



Future and Options Product Module

1. Introduction

- (1) This Product Module forms part of the Agreement between you and us and sets out the terms and conditions that are specific to all Transactions that are Futures or Options.
- (2) Unless specified otherwise all references to Terms in this Product Module are references to Terms of the main body of the Agreement.
- (3) All capitalised words and phrases in this Product Module have the meanings set out in the Agreement except where they are defined below.
- (4) Except as expressly amended or specified in this Product Module, all Terms of the Agreement remain in full force and effect.

2. Capacity

- (1) For any Future or Option entered into by you we shall act as principal and not as agent on your behalf.
- (2) We may, at our discretion, enter into Matching Transactions as principal with or through the agency of an Intermediate Broker. Neither we nor our respective directors, officers or employees will be liable to you for any act or omission, incapacity or insolvency of an Intermediate Broker.

3. Exchange Rules

- (1) The Agreement and this Product Module and all Futures and Options are subject to Exchange Rules, if applicable, so that: (i) if there is any conflict in relation to a Future or Option between the Agreement or this Product Module and any applicable Exchange Rules, the latter will prevail; (ii) we may take or omit to take any action we consider necessary to ensure compliance with any applicable Exchange Rule or applicable laws or regulations and whatever we do or do not do in order to comply with them will be binding on you and any Future or Option notwithstanding any contrary term in the Agreement or this Product Module; and (iii) such actions that we take or do not take for the purpose of compliance with any Exchange Rule or applicable laws or regulations shall not render us or any of our directors, officers, employees or agents liable.
- (2) If an Exchange or an Intermediate Broker (acting at the direction of, or as a result of action taken by, an Exchange) takes any action with respect to, or which affects, a Future or Option or a Matching Transaction, then we may take any action as we, in our reasonable discretion, consider desirable to correspond with such action or to mitigate any loss incurred as a result of such action. Any such action shall be binding on you and on any affected Future or Option and we will not be liable to you for failing to advise you of the action taken in advance.
- (3) We may from time to time send to you schedules in respect of specific Exchanges or Futures or Options and the terms contained in such schedules shall apply upon their receipt or deemed receipt by you. In the event of any conflict between the terms of any schedule and the Agreement or this Product Module, the terms of the schedule shall prevail. The fact that a term is specifically included in a schedule in respect of one Exchange or Future or Option shall not preclude a similar term being expressed or implied in relation to any other Exchange or Future or Option.

4. Payments and deliveries

- (1) Unless we expressly agree with you in writing (or give you written notice) to the contrary, all payment obligations in the same currency and delivery obligations involving the same property to be made between us shall be satisfied on a net basis. Such payment or delivery obligations shall be discharged on payment or delivery (as the case may be) on a net basis.

5. Aggregation of orders

We may combine your orders with our own orders and orders of other clients of ours, and an Intermediate Broker may combine our orders with those of other clients of theirs for execution on an Exchange. By combining your orders with those of other clients we (and in respect of our orders, an Intermediate Broker) must reasonably believe that this is in the overall best interests of the Clients. However, on occasions aggregation may result in you obtaining a less favourable price.

6. Notices, performance, delivery and settlement

- (1) You will promptly deliver any instructions, exercise notices, money, documents or property deliverable by you under a Future or Option in accordance with that Transaction as modified by any instructions given by us for the purpose of enabling us to perform our obligations under the relevant Matching Transaction with Intermediate Broker or on an Exchange.
- (2) You understand and acknowledge that for all Transactions that are physically settled we may establish and exercise cut-off times which may be earlier than the exercise cut-off times established by the relevant Exchange. We will allow cash settled Transactions to run until expiry, however, we will use reasonable endeavours not to allow physically settled Transactions to expire and to close them out before the exercise cut-off time. It is your responsibility to ensure that you are aware of the exercise cut-off times set by the relevant Exchange and that, should you fail to close the Transaction prior to the first notice day, we may close the Transaction at the then prevailing price without notice or recourse to you and we will not be liable for any costs, losses or expenses suffered by you as a result of the same.
- (3) In relation to any Transaction that may be physically settled and which neither we nor you close, whether pursuant to clause 6(2) above or otherwise, we may require that you make a full and free payment or delivery to our account or that of an Intermediate Broker at least one business day in advance of our delivery obligation to, or receipt from, the Exchange. We will make payment or delivery to you, subject to clause 6(5) below, on the date of the settlement of the Transaction with the Exchange. If you fail to comply with this requirement and we believe that we will otherwise be in breach of Exchange Rules, we reserve the right to buy the relevant securities on your behalf and apply the difference in our costs and receipts from the Exchange against your account.
- (5) In the event that any Future or Option entered into by you is to be physically settled and delivered then the following conditions will apply to you:
 - (a) you will be liable for all costs, expenses and administrative charges relating to delivery, whether to you or to us;
 - (b) upon our request you will provide us with any details and documentation that we require for the delivery including a physical address for where the delivery is to be made;
 - (c) in the event that delivery is made to us, you will be wholly responsible for the costs of removing and disposing of the delivery together with any additional administrative charge that may be levied by us for organisation of the same;
 - (d) in the event of delivery to us, where you do not provide us with a second address for immediate re-delivery, if there is a secondary market for the delivered item, then we may, but will not be obliged to, attempt to sell the delivered item via that market. We will not be liable for any loss or damage suffered by you for any sale or non sale by us of the delivered items. We may account to you, after the deduction of all costs, expenses, administrative charges and other monies owed to us by you, for any funds received as a result of a secondary market sale.
 - (e) if you have not provided us with an address that is suitable for delivery and if we are able to avoid physical delivery being made, we may, at our discretion, refuse to take or arrange delivery.

7. Non-Guaranteed Futures and Options Stop Orders, Limit Orders and Buffer Limits

The following sub-clause will be added to Term 11 ("Non-Guaranteed Stop Orders, Limit Orders and Buffer Limits") following Term 11(1) – (10):

Stop Orders and Limit Orders for Futures and Options

- (11) We will only accept a Stop Order or Limit Order for a Future or Option if that kind of Order is supported by the relevant Exchange and, where necessary, able to be executed through an Intermediate Broker. Whether or not an Exchange will accept such an Order will change from time to time. If we accept a Stop or Limit Order for a Future or Option then it will be subject to the acceptance and execution of a matching Stop or Limit Order in respect of any Matching Transaction by an Intermediate Broker or by the relevant Exchange and we do not accept any responsibility or liability for their execution or non execution of that matching Order. All such Orders will also be subject to any applicable terms and conditions of the Exchange.

8. Position Limits

We may require you to limit the number or size of your open Futures or Options in order to comply with Exchange Rules or in order to limit or reduce our exposure to you or because you have reached or exceeded any credit or other limit placed on your dealings with us and we may in our sole discretion close out any one or more Futures or Options in order to ensure that such limits are maintained.

9. Third parties

(1) For the avoidance of doubt, we will not accept 'give ins', or transfers of any Futures and Options from third party brokers, at any time and, subject to clause 9(2) below we shall not enter into any 'give up' agreement with any third party broker or dealer specified by you.

(2) In the event that you elect to close your account with us we shall be entitled, subject to the Rules of any relevant Exchange (if applicable), at our option either to:

- (a) close any open Futures or Options with you at such Closing Level as we reasonably believe to be appropriate; or
- (b) use our reasonable endeavours to enter into a 'give up' agreement with you and any third party broker nominated by you and transfer such Futures and Options as we are able to transfer to them, subject to your payment of any costs that we thereby incur.

10. Allocation on delivery or exercise

Where the relevant Exchange or Intermediate Broker does not specify a particular Transaction when making a delivery or exercising an Option, we may allocate randomly or in a way which seems to us to be most equitable.

11. Exercise of Options

You understand that Exchanges have established exercise cut-off times for the tender of exercise instructions in relation to Options and that Options will become worthless in the event that you do not deliver instructions by such expiration time. It is your responsibility to ensure that you are aware of the exercise cut-off times set by the relevant Exchange. You also acknowledge that we or an Intermediate Broker may establish exercise cut-off times which may be earlier than the exercise cut-off times established by the relevant Exchange, and you shall have no claims against us arising out of the fact that an Option was not exercised, save in circumstances where the Option was not exercised as a direct result of our negligent failure to inform you of our own exercise cut-off time in respect of the particular Option. We will not be liable for any costs, losses or expenses suffered by you as a result of the same.

12. Correction of order

You understand that Exchanges may from time to time sanction the making of contracts by us or by an Intermediate Brokers off-exchange in order to satisfy your order, where there has been an error in the execution of your order on-exchange. Where a better price (an improvement) can be obtained, we may seek to secure and offer that improvement to you. Where, in response to your order, we have bought or sold in accordance with the instruction in your order to buy or, as the case may be, to sell but have traded the wrong delivery/expiry month or wrong exercise price of the relevant contract, then we may in accordance with the Rules of any relevant Exchange offset any loss arising from that trade against any improvement achieved for you in the course of correctly satisfying your order, thus offering you only the net improvement, if any.

13. Market intervention

You understand that business on a market operated by an Exchange may from time to time be suspended or restricted or the market may from time to time be closed for a temporary period or for such longer period as may be determined in accordance with the rules of any relevant Exchange on the occurrence of one or more events which require such action to be taken in the interests of, maintaining a fair and orderly market. Any such action may result in our being unable to enter into any Matching Transaction and you being unable to enter into any Future or Option in accordance with the rules of the relevant Exchange. Furthermore we, may from time to time be prevented from or hindered in entering into Matching Transactions and you may from time to time be prevented from or hindered in entering into Futures or Options in accordance with the rules of the relevant Exchange as a result of a failure of some or all market facilities. We shall have no liability to you for any losses, costs, expenses or damages incurred or suffered by you as a result of any of the circumstances or occurrences referred to above.

14. Passing money to third parties

You authorise and instruct us under this Product Module to pass money received from you to Intermediate Broker, an Exchange or its clearing organisation to satisfy our (or their) obligation to provide margin, including initial, variation or delivery margin, in respect of one or more Futures or Options or otherwise as may be required by relevant Exchange Rules.

15. Margin

The following sub-clauses will be added to Term 14 ("Margin") following Term 14(7):

(8) You agree to pay us on demand such sums by way of margin as are required from time to time under relevant Exchange Rules (if applicable) or as we may in our discretion reasonably require for the purpose of protecting ourselves against loss or risk of loss on present, future or contemplated Futures or Options under this Agreement and Product Module.

(9) Security interest: As a continuing security for the performance of all your obligations (whether actual or contingent, present or future) to us under or pursuant to this Agreement and Product Module you grant to us, with full title guarantee, a first fixed security interest in all non-cash margin provided from time to time by you to us or to our order or under our direction or control or that of an Exchange or otherwise standing to the credit of your account under this Agreement or otherwise held by us or our Associated Companies or our nominees on your behalf.

(10) Further assurance: You agree to execute such further documents and to take such further steps as we may reasonably require to perfect our security interest over, be registered as owner of or obtain legal title to the margin, to secure further the Secured Obligations, to enable us to exercise our rights or to satisfy any market requirement.

(11) Substitution: You may not withdraw or substitute any property subject to our security interest without our consent.

(12) Negative pledge: You undertake neither to create nor to have outstanding any security interest whatsoever over, nor to agree to assign or transfer, any of the margin transferred to us, except a lien routinely imposed on all securities in a clearing system in which such securities may be held.

(13) Power to charge: You agree that we may, free of any adverse interest of yours or any other person, grant a security interest over margin provided by you to cover any of our obligations to Intermediate Broker or Exchange, including obligations owed by virtue of the positions held by us or other of our customers.

(14) Power of sale: If an Event of Default occurs, we may exercise the power to sell all or any part of the margin. We shall be entitled to apply the proceeds of sale or other disposal in paying the costs of such sale or other disposal and in or towards satisfaction of the secured obligations.

(15) General lien: In addition and without prejudice to any rights to which we may be entitled under this Agreement and Product Module or any Applicable Regulations, we shall have a general lien on all property held by us or our associates or our nominees on your behalf until the satisfaction of the obligations secured by this clause 16 and set out in this Product Module.

16. Covenant

You covenant to us that:

(a) you will use all reasonable steps to comply with all Applicable Regulations in relation to this Agreement and Product Module and any Futures or Options or Matching Transactions, so far as they are applicable to you or us; and

(b) upon demand, you will provide us with such information as we may reasonably require to evidence the matters referred to in this clause or to comply with any Applicable Regulations.

17. Default and default remedies

The following sub-clauses will be added to Term 16 ("Default and default remedies") following Term 16(6):

(7) On an Event of Default or at any time after we have determined, in our absolute discretion, that you have not performed (or we reasonably believe that you will not be able or willing in the future to perform) any of your obligations to us under this Agreement or under a Future or Option, we shall be entitled, without prior notice to you and without prejudice to our rights under the Master Netting Agreement entered into between us or under the Agreement or this Product Module:

- (a) instead of returning to you Transactions equivalent to those credited to your account, to pay to you the fair market value of such Transactions at the time we exercise such right, and/or
- (b) to sell such of your Transactions as are in our possession or in the possession of any nominee or third party appointed under or pursuant to this Agreement, in each case as we may in our absolute discretion select or and upon such terms as we may in our absolute discretion think fit (without being responsible for any loss or diminution in price) in order to realise funds sufficient to cover any amount due by you hereunder, and/or
- (c) to close out any or all Transactions, buy, sell, borrow or lend or enter into any other Transaction or take, or refrain from taking, such other action at such time or times and in such manner as, at our sole discretion, we consider necessary or appropriate to cover, reduce or eliminate our loss or liability or risk of loss or liability under or in respect of any of your Transactions, positions or commitments.

18. Governing Law

The following sub-clauses will be added to Term 27 ("Governing Law") following Term 27(2):

- (3) A Future or Option which is subject to Exchange Rules shall, notwithstanding Term 27(1) be governed by the law applicable to it under those Rules.
- (4) Where required by Exchange Rules, any dispute arising out of or in relation to a Future or Option shall be determined in accordance with Exchange Rules and by such arbitration, mediation or other proceedings as may be required by Exchange Rules.

19. Futures and Options Product Module Definitions:

"Applicable Regulations" means the Australian Securities and Investments Commission's Rules or any other rules of a relevant regulatory authority, the relevant Exchange Rules, and all other applicable laws, rules and regulations as in force from time to time, as applicable to this Product Module;

"Exchange" means any exchange on which we agree to enter into Futures or Options under this Agreement and any clearing organisation from time to time appointed as such by any such exchange;

"Exchange Rules" means the articles, rules, contract terms published by an Exchange, regulations, procedures and customs, as in force from time to time of an Exchange or of its clearing organisation appointed as such by the Exchange from time to time;

"Future(s) or Option(s)" means a Transaction which is:

- (a) a contract made on an Exchange or pursuant to the Rules of an Exchange;
- (b) a contract which is subject to the Rules of an Exchange; or
- (c) a contract which would (but for its term to maturity only) be a contract made on, or subject to the Rules of an Exchange and which, at the appropriate time, is to be submitted for clearing as a contract made on, or subject to the Rules of an Exchange; in any of cases (a), (b) and (c) being a future or option contract of any kind in relation to any commodity, metal, financial instrument (including any security), currency, interest rate, index or any combination thereof;
- (d) a transaction which is matched with any transaction within paragraph (a), (b) or (c) of this definition; or
- (e) any other transaction which we notify to you as a Future or Option.

"Intermediate Broker" means any intermediate broker(s), including associated companies or agents acting on their behalf (who may not be in Australia), with whom we enter into Matching Transactions;

"Master Netting Agreement" means the two-way netting agreement regarding all Futures, Options and related Transactions entered into by you pursuant to this Agreement that will apply to you and to us;

"Matching Transaction" in respect of a Future or Option means a transaction in terms matching those of the Future or Option, and includes any contract entered into by us with an Intermediate Broker.



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