreement has full power and authority to execute this Agreement on behalf of the Client;
- 2.3 where the Client is an individual, the Client has legal capacity to execute this Agreement;
- 2.4 where the Client is:
- (a) the responsible entity of a fund, then the Client makes the additional representations and warranties in favour of MF Global and agrees to be bound by the additional terms contained in schedule 1;
- 2.5 this Agreement is a valid and binding obligation enforceable against the Client in accordance with its terms except to the extent enforceability may be limited by the availability of any equitable remedies or any applicable bankruptcy, insolvency, reorganisation or moratorium or similar laws affecting parties' rights generally;
- 2.6 neither the execution nor performance by the Client of this agreement, nor any transaction contemplated under it, will violate in any material respect any provision of:
- (a) any law or treaty or any judgment, ruling, order or decree of any governmental agency binding on the Client;
- (b) if a corporation, the Client's constitution or other constituent documents; or
- (c) any other document or agreement which is binding upon the Client or its assets,
- 2.7 all information provided by the Client to MF Global in relation to this Agreement was true and accurate in all material respects as at the date when the information was provided and remains so at the date of this

- Agreement and there are no facts or circumstances known to it after proper inquiry which have not been disclosed to MF Global and which, if disclosed, might reasonably be expected to adversely affect the decision of a reasonably prudent financial services licensee as to whether to enter this Agreement;
- 2.8 all authorisations, if any, required in relation to the execution, delivery or performance by the Client, the validity and enforceability of this agreement, and the transactions contemplated it have been obtained or effected and are in full force and effect;
- 2.9 there is no current or pending or threatened action affecting the Client or any of its assets before a court, tribunal, government agency, commission or arbitrator which draws or purports to question what is likely to affect the legality, validity or enforceability of this Agreement or any Contract or the ability of the Client to observe its obligations in respect of this Agreement;
- 2.10 all copies of documents and agreements given by or on behalf of the Client to MF Global constitute true and complete copies and those documents and agreements are in full force and effect;
- 2.11 the Client has good title to any Approved Securities provided to MF Global under this Agreement free of any encumbrances other than those notified in writing to, and agreed in writing by, MF Global;
- 2.12 the Client has complied with all laws and authorisations binding on it;
- 2.13 the Client has taken such independent legal, financial, tax and other advice as the Client considers necessary prior to executing this Agreement; and
- 2.14 the Client will not enter into a Contract as or by way of a wager.
- (c) is either a risk disclosure statement or a Product Disclosure Statement (to the extent MF Global is required under the Corporations Act to give them to the Client);
- (d) sets out the specifications and details of the essential terms of each kind of Futures Contract in which MF Global deals;
- 3.2 the Client has received and retained a copy of this Agreement;
- 3.3 the Client appoints MF Global as its agent for the purpose of dealing in Contracts in accordance with the terms of this Agreement.
- 3.4 MF Global may transfer from the Client's other account(s) if any, whether carried or managed by MF Global, such funds as may be required to meet obligations as a result of transactions between the Client and MF Global or to satisfy any amount owing by the Client under this Agreement;
- 3.5 MF Global will deal, or will instruct third persons to deal on behalf of the Client, in Futures Contracts on a Futures Exchange;
- 3.6 where MF Global instructs third persons to deal in Futures Contracts on a Futures Exchange, MF Global may share the commission or such other amounts relating to the Futures Contracts, with those persons as MF Global thinks fit;
- 3.7 (a) the Client and MF Global are bound by the Futures Law, the Business Rules, customs, usages and practices of the Futures Exchange on which any dealing takes place and any relevant Clearing House;
- (b) in relation to transactions in Futures Contracts on SFE, the Client and MF Global are bound by the Business Rules of SFE and the customs, usages and practices of the SFE's markets;
- (c) the Client and MF Global agree that the terms of their relationship in respect of Futures Contracts traded on ASX and any dealings between them concerning such Futures Contracts are subject to, and that they are bound by, the Corporations Act, the ASX Market Rules, the ACH Clearing Rules, and the procedures, customs, usages and practices of ASX, ACH and their related entities, as amended from time to time, in so far as they apply to Futures Contracts traded on ASX;

## ACKNOWLEDGMENTS

3. The Client AGREES AND ACKNOWLEDGES that:-

- 3.1 the Client has been given a document by MF Global which:
- (a) explains the nature of Futures Contracts;
- (b) explains the nature of the obligations assumed by the Client when the Client instructs MF Global to enter into a Futures Contract on behalf of the Client;

- (d) Nothing in this clause 3.7 shall be construed to change the Proper Law of this Agreement. To the extent that any provision of this Agreement is incapable of subsisting in conjunction with any such provision of the relevant Business Rules or the Futures Law (such provisions being hereafter referred to as Relevant Provisions), that Relevant Provision shall prevail over and modify or supersede the inconsistent provision of this Agreement and this Agreement shall with such provisions so modified or superseded continue in full force and effect.
- 3.8 in relation to the Client's transactions in Futures Contracts on SFE, the Client will, on MF Global's request, provide all information and documentation relevant to that trading to MF Global and MF Global is authorised by the Client to provide the information and documentation to SFE; and
- 3.9 in relation to the Client's transactions in Futures Contracts on any other Futures Exchange, the Client will take all reasonable steps to deliver information or documentation to MF Global or cause information or documentation to be delivered to MF Global concerning such transactions which are requested by a person having a right to request such information or documentation. The Client authorises MF Global to pass on the information or documentation to the person making the request;
- 3.10 the Client will indemnify and keep indemnified MF Global and each of its related bodies corporate and their respective directors, officers employees and agents from and against all sums of money, actions, proceedings, suits, claims, demands, damages, costs, expenses and any other amounts whatsoever claimed against any of them resulting from a failure by the Client to comply with clause 3.8 and/or 3.9;
- 3.11 dealing in Futures Contracts may create an obligation to give or take delivery or make a cash adjustment in accordance with the terms of a Futures Contract;
- 3.12 in respect of Futures Contracts traded by MF Global on the Client's behalf, MF Global has assumed liability as a principal;
- 3.13 notwithstanding that MF Global may act in accordance with the instructions of, or for the benefit of, the Client, any Futures Contract arising from any order submitted by MF Global with a Futures Exchange is entered into by MF Global as principal. Upon registration of a Futures Contract with ACH in the name of MF Global, MF Global incurs obligations to ACH as principal even though the Futures Contract may have been entered into on the Client's instructions;
- 3.14 any benefit or right obtained by MF Global upon registration of a Contract with SFECH by way of assumption of liability of SFECH under any Contract or any other legal result of such registration is personal to MF Global and the benefit of such benefit or right or other legal result does not pass to the Client. In relation to all Trades conducted on SFE by MF Global and all Contracts registered by MF Global with SFECH the Client has no rights whether by way of subrogation or otherwise against any person or corporation other than MF Global;
- 3.15 any benefit or right obtained by MF Global upon registration of a Futures Contract with ACH by novation of a contract under the ACH Clearing Rules or any other legal result of registration is personal to MF Global and the benefit of that benefit, right or legal result does not pass to the Client. The Client has no rights, whether by way of subrogation or otherwise, against ASX or ACH in relation to any dealings by MF Global (or any other market participant or clearing participant) in Futures Contracts;
- 3.16 MF Global is not required to act in accordance with the Client's instructions where to do so would constitute a breach of ASX Market Rules, the ACH Clearing Rules or the Corporations Act;
- 3.17 MF Global in Dealing in Futures Contracts on behalf of the Client may require the buying or selling of foreign currency and the exchange rate which shall apply is the exchange rate applicable at the time the Client's money is exchanged by MF Global's bankers or the Clearing House, unless otherwise agreed in writing between the parties;
- 3.18 a notice signed by any one of MF Global's directors, managers or other authorised employees, stating the amount of moneys due and payable by the Client shall be prima facie evidence of the same;
- 3.19 the Client has read and understood the documents (if any) given to it under the Business Rules (including ACH Clearing Rule 7.1.1(b));
- 3.20 MF Global will incur a personal obligation when dealing in Futures Contracts on behalf of the Client;

- 3.21 MF Global has entered into this Agreement and enters into each Trade and each Contract and accepts any Approved Securities in reliance on the representations and warranties in this Agreement (including those in any schedule to this Agreement);
- 3.22 MF Global has made no representations or warranties to the Client as to the results of Dealing in Contracts;
- 3.23 the Client has read and understood details of the contract specifications of Futures Contracts traded on ASX in which MF Global will deal on behalf of the Client;
- 3.24 that trading in Futures Contracts and Options Contracts incurs a risk of loss as well as a potential for profit;
- 3.25 the Client has given consideration to its objectives, financial situation and needs and has formed the opinion that Dealing in Contracts is suitable for the Client's purposes;
- 3.26 MF Global may in its absolute discretion accept, or refuse to accept the allocation to it of any Contract which may be allocated to MF Global by another Clearing Participant. Any allocation (if accepted) will be effected in accordance with the Clearing Rules; and
- 3.27 MF Global may pre-negotiate Trades where the Business Rules permit MF Global to do so.
- 3.28 MF Global will be under no liability arising in respect of any private dealing, contract, transaction or relationship between the Client and any of MF Global's employees or agents.
7. The Client acknowledges and agrees that:
- 7.1 the Client's instructions to MF Global in respect of dealings in Futures Contracts shall be valid only for the trading session for which the instructions are given, unless otherwise agreed between MF Global and the Client at the time the order is placed;
- 7.2 MF Global shall not in any way be liable (other than for negligence, fraud or dishonesty by itself, its employees or its agents in relation to MF Global's activities as a financial services licensee) for any trading loss incurred by the Client as a result of, or arising out of, or in connection with, any action or failure by MF Global to place and activate a stop loss order; and/or failure by MF Global to call a Client when a market reaches a specified level;
- 7.3 Good Till Cancelled (GTC) orders will remain in place until the expiry of the contract month for which an order is placed, unless specifically cancelled by the Client;
- 7.4 GTC orders will not be rolled on expiry from one contract month to the next contract month, unless the Client places a new order for the next contract month;
- 7.5 the Client authorises MF Global to execute Block Trades on behalf of the Client in accordance with the SFE Business Rules and this Agreement and the Client acknowledges that:

## EXECUTION OF ORDERS

4. MF Global will use its best endeavours to execute or arrange the execution of the Client's instructions, but MF Global will not be responsible for delays or errors in the transmission or execution of the Client's instructions except to the extent that they result primarily from MF Global's own negligence, fraud or dishonesty in relation to MF Global's activities as a financial services licensee.
5. The Client may give instructions to MF Global orally or in writing.
6. MF Global undertakes and the Client acknowledges that in respect of dealings in Futures Contracts on a Futures Exchange, instructions received from the Client, other clients and orders on MF Global's own account shall be executed by MF Global in the
- (a) the price quoted for Block Trades may or may not be the prevailing market rate;
- (b) the price at which a Block Trade is executed will not be used to establish the settlement price;
- (c) Block Trades effected under the Business Rules of SFE have no impact on SYCOM market data; and
- (d) Block Trades will be separately reported to the relevant Futures Exchange.
- 7.6 The Client authorises MF Global to trade large orders in accordance with the SFE Business Rules.

## TAPE RECORDING OF CONVERSATIONS

8. The Client AGREES that:
- 8.1 the Client's telephone conversations with MF Global can be recorded by MF Global or the relevant Futures Exchange, with or without an automatic tone warning device;
- 8.2 recordings or transcripts from such recordings may be used for any purpose which MF Global or the relevant Futures Exchange deems desirable, including their use as evidence by either party in any dispute or anticipated dispute between MF Global and the Client;
- 8.3 the Client has the right to listen to any recording in the event of a dispute or an anticipated dispute;
- 8.4 MF Global agrees to make available to the Client, on request, a copy of any existing recording pertaining to that Client's dealings in the event of a dispute or anticipated dispute with respect to that Client's dealings. The Client agrees to pay the reasonable costs of MF Global in providing a copy of any relevant recording;
- 8.5 nothing in this Agreement shall oblige MF Global to keep a recording.

## MF GLOBAL'S RIGHT TO DEAL

9. The Client AGREES AND ACKNOWLEDGES that:
- 9.1 MF Global and its related bodies corporate may deal in Contracts as principal on its own account;
- 9.2 directors and employees of, and persons, companies and entities associated with, MF Global (and/or any of MF Global's related bodies corporate) also may deal in Contracts on their own account; and
- 9.3 MF Global may, in certain circumstances permitted under the Corporations Act and the Business Rules of the Futures Exchange on which the Dealing takes place) knowingly or unknowingly take the opposite position in a Futures Contract to the Client either acting for another client or on its own account, and the Client acknowledges MF Global's right to do so and to charge the Client such amounts as are permitted by clause 13 as if MF Global had not taken the opposite side to the Client.

## CLEARING, DEPOSITS AND MARGINS

10. The Client AGREES AND ACKNOWLEDGES that:
- 10.1 Contracts;
- (a) entered into by MF Global on the instructions of the Client; or
- (b) allocated to MF Global by another Clearing Participant will, unless rejected by MF Global; will (unless they are allocated by MF Global to another Clearing Participant) be registered in MF Global's name with the relevant Clearing House;
- 10.2 the Client must provide MF Global with telephone contact through which the Client may be called 24 hours a day while holding an open position in a Futures Contract;
- 10.3 MF Global may call for payment of Initial Margin or Variation Margin (by whatever terms those obligations are described), such money or property (or call for the lodgement of Approved Securities in lieu thereof) or the provision to MF Global other security as MF Global, in its absolute discretion, deems is necessary or appropriate to protect itself from the personal obligation incurred by dealing in Contracts on behalf of the Client;
- 10.4 MF Global has the right whenever in its absolute discretion it considers it appropriate to raise or lower the Variation Margin or Initial Margin requirements, which once established, may apply to existing positions as well as new positions in the Contract affected by such change.
- 10.5 Should the Client fail to meet the call (or lodge Approved Securities) then MF Global may (without prejudice to any other rights or powers under this Agreement) in its absolute discretion, and without creating an obligation to do so, close out, without notice, all or some of the Client's Futures Contracts;
- 10.6 the time for payment of margins, money or for the provision of security is of the essence and if no other time is stipulated by MF Global when making a call then the Client is required to comply within twenty-four (24) hours;
- 10.7 liability to pay Initial Margin accrues at the time the trade is executed, irrespective of the time the call is made;

- 10.8 liability to pay Margin accrues at the time the Margin comes into existence regardless of when a call is made;
- 10.9 the Client is responsible to pay in cash any deficit owing to MF Global after closure and that if the Client defaults in payment of such deficit MF Global may realise any securities held by MF Global and apply the proceeds against that deficiency;
- 10.10 where the client directs that a Contract be allocated to a Clearing Participant of the relevant Clearing House other than MF Global, and (other than where that Contract is held with the Clearing Participant on account of MF Global) the Contract is registered in the Clearing Participant's name with the Clearing House, the effect of clauses 10.3 to 10.6 inclusive and clause 10.9 shall not apply in respect of that Futures Contract;
- 10.11 MF Global will not call any Initial Margin for an amount less than the minimum Initial Margin required by a Futures Exchange on which the relevant Contract was executed; and
- 10.12 the Client's liability in respect of margin calls is not limited to the amount, if any, deposited with MF Global.
- 11.4 the Client fails to meet a call for deposit or margin or lodge Approved Securities in lieu thereof or fails to pay, or provide security for, amounts payable to MF Global or fails to perform any obligation arising pursuant to the settlement of a Futures Contract;
- 11.5 the Client, being a natural person, dies or becomes of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- 11.6 any security created by any mortgage or charge binding upon the Client or the Client's assets becomes enforceable and the mortgagee or the chargee takes steps to enforce the security;
- 11.7 the Client imposes a moratorium on payments to creditors or ceases or threatens to cease carrying on business;
- 11.8 the Client's indebtedness becomes immediately due and payable, or capable of being declared due and payable, prior to its stated maturity, by reason of the Client's or any other person's default;
- 11.9 in the absence of the Client making alternative arrangements, the Client is not contactable by MF Global for any period of twenty-four (24) hours in order for MF Global to obtain instructions;

## CLIENT'S DEFAULT

11. The Client AGREES that each of the following shall constitute an event of default:
- 11.1 the Client becomes bankrupt or enters into a composition or arrangement for the benefit of its creditors or being a company goes into liquidation voluntarily or otherwise (except for the purpose of reconstruction) or enters into any scheme of arrangement with creditors under Part 5.1 of the Corporations Act (or under any similar law) or having any liquidator, receiver and manager, managing controller or official manager is appointed;
- 11.2 the Client makes any representation that is incorrect or misleading in any material way with the result that loss or damage is, or is likely to be, suffered by MF Global;
- 11.3 any guarantee of or security for the Client's obligations is, without the consent of MF Global, withdrawn or becomes ineffective, defective or insufficient and another replacement security acceptable to MF Global is not provided;
- 11.10 the conduct of the Client is such that a reasonably prudent financial services licensee would be of the view that the Client would (or is unlikely to) be unable to comply with all the Client's obligations under this Agreement, including - without limiting the generality of the foregoing, strict compliance with any time limits; or
- 11.11 the Client is a Clearing Participant of the Clearing House of the Futures Exchange on which or in accordance with which a Trade takes place and the Clearing House declines to accept allocation of the Trade to the Client.
12. If any Event of Default occurs, MF Global may, in addition to any other rights which it may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstances in connection with Futures Contracts entered into for the account of the Client (including without limitation, open contracts arising from those Futures Contracts) and, without limitation, MF Global may in its absolute discretion to do any one or more of the following:

- 12.1 enter into one or more transactions to effect the close out of one or more Open Contracts in accordance with the relevant Business Rules;
- 12.2 exercise one or more Futures Contracts in accordance with the relevant Business Rules;
- 12.3 close out, exercise or abandon any Option not yet exercised;
- 12.4 cover open positions by entering into further Futures Contracts;
- 12.5 terminate any other agreement or any account whatsoever between the Client and MF Global;
- 12.6 cancel any outstanding orders in order to close the Client's account or accounts in respect of which there are monies owing to MF Global or in respect of which account or accounts there are insufficient funds deposited with MF Global and available to it, to satisfy monies owing to MF Global;
- 12.7 satisfy any obligation the Client may have to MF Global out of any property, money or security belonging to the Client in MF Global's custody or control including, without limitation, by selling any Approved Securities lodged by the Client with MF Global and for that purpose to enforce at the Client's expense any asset or security held by MF Global in such manner as it sees fit;
- 12.8 satisfy any obligation the Client may have to MF Global by transferring from the Client's other accounts, if any, whether carried or managed by MF Global, such funds as may be required for that purpose;
- 12.9 exercise any other rights conferred by the relevant Business Rules or this Agreement or perform any other obligations arising under the relevant Business Rules or this Agreement in respect of any Futures Contracts;
- 12.10 exercise any power or right which MF Global may have under any other agreement between MF Global and the Client (including without limitation any agreement relating to any other exchange traded derivatives or over-the-counter derivatives) as if an event of default (however defined in that agreement) had occurred in relation to that contract or the Client is otherwise in breach of that agreement; or
- 12.11 exercise any other power or right which MF Global may have under this Agreement or in law or equity or take such other action as a reasonably prudent financial services licensee would take in the circumstances to protect the personal obligation incurred when dealing on behalf of the Client,
- and the Client must account to MF Global as if those actions were taken on the instructions of the Client and, without limitation, is liable for any deficiency and is entitled to any surplus which may result. MF Global will not lose any of its rights under this clause 12 by reason of any delay in the exercise of the right and if MF Global does exercise any such right it may do so at any time and in any manner.

### **COMMISSION, FEES, EXPENSES**

13. The Client AGREES to pay to MF Global commissions, fees, taxes and charges in connection with Dealings in Futures Contracts for the Client at the rate determined by MF Global from time to time and notified to the Client in writing. In particular, the Client must pay to MF Global:
- 13.1 commission and fees at such a rate as is notified by MF Global to the Client from time to time, which commission or fees may include amounts payable by MF Global to a Futures Exchange;
- 13.2 all stamp duty, duties and taxes (including GST) payable on this Agreement or in connection with dealings in Contracts entered into on behalf of the Client or both;
- 13.3 all amounts payable as result of making or taking delivery or making a cash adjustment in accordance with the terms of a Contract;
- 13.4 all amounts incurred by MF Global as a result of the Client's default under the terms of this Agreement, including without limiting the generality of the foregoing all legal costs and expenses on a solicitor/client basis; and
- 13.5 in respect of any unpaid amount required to be paid under this Agreement, (including without limiting the generality of the foregoing, any amounts due as a result of the Client's Futures Contract being closed out) interest at a rate agreed between MF Global and the Client (and in the absence of such agreement, the rate last notified by MF Global to the Client, being a rate determined by MF Global in its absolute discretion) and the client and such interest shall accrue and be calculated from the date when the amount was due (irrespective of any grace period) to the date of its final payment in full.

- 13.6 All payments by the Client under this Agreement are to be made without any setoff by the Client, counter claim or condition and without any deduction or withholding for any tax or any other reason unless the deduction or withholding is required by applicable law. If the Client is required to make a deduction or withholding in respect of tax from any payment to be made or if MF Global is required to pay any tax in respect of any payment made in relation to this agreement at the Client's request then the Client indemnifies MF Global against that tax and agrees to pay to MF Global an additional amount to ensure MF Global receives a net amount (after payment of any tax in respect of each additional amount) that is equal to the full amount MF Global would have received had a deduction or withholding or payment of tax not been made.

### **DELIVERY AGAINST FUTURES POSITIONS**

14. The Client AGREES AND ACKNOWLEDGES that:
- 14.1 MF Global does not permit Clients to enter into delivery against futures or options positions on non SFE markets or non ASX markets;
- 14.2 in non SFE Contracts or non ASX Contracts for which there is no cash settlement the Client must close out all open positions in the current month, before the delivery period;
- 14.3 if no instructions to close out the Client's position in the current month of a deliverable Contract (on a non SFE or non ASX market) have been received before the last trading day, MF Global may (but is not obliged to) close out the Client's position without further reference to the Client;
- 14.4 the Client may not enter into the delivery period of an SFE or ASX Contract without sufficient funds in the Client's account to take delivery and/or the documentation required by the SFE or ASX to take or make delivery; and
- 14.5 in the event the Client does enter into the delivery period of an SFE or ASX Contract without sufficient funds in the Client's account to take delivery and/or the documentation required by the SFE or ASX to take or make delivery, MF Global may (but is not obliged to) close out the Client's position without further reference to the Client.

### **EXCHANGE RATE RISK**

15. If the Client defaults under the terms of this Agreement MF Global may elect to convert any amount owed by the Client (including any interest) into Australian currency either at the date of the Client's default or at any time up to and including the date on which the Client pays the amount owed to MF Global in full.

### **SEGREGATED ACCOUNTS**

16. The Client AGREES AND ACKNOWLEDGES that:
- 16.1 all the money and property deposited with MF Global or received by MF Global on behalf of the Client will be segregated by MF Global in accordance with the Futures Law and the relevant Business Rules;
- 16.2 the Client's monies and the monies of other client of MF Global will be combined and deposited by MF Global in a clients' segregated account. All monies credited to the clients' segregated account maintain by MF Global may be used by MF Global to meet the default of any client of MF Global;
- 16.3 the Client will be entitled to interest on client segregated funds (except for Initial Margins and Variation Margins required to maintain open positions) held by MF Global at a rate agreed between MF Global and the client from time to time (and, in the absence of such agreement, the rate determined by MF Global and last notified to the Client); and
- 16.4 individual Client accounts are not separated from each other within the Clients' segregated account and that the Client's segregated account provisions may not insulate an individual Client's funds from a default in the Client's segregated account. The Business Rules require that an Exchange Participant cover any deficit resulting from a Client default in the Clients' segregated account within 5 Business Days.

### **AUD AND FOREIGN CURRENCY DEPOSITS**

17. The Client may deposit AUD or Foreign Currency to the credit of the Client's account. Each Foreign Currency balance recorded in the Client's account is operated as a separate ledger, called a Foreign Currency Ledger. Any deposit in a Foreign Currency which the Client makes to, or which is recorded in, the Client's account will be recorded in the Foreign Currency Ledger.

18. If an amount is payable by MF Global to the Client in a Foreign Currency, the Client may request that MF Global converts such amount into AUD. The Client may also request that MF Global convert a balance in the Client's Account from AUD to a Foreign Currency or from a Foreign Currency into AUD or another Foreign Currency. MF Global will decide in its sole discretion whether to approve and effect such conversion.
19. A conversion effected under clause 18 will involve the entry into foreign exchange contracts within the meaning of the Corporations Act and will be at the Exchange Rate quoted by MF Global. In respect of each conversion, MF Global will charge the Client a spread on the Exchange Rate, which will be debited from the Client's account.
- 22.2 to refuse to enter into transactions on ASX for the Client, or may limit the transactions it enters into on ASX for the Client. MF Global will notify the Client of any refusal or limitation as soon as practicable; and/or
- 22.3 to impose a position limit (either in monetary terms or in number of Contracts, or both) as to Contracts entered into, or Contracts held on behalf of the client; and/or
- 22.4 if a Position Limit is exceeded, MF Global shall in its absolute discretion be entitled (but shall not be obliged) to close out Futures Contracts at the times and to extent MF Global decides is desirable to cause the Client's remaining contracts to conform to the Position Limit referred to in clause 22.3.

## APPOINTMENT OF ATTORNEY

20. The Client in relation to dealings on SFE appoints the Managing Director of SFECH as the Client's attorney to do all things necessary to transfer any open position held by MF Global with SFECH on the Client's behalf to another Participant of SFECH where the participation status of MF Global has been suspended or terminated.
21. The Client irrevocably appoints severally ASX, ACH, and every director, manager and assistant manager for the time being of ASX or ACH, at the option of ASX or ACH (as applicable) to do all acts and execute all documents on the Client's behalf for the purpose of exercising the powers conferred on ASX and ACH under their respective Business Rules governing participant default.

## POSITION LIMIT

22. MF Global reserves the right, at any time and from time to time in its discretion, and by notice in writing or verbally to the Client, to refuse to Deal for the Client in any Contract on any Futures Exchange, including:
- 22.1 to refuse to Deal or to act on behalf of the Client in relation to Dealings in Contracts on SFE (other than to close out an existing open position held in MF Global's account with SFECH on behalf of the Client) or to limit the number of Open Positions held on behalf of the Client or both. MF Global will inform the Client of any refusal at or before the time for the Client placing the order or as soon as possible thereafter; and/or

## INDEMNITY

23. Without limiting the indemnity in clauses 3.10 or 34, the Client hereby indemnifies and agrees to keep indemnified MF Global and each of its related bodies corporate and each of their respective employees, agents and representatives from and against all sums of money, actions, proceedings, suits, claims, demands, damages, costs, expenses and any other amounts whatsoever payable by or on behalf of or to the account of any of them arising out of any default, whether by act or omission, of the Client under this Agreement, or as a result of any of the representations or warranties made by the Client under this Agreement being untrue at any time they are taken to be made, or anything lawfully done by any of them in accordance with this Agreement or by reason of and of them complying with any direction, request or requirement of a Futures Exchange or its Clearing House or other regulatory authority.

## CONFIRMATIONS, MONTHLY STATEMENTS AND AVERAGE PRICING AND OTHER DISCLOSURES

24. MF Global shall give to the Client confirmations and monthly statements as required by the Business Rules and the Futures Law.
25. The Client undertakes to examine the terms of each report to the Client on the execution of instructions and/or confirmation immediately upon receipt and to promptly notify MF Global of any objection to the contents thereof. Unless within 48 hours of issue of a written confirmation the Client notifies MF Global of any disputed detail in the confirmation, the Client agrees that the contents of the confirmation, in the

absence of manifest error, will be conclusive evidence of the executed deal. Upon receipt within that 48 hours of written notice as to a disputed detail, MF Global will investigate the matters disputed and the Client will cooperate with MF Global in good faith to resolve the dispute. The Client will, notwithstanding any such dispute, continue to satisfy the Client's obligation to pay margin calls made by MF Global as if the details contained in the confirmation were correct and not the subject of dispute.

26. Despite anything to the contrary in this Agreement, the Client authorises MF Global, to the extent permitted by the Futures Law and Business Rules, to give to the Client a single confirmation in respect of a series of Trades entered into by the Client that specifies the average contract price of the Contracts acquired or disposed of in the series of Trades, instead of an individual confirmation in respect of each Trade in the series that specifies the contract price of the Contract acquired or disposed of in the Trade to which each confirmation relates.
27. The Client authorises MF Global to provide confirmations, monthly statements or other documents or statements which MF Global is required to give to the Client under Chapter 7 of the Corporations Act electronically or by way of a standing facility or internet facility.

## TERMINATION

28. Without affecting any existing obligations or liabilities, either the Client or MF Global may terminate this Agreement at any time by giving the other a notice in writing to that effect. This Agreement shall terminate on the date of service of the notice or on the date specified in the notice which ever is the later.
29. Termination does not affect the existing rights and obligations of the Client or MF Global at or prior to termination. Upon termination of this Agreement, MF Global will close out all open Futures Contracts entered into by MF Global on any Futures Exchange for the account of the Client (and will close out, abandon or exercise any Options not yet exercised), unless, in accordance with a direction from the Client, in relation to Contracts entered into on ASX, those contracts are transferred to another participant in accordance with the ASX Market Rules and the ACH Clearing Rules.

## NOTICES

30. Any notice to be served by one party on the other (including legal process, to the extent permissible at law) pursuant to this Agreement shall be in writing and shall be deemed to have been duly served if given:
- 30.1 by mail, five (5) Business Days after it is posted where the party's last known address is in the Commonwealth of Australia, and ten (10) Business Days after it is posted by airmail where the party's last known address is outside the Commonwealth of Australia; or
- 30.2 by hand, at the time it is left at the party's last known place of residence or business; or
- 30.3 by facsimile transmission, on production of a transmission report by the transmitting machine indicating that the notice was sent in its entirety to the facsimile number of the addressee as last notified to the sender; or
- 30.4 any such notice shall be deemed to have been served at an earlier time than as presumed in this clause if that is acknowledged by the receiving party.

## AUTOMATED ORDER ENTRY AGREEMENT

31. The Automated Order Entry Agreement contained in Annexure 1 of this Agreement will form part of the terms of this Agreement in the event MF Global provides the Client with access to Order Entry Facilities in respect of SYCOM access.

## SPOT BULLION

32. The parties agree that spot bullion may be traded under the terms of this Agreement.

## GENERAL

33. Every exemption from liability, defence or immunity available to MF Global shall also be available to and extend to protect every one of each of MF Global's related bodies corporate and their respective employees, agents and representatives.
34. To the extent permitted by law, in the absence of negligence, fraud or dishonesty by MF Global or any of its related bodies corporate or any of their respective employees, agents and representatives, in relation to MF Global's activities as a financial services licensee, MF Global shall not be liable to the

Client for any loss or damage suffered by the client in respect of any advice or recommendation given by MF Global or any of its related bodies corporate or any of their respective employees, agents and representatives to the Client in relation to MF Global's activities as a financial services licensee, or for any delay in the communication of orders due to any breakdown or failure of the transmission or communication facilities of MF Global or any other person, or for any other cause, or causes, beyond MF Global's reasonable control or anticipation and, without limiting the indemnity in clauses 3.10 or 23, the Client indemnifies and agrees to keep indemnified MF Global, each of its related bodies corporate and each of their respective employees, agents or representatives from and against all sums of money, actions, proceedings, suits, claims, demands, damages, costs, expenses and other amounts whatsoever arising in respect of any such loss or damage.

35. If any term or part thereof of this Agreement shall be invalid or not enforceable in accordance with its terms, all other terms or parts thereof which are self-sustaining and capable of separate enforcement without regard to the invalid or unenforceable term or part thereof shall be and continue to be valid and enforceable in accordance with its terms.
36. MF Global may from time to time amend, alter, modify, substitute or supplement the terms of this Agreement by notice to the Client of such change.
37. MF Global shall be entitled to assign the benefits under the terms of this Agreement in conjunction with any sale or transfer by MF Global of the whole of its business, goodwill, other assets or part thereof.
38. No failure, delay, relaxation or indulgence on the part of MF Global in exercising any power or right conferred upon it under this Agreement or otherwise shall operate as a waiver of such power or right, nor shall any single or partial exercise of such power or right preclude any future exercise thereof.

#### **PROVISION OF INFORMATION AND/OR ADVICE TO THE CLIENT**

39. The following provisions apply to the extent that MF Global provides financial product advice to the Client:
- 39.1 MF Global does not give personal financial product advice. Accordingly, any financial product advice which MF Global gives to the Client is general

financial product advice and does not take account of a Client's objectives, financial situation or needs. Therefore, the Client should, for acting on that advice, consider its appropriateness, having regard to the Client's objectives, financial situation and needs, and consider obtaining independent advice. If the advice relates to the acquisition or possible acquisition of a particular financial product, the Client should obtain any relevant disclosure document (such as a Product Disclosure Statement) prepared in respect of that product and consider that document before making any decision about whether to acquire the product.

- 39.2 While MF Global believes that any information or advice provided to the Client is reliable, to the extent permissible at law, no warranty is given as to its accuracy and any person who relies on it does so at its own risk. In so far as any such information or advice contains material from other sources, to the extent permissible at law MF Global makes no warranty in respect of and MF Global accepts no responsibility for the accuracy of that material. All information and advice provided to the Client is for the private use of the Client and is not to be communicated to any third party without the prior written consent of MF Global.

#### **PROPER LAW**

40. This Agreement shall be governed by and construed in accordance with the laws of New South Wales and each party submits to the non-exclusive jurisdiction of the Courts of New South Wales.

#### **AUTHORISED PERSONS**

41. MF Global is authorised to act upon the written or oral instructions of the Client and in particular without limitation, the person authorised under this clause to instruct MF Global's on the Client's account. The persons authorised to instruct MF Global on the Client's account are any of those listed in the Master Schedule ("Authorised Person") unless otherwise directed in writing to MF Global by the Client.
42. For the purpose of this Clause, persons may only be authorised in the following circumstances:

- (a) The Client is a company, corporation, body corporate or partnership and the Authorised Person is a director or employee of the Client.

- (b) The Client is a natural person and the Authorised Person is a family member and is appointed to act on behalf of the Client; or
- (c) The Authorised Person holds, or its activities are covered by, an Australian Financial Services Licence, which authorises the Authorised Person to perform the role of an Authorised Person, unless the person is exempt from the requirement under the Corporations Act.

Where under paragraph (c) the Authorised Person is a body corporate:

- (d) if the body corporate holds an Australian Financial Services Licence, or its activities are covered by an Australian Financial Services Licence, each person who is a “representative” within the meaning of Chapter 7 of the Corporations Act of the Authorised Person is taken to have the authority of the Client to give MF Global instructions on the Client’s account; and
  - (e) in any other case, each director and employee of the Authorised Person is taken to have the authority of the Client to give MF Global instructions on the Client’s account.
43. The Client may at any time vary its Authorised Persons by notification to MF Global in writing.
44. MF Global is not obliged to take any action if an instruction is not made by an Authorised Person, or to enquire as to the identity of any person if it reasonably believes such person is an Authorised Person.
45. If MF Global receives an instruction in circumstances where it is reasonable for MF Global to assume it was from an Authorised Person, MF Global is not liable for any action or omission by MF Global in reliance on that instruction.
46. MF Global is not liable in respect of any act or omission by MF Global in reliance on any instruction given or action taken by any person acting or purporting to act on behalf of the Client who is not an Authorised Person.
47. Clauses 41 to 46 shall not apply to the extent the liability arises from the negligence, fraud or dishonesty of MF Global or any of its employees and agents in relation to MF Global’s activities as a financial services licensee.

## CANCELLATION OF TRANSACTIONS AND OTHER ASX POWERS

48. The Client acknowledges that ASX has a range of powers under ASX Market Rule 15 (Trade Errors, Cancellations and Dealing Disputes) including the power to cancel or amend transactions in Futures through ASX.
49. The Client authorises MF Global and agrees that MF Global may, without the Client’s consent, cancel or amend (or request or agree to the cancellation or amendment of) any transaction in Futures entered into by MF Global on behalf of the Client through ASX:
- (a) if ASX exercises its power under the ASX Market Rules to cancel or amend (or require the cancellation or amendment of) that transaction; or
  - (b) in the event of an Error (as defined in the ASX Market Rules) or otherwise in circumstances contemplated in the ASX Market Rules.
50. The obligations of the Client and the MF Global relating to settlement and clearing of a transaction cease to apply in respect of a cancelled transaction from the time it is cancelled, and in respect of an amended transaction apply as amended.
51. The Client agrees not to make, and releases MF Global from any right the Client may have to make, any Claim against MF Global for any Loss incurred or suffered by you which may arise in connection with the exercise of any power by ASX under ASX Market Rule 15 (whether or not MF Global has given the Client a confirmation in respect of any affected transaction).

In this clause:

Claim means a claim, action, proceeding or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Loss means a damage, loss, cost, expense or liability incurred by the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

## AMENDMENTS REQUIRED BY ASX

52. If ASX or ACH prescribes amended minimum terms for a Client Agreement for the purposes of its Business Rules (the “New Terms”), to the extent of any inconsistency between these minimum terms and the New Terms, the New Terms will override the terms of this Agreement and apply as if the Client and MF Global had entered into an agreement comprising the New Terms.
53. MF Global will provide a copy of the New Terms to the Client as soon as practicable after ASX or the relevant Clearing House prescribes the New Terms.

## CHANGE OF PARTICIPANT

54. If the Client receives a Participant Change Notice from MF Global and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Participant, the Client is under no obligation to agree to the change of Participant, and may choose to do any of the things set out clauses 55 or 56.
55. The Client may choose to terminate these terms in accordance with clause 28 or by giving instructions to MF Global, indicating that the Client wishes to transfer its Futures Contracts entered into through ASX to another Participant.
56. If the Client does not take any action to terminate this Agreement and does not give any other instructions to MF Global which would indicate that the Client does not agree to the change of Participant then, on the Effective Date, this Agreement will have been taken to be novated to the new Participant and will be binding on all parties as if, on the Effective Date:
- (a) the new Participant is a party to this Agreement in substitution for MF Global;
  - (b) any rights of MF Global are transferred to the new Participant; and
  - (c) MF Global is released by you from any obligations arising on or after the Effective Date.
57. The novation in clause 56 will not take effect until the Client has received notice from the new Participant confirming that the new Participant consents to acting as the Participant for the Client. The Effective Date may as a result be later than the date set out in the Participant Change Notice.

58. the Client will be taken to have consented to the events referred to in clause 57 by the doing of any act which is consistent with the novation of this Agreement to the new Participant (for example by giving an instruction to the new Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
59. This Agreement continues for the benefit of MF Global in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation in clause 57 not binding or effective on the Effective Date, then this Agreement will continue for the benefit of MF Global until such time as the novation is effective, and MF Global will hold the benefit of this Agreement on trust for the new Participant.
60. Nothing in clauses 54 to 59 will prevent the completion of transactions in Futures Contracts or any Futures Contracts by MF Global where the obligation to complete those transactions or contracts arises before the Effective Date and this Agreement will continue to apply to the completion of those transactions or contracts, notwithstanding the novation of this Agreement to the new Participant under clause 56.

# Addendum - Futures Contracts Over An Underlying Commodity Which Is Grain

## Client Agreement - Minimum Terms

ASX and ACH require the following additional minimum terms to be included in the Client Agreement if MF Global will trade through ASX on behalf of Clients in Futures Contracts over grain.

In this addendum the following terms have the following meanings:

**“Bulk Handler”** means any company which operates Delivery Depots with whom ACH has entered into an arrangement for the storage and handling of the Underlying Commodity;

**“Bulk Handler Agreement”** means a bulk handler agreement with the relevant Bulk Handler governing the storage and handling of an Underlying Commodity;

**“Delivery Depot”** means a facility for the storage and handling of the Underlying Commodity in a location approved by ASX in consultation with ACH;

**“Interest”** means, in relation to an Underlying Commodity which is grain, the interest which ACH has in the Underlying Commodity under the terms of the Bulk Handler Agreement; and

**“Underlying Commodity”** has the meaning it has in the ASX Market Rules.

Other capitalised terms have the meaning they have in the ASX Market Rules or the ACH Clearing Rules.

### 1. THE NATURE OF THE FUTURES CONTRACT AND THE UNDERLYING COMMODITY

The Client acknowledges that:

- (a) ACH operates a clearing and settlement facility for deliverable Futures Contracts over an Underlying Commodity which is grain;
- (b) under the ACH Clearing Rules, a Clearing Participant which is a Seller under a Futures Contract must ensure that ACH holds, prior to the settlement of the contract by effecting delivery of the Underlying Commodity, an Interest in the Underlying Commodity and that Interest will be held by ACH for the benefit of that Clearing Participant;

- (c) ACH will hold the Interest in the Underlying Commodity for the benefit of a Clearing Participant which is a Buyer where the Buyer has taken delivery in accordance with the ACH Clearing Rules;
- (d) ACH will not generally take or make actual physical delivery of the Underlying Commodity from or to a Clearing Participant;
- (e) the Underlying Commodity in which ACH holds the Interest is held by a Bulk Handler in a Delivery Depot and the physical storage, transfer and physical delivery of the Underlying Commodity is governed by the terms of the relevant Bulk Handler Agreements;
- (f) the Bulk Handler will hold the Underlying Commodity for a number of Clients of the Bulk Handler (one of which is ACH) and will recognise the interest of ACH in the stored Underlying Commodity with the other Clients of the Bulk Handler (as owners in common);
- (g) the Bulk Handler will only recognise ACH’s Interest and is not bound to recognise that ACH may hold the Interest, or any part of the Interest, for the benefit of a Clearing Participant or the Client;
- (h) ACH may deal with, and exercise all rights attached to, its Interest in accordance with the ACH Clearing Rules and any Bulk Handler Agreement and need not, subject to the ACH Clearing Rules, have regard to any interest the Client or Clearing Participant might have in the Underlying Commodity; and
- (i) ACH has no obligation to insure any Interest or any Underlying Commodity represented by that Interest.

### 2. NO REPRESENTATIONS AND WARRANTIES BY ASX OR CLEARING HOUSE

The Client acknowledges that neither ASX nor ACH makes any warranty or representation to the Client or MF Global:

- (a) concerning the quality or suitability for any purpose of any Underlying Commodity or the correspondence of any Underlying Commodity with any description or sample;

- (b) that any Bulk Handler Agreement or any similar agreement between the Bulk Handler and any other person is valid or enforceable;
- (c) that the interest conferred on ACH under any Bulk Handler Agreement is a valid and enforceable interest or that it confers on or through ACH a proprietary interest in the relevant Underlying Commodity; or
- (d) concerning the suitability or financial viability of, or the services provided by, the Bulk Handler.

The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded from any contract created or contemplated by the Rules.

### 3. INSTRUCTIONS

MF Global will notify the Client of procedures for the Client to give instructions for the lodgement of Tender Documentation prior to the settlement of Open Contracts including, without limitation, the latest time at which those instructions will be accepted.

### 4. PRE-SETTLEMENT ARRANGEMENTS FOR SELLERS

Prior to the Client instructing MF Global to settle a Futures Contract by effecting delivery of the Underlying Commodity, the Client must have transferred, or procured the transfer, through a Clearing Participant to ACH an Interest in the Underlying Commodity at least two Business Days prior to instructing the Participant to effect tender in accordance with the ACH Clearing Rules and ACH Clearing Procedures.

### 5. AUTHORITY

If the Client transfers or delivers, or provides for transfers or delivery, of the Underlying Commodity to MF Global to enable MF Global to meet its obligations to ACH under the ACH Clearing Rules, the Client represents and warrants to MF Global that:

- (a) it has capacity and authority to transfer or deliver (as applicable) the Underlying Commodity to MF Global;
- (b) that MF Global is authorised to transfer or deliver (as applicable) the Underlying Commodity (or an interest in the Underlying Commodity) to ACH; and
- (c) that the Underlying Commodity (or an interest in the Underlying Commodity) is free from any encumbrance or lien.

## 6. CONVERSION OF “OLD SEASON GRAIN” TO “NEW SEASON GRAIN”

The Client acknowledges that the Bulk Handler Agreement may give ACH, as the holder of the Interest, the right to convert “old season grain” to “new season grain” and MF Global is, under the ACH Clearing Rules, required to indemnify ACH against any costs and expenses incurred by ACH where ACH exercises any right in respect of such conversion.

### 7. CLEARING HOUSE DIRECTIONS

The Client acknowledges that ACH may make a direction to MF Global to either:

- (a) accept the transfer from ACH of all or part of the Interest which ACH holds for the benefit of MF Global; or
- (b) accept physical delivery from ACH (or its agent) of all or part of the Underlying Commodity represented by that Interest.

The Client also acknowledges that if MF Global does not comply with a direction of that kind from ACH, ACH has powers under the ACH Clearing Rules to dispose of the Interest or the Underlying Commodity represented by the Interest.

### 8. MF GLOBAL DIRECTIONS

When MF Global holds or receives the Underlying Commodity or any interest in the Underlying Commodity for the benefit of the Client, the Client must in turn comply with any direction given in connection with the holding, transfer or delivery of the interest or the Underlying Commodity which MF Global considers necessary to comply with its obligations under the ACH Clearing Rules or any agreement between MF Global and a Bulk Handler. MF Global may take all necessary steps, including the execution of all necessary documents, to give effect to that direction.

# Schedule 1

## Where Client Is Responsible Entity Of A Fund

### 1. DEFINITIONS

1.1 In this schedule:

“**Fund**” means the fund identified in the Master Schedule.

“**Fund Constitution**” means the constitution governing the Fund, as varied, substituted, supplemented or resettled from time to time.

### 2. CLIENT UNDERTAKINGS IN RESPECT OF FUND

2.1 The Client must not retire as responsible entity of the Fund unless it has given 30 days written notice to MF Global of its intention to retire and upon satisfaction of the following conditions:

2.1.1 The successor responsible entity must be acceptable to MF Global (acting reasonably); and

2.1.2 The successor responsible entity must execute whatever documents MF Global reasonably requires to ensure that this agreement is binding on it.

2.2 The Client agrees with MF Global that it will (or will procure that the following will be done):

2.2.1 in relation to the Fund, ensure that other than with MF Global’s prior consent:

(a) the Fund Constitution is not amended in any way which could have a material adverse affect on the ability of the Client to comply with its obligations under this agreement or could otherwise be prejudicial to MF Global;

(b) the Fund Constitution is not revoked;

(c) where it determines that the Fund Constitution, the compliance plan for the Fund, or any custodian or other agency agreement entered into by it in connection with the Fund is required by law to be changed or replaced, promptly give MF Global full details of the requirement and copies of the documentation it proposes to enter into to comply with that requirement;

(d) there is no re-settlement, setting aside or transfer of any asset of the Fund other than a transfer which complies with the Fund Constitution and this agreement;

(e) the Client’s obligations under the Fund Constitution and at law are fully complied with;

(f) except in accordance with clause 2.1 of this schedule 2 no other person is appointed responsible entity of the Fund;

(g) subject to section 601FM of the Corporations Act and except where and to the extent that the Client has retired as responsible entity of the Fund in accordance with clause 2.1 of this schedule 2 nothing is done which would cause or enable the removal of the Client as responsible entity of the Fund, nor retire as responsible entity;

(h) not without MF Global’s prior written consent (such consent not to be unreasonably withheld);

(i) appoint a custodian or other agent to carry out any of its functions as responsible entity of the Fund; or

(ii) terminate the appointment of any custodian or other agent appointed in accordance with sub paragraph (i);

(iii) the vesting date under the Fund Constitution is not changed or fixed;

(iv) subject to section 601GA(2) of the Corporations Act ensure that nothing occurs which could limit, exclude or otherwise derogate from in any material way the Client’s right under the Fund Constitution and the general law to be indemnified out of the assets of the Fund; and

(v) subject to the terms of the Fund Constitution and the general law, the Client’s lien over the property of the Fund will have priority over the rights of the members of the Fund.

### 3. REPRESENTATIONS AND WARRANTIES

#### 3.1 Trust Representations and Warranties

- 3.1.1 the Fund has been duly constituted and is validly existing in compliance with all applicable laws and the Fund Constitution has been duly executed and duly stamped, in each case in accordance with the laws of each State and Territory of Australia;
- 3.1.2 the Fund Constitution and its constituent documents give it power:
- (a) to carry on all of the business activities now conducted by it in any capacity;
  - (b) to enter into and comply with its obligations under, and to carry on the transactions contemplated by, this agreement;
  - (c) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the Fund Constitution, any other document or any law for the entry into, observance and performance by it of its obligations under this agreement;
  - (d) each of its obligations under, and the transactions contemplated by, this agreement constitute binding obligations and are completely and lawfully enforceable against it and the Fund's property in accordance with their terms;
  - (e) it is the only responsible entity of the Fund;
  - (f) no property of the Fund has been re-settled, set aside or transferred to any other trust or settlement;
  - (g) the Fund has not been terminated, nor has the date or any event for the vesting of the Fund's property occurred;
  - (h) no determination has been made to distribute the Fund's property on a date which is earlier than the latest date under the Fund Constitution by which the Fund's property must be distributed;

- (i) there is no conflict of interest on the Client's part in entering into this agreement and performing its obligations under it or the transactions contemplated by it;
- (j) except as required by section 601GA(2) of the Corporations Act and except to the extent expressly stated in the Fund Constitution, the Client's rights under the Fund Constitution and the general law to be indemnified out of, and have a lien over, the assets of the Fund have not been limited in any way. Without limitation the Client has no liability which may be set-off against that right of indemnity;
- (k) it has complied with its obligations in connection with the Fund.

# Schedule 2

## Where Client Is Trustee Of A Trust

### 1. DEFINITIONS

1.1 In this schedule:

**“Trust”** means the trust identified in the Master Schedule.

**“Trust Deed”** means the trust deed governing the Trust, as varied, substituted, supplemented or resettled from time to time.

### 2. ADDITIONAL REPRESENTATIONS AND WARRANTIES

2.1 Trust Representations and Warranties

The Client represents and warrants to MF Global that:

2.1.1 the Trust has been duly constituted and is validly existing in compliance with all applicable laws and the Trust Deed has been duly executed and duly stamped, in each case in accordance with the laws of each State and Territory of Australia;

2.1.2 the Trust Deed and its constituent documents give it power:

- (a) to carry on all of the business activities now conducted by it in any capacity;
- (b) to enter into and comply with its obligations under, and to carry on the transactions contemplated by, this agreement;
- (c) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the Trust Deed, any other document or any law for the entry into, observance and performance by it of its obligations under this agreement;
- (d) each of its obligations under, and the transactions contemplated by, this agreement constitute binding obligations and are completely and lawfully enforceable against it and the Trust’s property in accordance with their terms;

- (e) it is the only trustee of the Trust;
- (f) no property of the Trust has been re-settled, set aside or transferred to any other trust or settlement;
- (g) the Trust has not been terminated, nor has the date or any event for the vesting of the Trust’s property occurred;
- (h) no determination has been made to distribute the Trust’s property on a date which is earlier than the latest date under the Trust Deed by which the Trust’s property must be distributed;
- (i) there is no conflict of interest on the Client’s part in entering into this agreement and performing its obligations under it or the transactions contemplated by it;
- (j) it has an unrestricted right to be fully indemnified or exonerated out of the Trust’s property in respect of any losses or liabilities incurred by it and the Trust’s property is sufficient to satisfy that right of indemnity or exoneration;
- (k) it has complied with its obligations in connection with the Trust.

# Schedule 3

## Where Client Is Trustee Of A Superannuation Fund

### 1. DEFINITIONS

1.1 In this schedule:

**“Superannuation Fund”** means the Superannuation Fund identified in the Master Schedule,

**“Fund Constitution”** means the constitution governing the Superannuation Fund, as varied, substituted, supplemented or resettled from time to time.

### 2. ADDITIONAL REPRESENTATIONS AND WARRANTIES

2.1 Superannuation fund Representations and warranties

The Client represents and warrants that:

2.1.1 the transactions contemplated by this agreement in so far as they concern the Superannuation Fund:

- (a) comply with all requirements of the Superannuation Industry (Supervision) Act 1993 (the “Act”);
- (b) have been or are to be implemented in accordance with an investment strategy undertaken in accordance with Act, as contemplated by section 52(2)(f) of the Act;
- (c) comply with all the requirements of the Fund Constitution and rules of the Superannuation Fund, in force at the date of this agreement; and
- (d) have been or are undertaken on an arm’s length basis, for value and on commercial terms.

### 2.2 TRUST REPRESENTATIONS AND WARRANTIES

The Client represents and warrants to MF Global that:

2.2.1 the Superannuation Fund has been duly constituted and is validly existing in compliance with all applicable laws and the Fund Constitution has been duly executed and duly stamped, in each case in accordance with the laws of each State and Territory of Australia;

2.2.2 the Fund Constitution and its constituent documents give it power:

- (a) to carry on all of the business activities now conducted by it in any capacity;
- (b) to enter into and comply with its obligations under, and to carry on the transactions contemplated by, this agreement;
- (c) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the Fund Constitution, any other document or any law for the entry into, observance and performance by it of its obligations under this agreement;
- (d) each of its obligations under, and the transactions contemplated by, this agreement constitute binding obligations and are completely and lawfully enforceable against it and the Trust’s property in accordance with their terms;
- (e) it is the only trustee of the Superannuation Fund;
- (f) no property of the Superannuation Fund has been re-settled, set aside or transferred to any other trust or settlement;
- (g) the Superannuation Fund has not been terminated, nor has the date or any event for the vesting of the Trust’s property occurred;
- (h) no determination has been made to distribute the Superannuation Fund’s property on a date which is earlier than the latest date under the Fund Constitution by which the Superannuation Fund’s property must be distributed;
- (i) there is no conflict of interest on the Client’s part in entering into this agreement and performing its obligations under it or the transactions contemplated by it;
- (j) it has an unrestricted right to be fully indemnified or exonerated out of the Superannuation Fund’s property in respect of any losses or liabilities incurred by it and the Superannuation Fund’s property is sufficient to satisfy that right of indemnity or exoneration;
- (k) it has complied with its obligations in connection with the Superannuation Fund.

# Schedule 4

## Where Client Acts As Agent For Investors (Including Investment Manager)

### 1. DEFINITIONS

1.1 In this schedule:

**“Investment Management Agreement”** means the document identified as such in the Master Schedule.

**“Investor”** means each of the investors described in the Master Schedule.

### 2. UNDERTAKING

2.1 The Client agrees with MF Global that it will ensure that other than with MF Global’s prior consent:

2.1.1 the Investment Management Agreement is not determined or amended in any way which could have a material adverse affect on the ability of the Client to comply with its obligations under this agreement or could otherwise be prejudicial to MF Global;

2.1.2 the Client’s obligations under the Investment Management Agreement and at law are fully complied with.

### 3. REPRESENTATIONS AND WARRANTIES

3.1 The Client represents and warrants to MF Global that:

3.1.1 it has received written acknowledgment from each Investor to the effect set out in the remainder of paragraph 3.1 and paragraph 3.2 and the Client is not aware of anything that causes it to suspect that anything in those paragraphs is not correct.

3.1.2 the Investment Management Agreement is valid and binding on the Client and the Investor, respectively;

3.1.3 it has the power, as agent for the Investor under the Investment Management Agreement, to enter into and observe all the provisions and to carry on the transactions contemplated by, this Agreement as agent for the Investor;

3.1.4 the Investor will be bound by instructions provided by the Client to MF Global as if the Investor were named in this Agreement as the Client and will be bound by any Contract entered into by MF Global on instructions from the Client.

3.2 where an Investor is a trustee, the Investor has warranted to the Client and the Client believes that the Investor is empowered by the relevant trust deed and law:

3.2.1 to enter into and comply with its obligations under, and to carry on the transactions contemplated by, the Investment Management Agreement and each Contract entered into by the Client on its behalf in connection with this Agreement;

3.2.2 each of its obligations under, and the transactions contemplated by, the Investment Management Agreement constitute binding obligations and are completely and lawfully enforceable against it and the relevant trust’s property in accordance with their terms to enter into and perform the Investment Management Agreement and each contract entered into by the Client on its behalf in connection with this agreement and to carry on the transactions contemplated by this agreement; and

(a) to carry on the trust’s business as now conducted or contemplated and to own the trust’s assets, in its capacity as trustee of the relevant trust. There are no restrictions or conditions on this; and

(b) all other procedures have been completed as required by the relevant trust deed for it to enter into and perform the Investment Management Agreement and each contract entered into by the Client on its behalf in connection with this agreement. This includes all necessary resolutions and all consents and approvals.

### 4. CAPACITY

The Client enters into this Agreement as agent of each of the Investors and in its personal capacity.

# Standard Futures Agreement

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I/We have read, understood and accepted the Standard Futures Client Agreement

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## 1. Individual Account (and Trust Accounts where an Individual is the Trustee)

Signature  Name (please print)

(For Trust Accounts the trustee must sign)

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## 2. Joint/Partnership Account (and Trust Accounts where two or more individuals are Trustees)

Signature  Signature   
Name (please print)  Name (please print)

(Please note for joint accounts, partnership accounts, and trust accounts where two or more individuals are trustees, all parties must sign).

---

## 3. Sole Director Company Account

I execute this Agreement in the capacity of sole Director and sole Secretary of this Company.

Sole Director  Name (please print)

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## 4. Corporate Account (and Trust Accounts where the Trustee is a Corporation)

Signed for and on behalf of:

Name of Company   
Director  Director/Secretary   
Name (please print)  Name (please print)

The terms contained above are confirmed and accepted by MF Global Australia Limited (MF Global)

Authorised signatory for MF Global

Name (please print)

# Guarantee And Indemnity

In consideration of **MF GLOBAL AUSTRALIA LIMITED**, a company duly incorporated in the State of New South Wales and having its registered office in that State at 225 George Street, Sydney (“MF Global”), AGREEING to act in such capacity as the person or persons identified in item 1 of the Master Schedule (and where more than one is identified, those persons jointly and severally) (“the Client”) may from time to time direct, the person or persons identified in item 4 of the Master Schedule (and where more than one is identified, those persons jointly and severally) (“the Guarantor”) hereby:

1. unconditionally and irrevocably guarantees to MF Global payment of all money and the due and punctual performance and observance of all conditions and provisions of any agreement between the Client and MF Global to be respectively paid, performed and observed by the Client. If the Client does not pay such money on time and in accordance with any such agreement then the Guarantor agrees to pay it to MF Global on demand from MF Global (whether or not demand has been made by MF Global on the Client);
2. jointly and severally indemnifies and agrees to keep indemnified MF Global:
  - 2.1 against any failure on the part of the Client to pay MF Global any and all moneys which are at the date hereof or at any time hereafter due and payable, or to become due and payable by the Client to MF Global on any account whatsoever;
  - 2.2 against all losses, suits, claims, proceedings, costs, damages and expenses of whatsoever kind suffered or incurred by MF Global by reason of any action on the part of the Client in relation to any agreements between the Client and MF Global; and
  - 2.3 against any loss MF Global suffers because a liability of the Client to pay any amount under an agreement between the Client and MF Global is unenforceable in whole or in part or is not or has never been recoverable from the Guarantor or the Client because of any circumstance whatsoever including any agreement or term of an agreement between the Client and MF Global being void, voidable or unenforceable and whether or not MF Global knew or should have known anything about that circumstance.

**AND** the Guarantor FURTHER AGREES with MF Global:

- (i) that this Guarantee and Indemnity shall be a principal obligation, immediately enforceable against the Guarantor MF Global and the Guarantor as principal debtor must pay to MF Global on demand a sum equal to the amount of any loss described in clauses 2.2 and 2.3 above and shall protect MF Global against all and any obligations (contingent or actual) of the Client to MF Global. In the event of any moratorium or suspension of the Client’s obligations the Guarantor shall forthwith on demand pay to MF Global the whole of the moneys on whatsoever account due and payable or to become due and payable to MF Global by the Client;
- (ii) that this Guarantee and Indemnity shall not be affected in any way by any moratorium or by any delay period of grace or other indulgence given or allowed by MF Global to the Client or the Guarantor or by any modification or variation in the terms upon which moneys due and payable to MF Global by the Client are so due and payable or by any other thing which would but for this provision have the affect or releasing the Guarantor from liability hereunder.
- (iii) in the event of avoidance for any reason whether by statute or otherwise of any payment by the Client or by the Guarantor to MF Global pursuant to this Guarantee and Indemnity, irrespective of whether such avoidance operates from the time of such payment or from any later date, the liability (contingent or actual) of the Guarantor and the rights and remedies of MF Global against the Client and/ or the Guarantor shall be the same as if no such payment has been made;
- (iv) that this Guarantee and Indemnity is in addition to and not in substitution for any other security which MF Global may hold and this Indemnity may be enforced against the Guarantor or any of them without first having recourse to any such security or taking any steps or proceedings against the Client;
- (v) that the Guarantor is aware of the terms and conditions of appointment of MF Global to act for and on behalf of the Client on any account and in any capacity whatsoever;
- (vi) that whatsoever executes this Guarantee and Indemnity on behalf of the Guarantor has the power and authority of the Guarantor to do so;

- (vii) that this Guarantee and Indemnity shall be governed by the law of New South Wales;
- (viii) that the Guarantor shall obtain all necessary governmental approvals and authorisations and take any such other actions as may be necessary to enable it to discharge its obligations under this Guarantee and Indemnity.

DATED this  day of  20

Signature Guarantor

Name of Guarantor  
(Please print)

Signature Witness

Name of Witness  
(Please print)

Address  
of Witness

# Statement Of Assets And Liabilities

**STRICTLY PRIVATE AND CONFIDENTIAL**

**1. Client Details**

Title	Surname or Company Name	
<input type="text"/>	<input type="text"/>	
Given Names		
<input type="text"/>		
Driver's Licence No. (Attach copy of driver's licence or passport)	Date of Birth	Annual Income
<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Occupation	Employer or Business	
<input type="text"/>	<input type="text"/>	
Business Address		
<input type="text"/>		
<input type="text"/>		
Tax File Number (Australian Residents only). Please provide details for all parties to the account		
<input type="text"/>		

Provision of your Tax File Number (TFN) is optional, however, you should be aware that if a TFN is not lodged, MF Global is required to deduct withholding tax at the highest marginal rate.

**2. Assets Held In Personal Or Company Name**

Property	Date Purchased	Price Paid	Value
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Location	in the name of		\$ <input type="text"/>
<input type="text"/>	<input type="text"/>		<input type="text"/>
Other Real Estate	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Cash at Bank	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Listed Shares	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Other Assets	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<b>TOTAL (A)</b>			\$ <input type="text"/>

**3. LIABILITIES**

Property Mortgage	<input type="text"/>	\$ <input type="text"/>
Line of Credit	<input type="text"/>	\$ <input type="text"/>
Other Debts Outstanding	<input type="text"/>	\$ <input type="text"/>

I warrant that the above statement of financial affairs is a true and accurate statement of my minimum financial situation and I acknowledge that MF Global may rely on the above statement in assessing my potential ability to meet any of the obligations that may arise under the Client Agreement between myself and MF Global. I also acknowledge that the above statement will be used by MF Global solely for this purpose and will not be used by MF Global to assess my personal objectives, financial situation and needs for the purposes of any advice given by MF Global. In other words, I acknowledge that the provision by me of this information does not mean that any advice given to me by MF Global will constitute personal advice within the meaning of the Corporations Act (refer clause 32.1 of the Client Agreement).

<b>TOTAL (L)</b>	\$ <input type="text"/>
<b>NET VALUE (A - L)</b>	\$ <input type="text"/>

Signature	<input type="text"/>	Date	<input type="text"/>
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# Statement Of Assets And Liabilities

## STRICTLY PRIVATE AND CONFIDENTIAL

### 1. CLIENT DETAILS

Title Surname or Company Name

Given Names

Driver's Licence No. (Attach copy of driver's licence or passport)

Date of Birth

Annual Income

Occupation

Employer or Business

Business Address

Tax File Number (Australian Residents only). Please provide details for all parties to the account

Provision of your Tax File Number (TFN) is optional, however, you should be aware that if a TFN is not lodged, MF Global is required to deduct withholding tax at the highest marginal rate.

### 2. ASSETS HELD IN PERSONAL OR COMPANY NAME

Property	Date Purchased	Price Paid	Value
<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Location	in the name of	<input type="text"/>	\$ <input type="text"/>
Other Real Estate	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Cash at Bank	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Listed Shares	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
Other Assets	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
<b>TOTAL (A)</b>			\$ <input type="text"/>

### 3. LIABILITIES

Property Mortgage	<input type="text"/>	\$ <input type="text"/>
Line of Credit	<input type="text"/>	\$ <input type="text"/>
Other Debts Outstanding	<input type="text"/>	\$ <input type="text"/>

I warrant that the above statement of financial affairs is a true and accurate statement of my minimum financial situation and I acknowledge that MF Global may rely on the above statement in assessing my potential ability to meet any of the obligations that may arise under the Client Agreement between myself and MF Global. I also acknowledge that the above statement will be used by MF Global solely for this purpose and will not be used by MF Global to assess my personal objectives, financial situation and needs for the purposes of any advice given by MF Global. In other words, I acknowledge that the provision by me of this information does not mean that any advice given to me by MF Global will constitute personal advice within the meaning of the Corporations Act (refer clause 32.1 of the Client Agreement).

**TOTAL (L)** \$

**NET VALUE (A - L)** \$

Signature

Date

# Annexure 1

## Electronic Order Entry & Account Access Agreement

### 1. License Grant and Right of Use

This Agreement sets forth the terms and conditions under which we, MF Global Australia Limited (MF Global), shall permit you to have access to one or more terminals, including terminal access through your Internet browser, for the electronic transmission of orders for your account with us. This Agreement also sets forth the terms and conditions under which we shall permit you electronically to monitor the activity and positions in your account (collectively the "Service"). The Service may be a proprietary service offered by us or a third party system offered by another broker, vendor or exchange. For purposes of this Agreement, the term "Service" includes all software and communication links. By this Agreement, where we are supplying you with software for use with the Service, we grant you non-exclusive and non-transferable license to use such software subject to the terms hereof. You may use the software solely for your own internal business purposes. Neither the software nor the Service may be used to provide computer time sharing, third party training, virtual or actual hosting or as a service bureau for any third parties. If your account has been introduced to us all references to us in this Agreement shall include your broker, and your broker shall enjoy all benefits and rights hereunder. Nothing in this Agreement alters or modifies the terms of any other agreement between us. If the Service is sponsored by a third party, you agree that we shall enjoy all of the rights and benefits under the terms of any agreements between the third party Service sponsor and you as if we were a party to such agreement.

### 2. Access

Where access is controlled by us, we shall provide you with access to the Service. If the Service is sponsored by a third party you may need additional consents in order to access the Service. The Service may be used to transmit, receive and confirm execution of orders, subject to prevailing market conditions and applicable exchange rules and regulations. We consent to your access and use in reliance upon your having adopted procedures to prevent unauthorised access to and use of the Service, and in any event, you agree to any financial liability for trades executed through the Service.

If permitted by the Service, you may send and receive electronic mail, engage in conferences and chats, download and upload files and otherwise use the Service as permitted herein, our policies applicable law and, if a third party sponsored Service, the Service's terms of use and access agreement. Files that you upload and your activity in conferences and chats are subject to review, modification and deletion without notice to you. We reserve the right in our sole discretion to institute or change policies at any time. Files uploaded to a bulletin board may be subject to posted limitations on usage, reproduction and/or dissemination, and you are responsible for adhering to such limitations if you download them.

### 3. Use of Password

You acknowledge, represent and warrant that: (a) you have received a number, code or other sequence which provides access to the Service (the "Password"); (b) you are the sole and exclusive owner of the Password; (c) you are the sole and exclusive owner of any identification number, code or other sequence which allows access to the Service via computerised online service (the ID); and (d) you accept full responsibility for any transaction occurring in an account opened, held or accessed through the ID or Password.

You represent, warrant and agree that any individual who has possession of any Password or ID is your duly authorised representative, having the power and authority to legally bind you in this manner. Such acceptance shall be deemed as effective as a written signature performed manually by you and shall be deemed to satisfy any writings requirements of any applicable law despite being written and accepted electronically. Our electronically or other properly stored copy of any such agreement shall be deemed to be the true, complete, valid, authentic and enforceable copy of any such agreement. Our electronically stored record of the date on which you accept such an agreement shall be conclusive evidence as to the effective date. Except if there is obvious tampering or loss of data, you shall not contest the admissibility or enforceability of our copy of any such agreement.

#### 4. Warranties and Limitation of Liability

You accept responsibility for selection and use of the Service and for any trading and other decisions made by you on its use. You accept responsibility for the monitoring of your account. You will immediately notify your broker and us in writing if you become aware of the following: (a) any loss, theft or unauthorised use of your Password(s) and/or account numbers or (b) any inaccurate information in your account balances, positions, or transaction history.

The service is provided “as is” and we make no express or implied representations or warranties to you regarding the usability condition or operation thereof. We make no representations or warranties regarding the goods or services provided by any third parties who may provide content or offer other services. We do not warrant that access to or use of the service will be uninterrupted or error-free, or that the service will meet any particular criteria of performance or quality. We expressly disclaim all implied warranties, including without limitation warranties of merchantability, title, fitness for a particular purpose, non-infringement, compatibility, security or accuracy.

Under no circumstances, including negligence, shall we or anyone else involved in creating, producing, delivering or managing the service be liable for any direct, indirect incidental, special or consequential damages that result from the use of or inability to use the service, or out of any breach of any warranty, including, without limitation, those for business interruption or loss of profits. This exclusion or limitation of liability will not apply to the extent that any applicable statute prohibits such exclusion or limitation of liability. Any liability arising out of any action or omission by us shall be limited to an amount equal to the amount of user fees paid to us by you for service access.

You expressly agree that your use of the service is at your sole risk. You assume full responsibility and risk of loss resulting from use of or materials obtained through, the service. Neither we nor any of our directors, officers, employees, agents, contractors, affiliates, third party vendors, facilities, information providers, licensors, exchanges clearing organizations or other suppliers providing data, information, or services including but not limited to the New York Stock Exchange, inc. (Each a “provider”), warrant that the service will be uninterrupted or error free; nor do we or they make

any warranty as to the results that may be obtained from the use of the service or as to the timeliness, sequence, accuracy, completeness, reliability or content of any information, service or transaction provided through the service. This agreement defines your sole and exclusive remedy.

Neither we nor any Provider shall be liable in any way to you or to any other person for: (a) any inaccuracy, error or delay in, or omission of (i) any such data, information or message, or (ii) the transmission or delivery of any such data, information or message; or (b) any loss or damage arising from or occasioned by (i) any such inaccuracy, error, delay or omission, (ii) non-performance, or (iii) interruption in any such data, information or message, due either to any negligent act or omission or to any condition of “force majeure” (eg, flood, extraordinary weather condition, earthquake or other act of god, fire, war insurrection, riot, labor dispute, accident, action of government, communications or power failure, equipment or software malfunction) or any other cause, whether or not within our or any Provider’s control. We shall not be deemed to have any order or communication electronically transmitted by you until we have actual knowledge of such order or communication. The terms contained in any confirmation issued to you through the Service are subject to change or correction based on the trade data supplied to us by relevant exchange or market on which the trade was transacted.

The use and storage of any information including, without limitation, the Password, the ID, portfolio information, transaction activity, account balances and any other information or orders available to you through your use of the Service is your sole risk and responsibility. You are responsible for providing and maintaining the communications equipment (including personal computers and modems) and telephone or alternative services required for accessing and using the Service, and for all communications service fees and charges incurred by you in accessing the Service.

#### 5. Representations

You acknowledge that from time to time, and for any reason, the Service may not be operational or otherwise available for your use due to servicing, hardware malfunction, software defect, service or transmission interruption or other cause, and you agree to hold us and any Provider harmless from liability arising from any damage which results from the unavailability of the Service. You acknowledge

that you have alternative arrangements which will remain in place for the transmissions and execution of your orders, by telephone, facsimile transmission, or otherwise, in the event, for any reason, circumstances prevent the transmission and execution of all, or any portion of, your orders through the Service. In the event the Service is not operational, you agree to contact your account executive to make alternative order entry arrangements.

You are responsible for your communications via the Service. You may not, under any circumstances, do any of the following: (a) publish, post, distribute or disseminate defamatory, infringing, obscene or other unlawful or offensive material or information via the Service; (b) use the Service to threaten, harass, stalk abuse or otherwise violate the legal rights (including rights of privacy and publicity) of others; (c) intercept or attempt to intercept electronic mail; (d) upload files that contain software or other material protected by intellectual property laws (or by rights of privacy or publicity) unless you own or control the rights thereto or have received all necessary consents; (e) upload files that contain a virus or corrupted data; (f) delete any author attributions legal notices or proprietary designations or labels in a file that you upload to a bulletin board; (g) falsify the source or origin of the software or other material contained in a file that you upload to a bulletin board; (h) use the Service in a manner that adversely affects the availability of its resources to other members; (i) send electronic mail to other users of the Service for any purpose other than personal communication, including to advertise or offer to sell goods or services (except as otherwise expressly permitted by us); (j) download a file that you know (or reasonably should know) cannot be legally distributed via the Service ( a file may have been uploaded notwithstanding such illegality); or (k) act, or fail to act, in your use of the Service, in a manner that is contrary to applicable law or regulation. Your failure to observe any of the foregoing limitations may result in civil or criminal liability, as well as termination of your use of the Service.

You represent and warrant that you are fully authorised to enter into this Agreement and are under no legal disability which would prevent you from trading, and that you are and shall remain in compliance with all laws, rules and regulations applicable to your business. You agree that you are familiar with and will abide by any rules or procedures adopted by us and any Provider in connection with use of the Service. Finally, you agree that you shall permit no person access to the Service until you have provided necessary training in its use.

You shall not (and shall not permit any third party) to copy, use, analyse, modify, decompile, disassemble, reverse engineer, translate or convert any software provided to you in connection with use of the Service or distribute the software or the Service to any third party.

## 6. Termination of Access and License

We may, in our sole discretion, terminate or restrict you access to the Service, and may terminate this Agreement at any time. Upon termination, any software license granted to you herein shall automatically terminate and you shall return to us promptly any hardware, software, manuals or other items provided to you by us in connection with Service access. You will remain responsible for the payment of all charges incurred before termination becomes effective.

## 7. Indemnity

You agree to Indemnify and hold harmless us and each Provider and their respective principles, affiliates and agents from and against all claims, demands, proceedings, suits and actions and all losses (direct, indirect or otherwise), liabilities, costs and expenses (including attorney's fees and disbursements), paid in settlement, incurred or suffered by us and/or a Provider and/or our or their respective principles, affiliates and agents arising from or relating to your use of the Service or the transactions contemplated hereunder. This indemnity provision shall survive termination of this Agreement.

## 8. Miscellaneous

- (a) You may not amend the terms of this Agreement. We may amend the terms of this Agreement upon notice to you (including by electronic delivery), or if this Agreement is contained as part of a web site by posting the amended terms to that web site. By contained access to and use of the Service, you agree to any such amendments to this Agreement.
- (b) You shall permit us by any reasonable and appropriate means to verify that you have complied with the terms of this Agreement and you agree to cooperate fully with any such verification process.

- (c) This Agreement is the entire agreement between the parties relating to the subject hereof, and, except with respect to the futures agreement between the parties, all prior negotiations and understandings between the parties, whether written or oral, are hereby merged into this Agreement. Nothing in this Agreement shall be deemed to supersede or modify a party's rights and obligations under the futures agreement.

**9. Exchange Data**

If you are trading products on the Sydney Futures Exchange you acknowledge and agree that:

- (a) data made available to you by access to electronic order entry facilities is not the property of MF Global and remains the valuable property of the Sydney Futures Exchange and;
- (b) you are prohibited from publicly displaying, redistributing or re-transmitting the data in any way without having executed a market data distribution agreement or similar agreement with the Sydney Futures Exchange.

**Each of the undersigned hereby agrees to the terms and conditions as set forth in the Electronic Order Entry & Account Access Agreement.**

Account Name:

Signature 1:

Date:

Print Name 1:

Signature 2:

Date:

Print Name 2:

# Additional Risk Disclosure Statement As Required By The CFTC For US Clients Dealing On Sydney Futures Exchange Markets

## FOREIGN FUTURES AND FOREIGN OPTIONS

The risk of loss in trading foreign futures and foreign options can be substantial. Therefore, you should carefully consider whether such trading is suitable for you in light of your financial condition. In considering whether to trade foreign futures or foreign options, you should be aware of the following:

- (1) Participation in foreign futures and foreign options transactions involves the execution and clearing of trades on or subject to the rules of a foreign board of trade.
- (2) Neither the Commodity Futures Trading Commission, the National Futures Association nor any domestic exchange regulates activities of any foreign boards of trade, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rules of a foreign board of trade or any applicable foreign laws. Generally, the foreign transaction will be governed by applicable foreign law. This is true even if the exchange is formally linked to a domestic market so that a position taken on the market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the foreign futures or foreign options transaction occurs.
- (3) For these reasons, customers who trade foreign futures or foreign options contracts may not be afforded certain of the protective measures provided by the Commodity Exchange Act, the Commission's regulations and the rules of the National Futures Association and any domestic exchange, including the right to use reparations proceedings before the Commission and arbitration proceedings provided by the National Futures Association or any domestic futures exchange. In particular, funds received from customers for foreign futures or foreign options transactions may not be provided the same protections as funds received in respect of transactions on United States futures exchanges. Therefore, you should obtain as much information as possible from your account executive concerning the foreign rules which will apply to your particular transactions.

- (4) You should also be aware that the price of any foreign futures or foreign options contract and, therefore, the potential profit and loss thereon, may be affected by any variance in the foreign exchange rate between the time your order is placed and the time it is liquidated, offset or exercised.

## ADDITIONAL DISCLOSURE STATEMENT RELATING TO DEFERRED PAYMENT OF OPTION PREMIUMS

Certain options contracts traded on boards of trade (exchanges) located outside the United States which are authorised by the CFTC for sale in the United States make provision for deferred payment of the option premium, are subject to initial and variation margin requirements and are marked to market. Consequently the futures commission merchant ("FCM") or a firm granted an exemption from the FCM registration requirement might not require the purchaser of such an option to put up the full premium at purchase.

Although there is provision for deferred payment of premium the purchaser of an option is still subject to the risk of losing the entire purchase price of an option, that is, the option premium plus all transaction costs. Consequently, before purchasing an option, an individual should fully understand the applicable margin requirements, and particularly should be aware of the obligation to pay variation margin not exceeding the amount of the premium in the case of adverse market movement. Although the purchaser may receive some accruing profit during the life of the option, he should be aware that in order to realise and retake any value from the option, it will be necessary either to offset the option position or for the option to be exercised, which may be achieved automatically if the terms of the option contract so provide. In the event of offset or exercise of the option position the full purchase price will be collected if it has not yet been paid.

This statement does not disclose all of the risks and other significant aspects involved in trading on a futures market. You should therefore study futures trading carefully before becoming involved in it.

**The risk of loss in trading foreign futures and foreign options can be substantial. Therefore you should carefully consider whether such trading is suitable for you in the light of your financial condition. In considering whether to trade foreign futures or options, you should be aware of the following points:**

- (1) You may sustain a total loss of the funds that you deposit with your broker to establish or maintain a position in the commodity futures market, and you may incur losses beyond these amounts. If the market moves against your position, you may be called upon by your broker to deposit a substantial amount of additional margin funds, on short notice in order to maintain your position. If you do not provide the required funds within the time required by your broker, your position may be liquidated at a loss, and you will be liable for any resulting deficit in your account.
- (2) Under certain market conditions, you may find it difficult or impossible to liquidate a position. This can occur, for example, when the market reaches a daily price fluctuation limit (“limit move”).
- (3) Placing contingent orders, such as “stop-loss” or “stop-limit” orders, will not necessarily limit your losses to the intended amounts, since market conditions on the exchange where the order is placed may make it impossible to execute such orders.
- (4) All futures positions involve risk, and a “spread” position may not be less risky than an outright “long” or “short” position.
- (5) The high degree of leverage (gearing) that is often obtainable in futures trading because of the small margin requirements can work against you as well as for you. Leverage (gearing) can lead to large losses as well as gains.
- (6) You should consult your broker concerning the nature of the protections available to safeguard funds or property for your account.

All of the points noted apply to all futures trading whether foreign or domestic. In addition, if you are contemplating trading foreign futures or options contracts, you should be aware of the following additional risks:

- (7) Foreign futures transactions involve executing and clearing trades on a foreign exchange. This is the case even if the foreign exchange is formally “linked” to a domestic exchange, whereby a trade executed on one exchange liquidates or establishes a position on the other exchange. No domestic organisation regulates the activities of a foreign exchange,

including the execution, delivery, and clearing of transactions on such an exchange, and no domestic regulator has the power to compel enforcement of the rules of the foreign exchange or the laws of the foreign country. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs. For these reasons, customers who trade on foreign exchanges may not be afforded certain of the protections which apply to domestic transactions including the right to use domestic alternative dispute resolution procedures. In particular, funds received from customers to margin foreign futures transactions may not be provided the same protections as funds received to margin futures transactions on domestic exchanges. Before you trade, you should familiarise yourself with the foreign rules which will apply to your particular transaction.

- (8) Finally, you should be aware that the price of any foreign futures or option contract and, therefore, the potential profit and loss resulting therefrom, may be affected by any fluctuation in the foreign exchange rate between the time the order is placed and the foreign Futures Contract is liquidated or the foreign option contract is liquidated or exercised.

**This brief statement cannot of course, disclose all the risks and other aspects of the commodity markets.**

**I hereby acknowledge that I have received and understood this risk disclosure statement.**

**Client Name (please print)**

**Client's Signature**

**Date**

## OPTIONS DISCLOSURE STATEMENT

Because of the volatile nature of the commodities markets, the purchase and granting of commodity options involve a high degree of risk. Commodity option transactions are not suitable for many members of the public. Such transactions should be entered into only by persons who have read and understood this Disclosure Statement and who understand the nature and extent of their rights and obligations and of the risks involved in the option transactions covered by this Disclosure Statement.

Both the purchaser and the grantor should know whether the particular option in which they contemplate trading is an option which, if exercised, results in the establishment of a Futures Contract (an “option on a Futures Contract”) or results in the making or taking delivery of the actual commodity underlying the option (an “option on a physical commodity”).

Both the purchaser and the grantor of an option on a physical commodity should be aware that, in certain cases, the delivery of the actual commodity underlying the option may not be required and that, if the option is exercised, the obligations of the purchaser and grantor will be settled in cash.

A person should not purchase any commodity option unless he is able to sustain a total loss of the premium and transaction costs of purchasing the option. A person should not grant any commodity option unless he is able to meet additional calls for margin when the market moves against his position and, in such circumstances, to sustain a very large loss.

A person who purchases an option should be aware that, in order to realise any value from the option, it will be necessary either to offset the option position or to exercise the option. If an option purchaser does not understand how to offset or exercise an option, the purchaser should request an explanation from the futures commission merchant or the introducing broker. Customers should be aware that in a number of circumstances, some of which will be described in this Disclosure Statement, it may be difficult or impossible to offset an existing option position on an exchange.

The grantor of an option should be aware that, in most cases, a commodity option may be exercised at any time from the time it is granted until it expires. The purchaser of an option should be aware that some option contracts may provide only a limited period of time for exercise of the option. The purchaser of a put or call is subject to the risk of losing the entire purchase price of the option - that is the premium paid for the option plus all transaction costs.

The commodity futures trading commission requires that all customers receive and acknowledge receipt of a copy of this Disclosure Statement but does not intend this statement as a recommendation or endorsement of exchange-traded commodity options.

### 1. SOME OF THE RISKS OF OPTION TRADING

Specific market movements of the underlying future or underlying physical commodity cannot be predicted accurately. The grantor of a call option who does not have a long position in the underlying Futures Contract or underlying physical commodity is subject to risk of loss should the price of the underlying Futures Contract or underlying physical commodity be higher than the strike price upon exercise or expiration of the option by an amount greater than the premium received for granting the call option.

The grantor of a call option who has a long position in the underlying Futures Contract or underlying physical commodity is subject to the full risk of a decline in price or the underlying position received for granting the call. In exchange for the premium received for granting a call option, the option grantor gives up all of the potential gain resulting from an increase in the price of the underlying Futures Contract or underlying physical commodity above the option strike price upon exercise or expiration of the option.

The grantor of a put option who does not have a short position in the underlying Futures Contract or underlying physical commodity (eg commitment to sell the physical) is subject to risk of loss should the price of the underlying Futures Contract or underlying physical commodity decrease below the strike price upon exercise or expiration of the option by an amount in excess of the premium received for granting the put option.

The grantor of a put option on a Futures Contract who has a short position in the underlying Futures Contract or underlying physical commodity is subject to the full risk of a rise in the price in the underlying position reduced by the premium received for granting a the put. In exchange for the premium received for granting a put option on a Futures Contract, the option grantor gives up all of the potential gain resulting from an option grantor gives up all of the potential gain resulting from a decrease in the price of the underlying Futures Contract below the option strike price upon exercise or expiration of the option. The grantor of a put option on a physical commodity who has a short position (eg, commitment to sell the physical) is subject to the full risk of a rise in the price of the physical commodity which must be obtained to fulfil the commitment reduced by the premium received for granting the put. In exchange for the premium, the grantor of a put option on a physical commodity gives

up all the potential gain which would have resulted from a decrease in the price of the commodity below the option strike price upon exercise or expiration of the option.

## 2. DESCRIPTION OF COMMODITY OPTIONS

Prior to entering into any transaction involving a commodity option, an individual should thoroughly understand the nature and type of option involved and the underlying Futures Contract or physical commodity. The futures commission merchant or introducing broker is required to provide, the individual contemplating an option transaction should obtain:

- (i) An identification of the Futures Contract or physical commodity underlying the option and which may be purchased or sold upon exercise of the option or, if applicable, whether exercise of the option will be settled in cash;
- (ii) The procedure for exercise of the option contract, including the expiration date and latest time on the date for exercise. (The latest time on an expiration date when an option may be exercised may vary; therefore, option market participants should ascertain from their futures commission merchant or their introducing broker the latest time the firm accepts exercise instructions with respect to a particular option.);
- (iii) A description of all costs in addition to the purchase price which may be incurred if the commodity option is exercised, including the amount of commissions (whether termed sales commissions or otherwise), storage, interest, and all similar fees and charges which may be incurred;
- (v) An explanation and understanding of an option grantor's initial margin requirement and obligation to provide additional margin in connection with such an option position, or a position in a Futures Contract, if applicable;
- (vi) A clear explanation and understanding of any clauses in the option contract and of any items included in the option contract explicitly or by reference which might affect the customer's obligations under the contract. This would include any policy of the futures commission merchant or the introducing broker or rule of the exchange on which the option is traded that might affect the customer's ability to fulfil the option contract or to offset the option position in a closing purchase or closing sale transaction (for example, due to unforeseen circumstances that require suspension or termination of trading); and

- (vii) If applicable, a description of the effect upon the value of the option position that could result from limit moves in the underlying Futures Contract.

## 3. THE MECHANICS OF OPTION TRADING.

Before entering into any exchange-traded option transaction, an individual should obtain a description of how commodity options are traded. Option customers should clearly understand that there is no guarantee that option positions may be offset by either a closing purchase or closing sale transaction on an exchange. In this circumstance, option grantors could be subject to the full risk of their positions until the option position expires, and the purchaser of a profitable option might have to exercise the option to realise a profit.

For an option on a Futures Contract, an individual should clearly understand the relationship between exchange rules governing option transactions and exchange rules governing the underlying Futures Contract. For example, an individual should understand what action, if any, the exchange will take in the option market if trading in the underlying futures market is restricted or the futures prices have made a "limit move".

The individual should understand that the option may not be subject to daily price fluctuation limits while the underlying futures may have such limits, and, as a result, normal pricing relationships between options and the underlying future may not exist when the future is trading at its price limit. Also, underlying futures positions resulting from exercise of options may not be capable of being offset if the underlying futures is at a price limit.

## 4. MARGIN REQUIREMENTS

Commodity Futures Trading Commission rules require the purchaser of an option to pay the full option premium when the option position is opened.

Before granting an option, an individual should fully understand the applicable margin requirements, and particularly should be aware of the obligation to put up additional margin money in the case of adverse market moves.

## 5. PROFIT POTENTIAL OF AN OPTION POSITION

An option customer should carefully calculate the price which the underlying Futures Contract or underlying physical commodity would have to reach for the option position to become profitable. This price would include the amount by which the underlying Futures Contract or underlying physical commodity would have to rise above or fall below the strike, price to cover the sum of the premium and all other costs incurred in entering into and exercising or closing (offsetting) the commodity option position.

Also, an option customer should be aware of the risk that the futures price prevailing at the opening of the next trading day may be substantially different from the futures price which prevailed when the option was exercised. Similarly, for options on physicals that are cash settled, the physicals price prevailing at the time the option is exercised may differ substantially from the cash settlement price that is determined at a later time. Thus, if a customer does not cover the position against the possibility of underlying commodity price change, the realised price upon option exercise may differ substantially from that which existed at the time of exercise.

## 6. DEEP OUT-OF-THE-MONEY OPTIONS

A person contemplating purchasing a deep-out-of-the-money option (that is, an option with a strike price significantly above, in the case of a call, or significantly below, in the case of a put, the current price of the underlying Futures Contract or underlying physical commodity) should be aware that the chance of such an option becoming profitable is ordinarily remote.

On the other hand, a potential grantor of a deep-out-of-the-money option should be aware that such options normally provide small premiums while exposing the grantor to all of the potential losses described in section (1) of this disclosure statement.

## 7. GLOSSARY OF TERMS

- (i) Contract market - Any board of trade (exchange) located in the United States which has been designated by the Commodity Futures Trading Commission to list a Futures Contract or commodity option for trading.
- (ii) Exchange-traded option; put option; call option - The options discussed in this disclosure statement are limited to those which may be traded on a contract market. These options (subject to certain exceptions) give an option purchaser the right to buy in the case of a call option, or sell in the case of a put option, a Futures Contract or the physical commodity underlying the option at the stated strike price prior to the expiration date of the option. Each exchange-traded option is distinguished by the underlying Futures Contract or underlying physical commodity, strike price, expiration date, and whether the option is a put or a call.
- (iii) Underlying Futures Contract - The Futures Contract which may be purchased or sold upon the exercise of an option on a Futures Contract.
- (iv) Underlying physical commodity - The commodity of a specific grade (quality) and quantity which may be purchased or sold upon the exercise of an option on a physical commodity.
- (v) Class of options - A put or a call covering the same underlying Futures Contract or underlying physical commodity.
- (vi) Series of options - Options of the same class having the same strike price and expiration date.
- (vii) Exercise price - See strike price.
- (viii) Expiration date - The last day when an option may be exercised.
- (ix) Premium - The amount agreed upon between the purchaser and the seller for the purchase or sale of a commodity option.
- (x) Strike price - The price at which a person may purchase or sell the underlying Futures Contract or underlying physical commodity upon exercise of a commodity option. This term has the same meaning as the term "exercise price".
- (xi) Short option position - See opening sale transaction.
- (xii) Long option position - See opening purchase transaction.
- (xiii) Types of options transactions
  - (a) Opening purchase transaction - A transaction in which an individual purchases an option and thereby obtains a long option position.
  - (b) Opening sale transaction - A transaction in which an individual grants an option and thereby obtains a short option position.
  - (c) Closing purchase transaction - A transaction in which an individual with a short option position liquidates the position. This is accomplished by a closing purchase transaction for an option of the same series as the option previously granted. Such a transaction may be referred to as an offset transaction

- (d) Closing sale transaction - A transaction in which an individual with a long option position liquidates the position. This is accomplished by a closing sale transaction for an option of the same series as the option previously purchased. Such a transaction may be referred to as an offset transaction.
  
- (xiv) Purchase price - The total actual cost paid or to be paid, directly or indirectly, by a person to acquire a commodity option. This price includes all commissions and other fees, in addition to the option premium.
  
- (xv) Grantor, writer, seller - An individual who sells an option. Such a person is said to have a short position.
  
- (xvi) Purchaser - An individual who buys an option. Such a person is said to have a long position.

**SPECIFY HERE:**

**Full name(s) of the prospective client(s)**

**Date on which the statement is given to the prospective client(s)**

**I/We confirm that I/we have received, read and understood this Options Disclosure Statement**

**Date on which the statement is signed by the prospective client(s)**









**MF Global Australia Limited**

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