PROBIS SECURITIES PTY LIMITED

PRODUCT DISCLOSURE STATEMENT

Issue Date: 1 April 2017

ACN 81 149 475 105

AFSL 403070

Table of Contents

Section 1 – Important Information

1.1 This PDS

This Product Disclosure Statement (**PDS**) is dated 1 April 2017 and was prepared on that date by Probis Securities Pty Limited ABN 81 149 475 105; AFSL 403070 (**PROBIS**), as the issuer of over the counter contracts for difference (**PROBIS CFDs**) and margin foreign exchange contracts (**PROBIS FX Contracts**) (collectively, where applicable, these will be referred to as "contracts) in this PDS.

This PDS is designed to help you decide whether the contracts described in this PDS are appropriate for you. You may also use this PDS to compare this financial product with similar financial products offered by other issuers.

This PDS describes the key features of our contracts, their benefits, significant risks, the costs and fees of dealing in them and other related information. The contracts are leveraged financial products so you should read this PDS and the Account Terms in full before making any decision to invest in them.

Some expressions used in this PDS have definitions given in the Glossary at the end of this PDS (see Section 7).

1.2 PROBIS contracts

This PDS covers:

- PROBIS CFDs over:
  - indices (referred to as PROBIS Index CFDs); and
  - commodities (referred to as PROBIS Commodity CFDs).
- PROBIS FX Contracts.

The contracts covered by this PDS are those traded on the Electronic Trading Platform. These OTC contracts are derivative products issued by PROBIS (pursuant to the Account Terms) and are not Exchange traded products.

1.3 Your potential liability

> **Please especially read the "Key Information" in Section 2 and "Significant Risks" in Section 4 for important information about your potential liability.**

Potential investors should carefully consider the significant risks involved in trading in over the counter leveraged derivatives, and understand and accept the risks of investing in our contracts.

Trading in our contracts is not suitable for all investors because of the significant risks involved (see section 4 on "Significant Risks").

Your potential liability is not limited to the amount you pay PROBIS or we keep in trust for you. We may ask you to pay amounts in excess of those amounts to cover any shortfall. Your liability on short contracts can be unlimited. You should carefully consider the risks of our contracts and your capacity to meet your liability before investing.

This initial warning cannot set out and duplicate all of the important information in this PDS. You should read all of this PDS and the Account Terms before making a decision to invest in the financial products covered by this PDS. We recommend that you contact us if you have any questions arising from this PDS or the Account Terms prior to entering into any transactions with us. PROBIS recommends that you consult your advisor or obtain independent advice before trading.

1.4 PROBIS does not give Personal Advice

PROBIS will not give you personal financial advice about the contracts.

This PDS does not constitute a recommendation or opinion that the contracts are appropriate for you.

The information in this PDS is for general information purposes only and does not take into account your personal objectives, financial situation and needs.

1.5 Your suitability to deal in the contracts

If we ask you for your personal information to assess your suitability to deal in the contracts and we accept your application to deal in these contracts, this is not personal advice or any other advice to you. You must not rely on our assessment of your suitability since it is based on the information you provide and the assessment is only for our purposes of deciding whether to open an Account for you. You may not later claim you are not responsible for your losses merely because we have opened an Account for you after assessing your suitability. You remain solely responsible for your own assessments of the features and risks, all losses and for trading with PROBIS so you should seek your own advice on whether the contracts are suitable for you.

1.6 Currency of PDS

The information in this PDS is up to date at the time it was prepared but is subject to change at any time. Any updates will be posted on our website at www.aafx.com. A copy of this PDS can be downloaded from the website or you can call PROBIS to request that a paper copy be provided to you free of charge. If the new information is information which is materially adverse to you, we will issue either a new PDS or a supplementary PDS containing the new information. If the new information is not materially adverse to you, you will be able to find updated information on our website at www.aafx.com or by calling us using the contact details given below. Upon request, we will send you a paper copy of the information free of charge.

1.7 Contact

PROBIS can be contacted at:

Level 12, 210 George Street,

Sydney NSW 2000

Telephone: 61 2 8066 3310

Email: cs@aafx.com

or through our website at www.aafx.com

Section 2 – Key Information

2.1 Key Features of our contracts

- The contracts are over the counter derivatives issued by PROBIS. They are not Exchange traded.
- They are for investing indirectly in a range of foreign exchange currencies, index level, commodities, metals and treasuries price movements around the world without having to own and pay full value of the Underlying Security.
- Your Account must be funded before contracts are issued to you. You do this by paying at least the Initial Margin (plus you should consider funding the Account in anticipation of any fees and charges described in Section 5).
- You remain liable to pay later Margin and to maintain Margin Cover for at least the Margin Requirement. If you do not maintain the Margin Requirement at all times, all contracts can be Closed Out and you remain liable to pay us any remaining shortfall.
- Unlike contracts traded on an Exchange, the contracts are not standardised. The terms of a contract may, in PROBIS's

discretion, be individually tailored to the requirements of the parties to the contract – you and PROBIS.

- You have no right or obligation to acquire the Underlying Security itself.
- There is leverage in the contracts because you pay to PROBIS only Margin, not the full value. All payments to PROBIS are paid as Margin (or for the relevant fees and charges). The more Margin you pay, the less leverage.

2.2 Key Benefits of our contracts

- Our contracts enable you to take a trading position with an exposure to a particular Underlying Security without needing to buy or sell the actual full value of the Underlying Security.
- You can use the contracts to speculate, with a view to profiting from market fluctuations in the Underlying Security. You may take a view of a particular Underlying Security and so invest in the contracts intending to make a profit.
- You can use the contracts to hedge your existing exposure to an Underlying Security.
- You can deal in our contracts with a view to profiting in both rising and falling markets.
- The contracts involve a high degree of leverage. Our contracts potentially let you invest a relatively small amount (in the form of the Initial Margin) to have an exposure to the Underlying Security without having to pay the full price of the Underlying Security. This leverage gives you the potential to take a greater level of risk for a smaller initial outlay, so this increases the potential risks and rewards. Leverage can magnify losses (see Section 4 – Significant Risks and, in particular, the paragraph "Loss from Leverage" at section 4.1).
- Your moneys paid as Margin are kept in the PROBIS client moneys trust account until either paid back to you or paid to PROBIS for fees, costs and charges (if applicable) or if your Account Value has suffered a Realised/Unrealised Loss.
- If your Account Value has benefited from a Realised/Unrealised Profit, PROBIS will pay money (or credit) equivalent to that amount of the Realised/Unrealised Profit into the PROBIS client moneys trust account for your benefit. This means your Account gets paid cash (or is credited) for gains, even before you Close Out your contracts.

2.3 Key Risks of our contracts

The key risks of investing in the contracts are outlined below. Please see Section 4 for further information on the description of the significant risks.

- **Leverage** – The contracts are leveraged when the amount you pay (i.e., the total Margin and fees and charges) to PROBIS is less than the full face value of the Underlying Security.
- **Contracts are typically low margin, high leveraged investment -** You should be prepared for greater risks from this kind of leveraged derivative, including being liable to pay PROBIS more Margin and your Account's Margin Requirement changing rapidly in response to changes (e.g., in the market for the Underlying Security).
- **Loss of your moneys** – Your potential losses on (long or short) contracts may exceed the amounts you pay (as Margin) for the contract or amounts we hold on trust for you.
- **Unlimited loss** – Your potential loss on short positions may be unlimited (and more than the amount you pay PROBIS for them).
- **Trust moneys are withdrawn to pay for the contracts for the Realised/Unrealised Loss** – The money which you pay into the PROBIS client moneys trust account will be withdrawn to pay PROBIS for the contracts for fees, costs and charges or when there is a Realised/Unrealised Loss. The moneys are withdrawn as payments to PROBIS, so, once withdrawn they are not held on trust for you and, you lose the benefits of holding those moneys in the PROBIS client moneys trust account.
- **Margin Cover requirements** – You must have in your Account sufficient Margin Cover so you will need to pay Margin before contracts are issued and, after that, you may be liable to pay more Margin in order to maintain the position. The Margin Requirement will usually be at least:
  - the Margin required by PROBIS for the contract (initially and later); plus
  - the Margin required by PROBIS to cover any payments for Realised/Unrealised Loss on other positions in your Account; plus
  - any Margin required by PROBIS to cover adjustments for any foreign exchange rate; plus
  - any Margin required before the Margin Closeout level is triggered (see section 3.9 under "Margin Requirement obligation" for further information).

  If you do not meet the Margin Requirement for your Account, including at little or no notice, some or all of the contracts may be Closed Out without notice to you.
- **Foreign Exchange** – Contracts which are denominated in foreign currency can expose you to fast and large changes to the value of your position and, so also your Account, potentially triggering the need for more Margin to be paid by you, including at short or no notice.
- **Dealing risks** – There are a number of risks in dealing (see Section 4), including:
  - gapping, which is when the market for a position opens for dealing at a much higher or lower price than the previous close;
  - slippage, which is when an Order cannot all be filled at the same or near price, leaving some to be filled at a different price or not at all;
  - delays in execution of Orders;
  - hanging Orders, which is when an Order has been executed but its status is not updated for a short time;
  - stop and limit orders are not assured;
  - re-sending Orders may occur due to a large number of Orders or market liquidity stress, resulting in delays or execution at prices moved from the requested price;
  - rollovers may involve short periods (5 to 10 minutes) when dealing is not possible; and
  - automated trading strategies, signed and social trading (which you choose) create risks outside of our control, such as inappropriate dealing, losses or missed profit opportunities.
- **Counterparty risk** – you have the risk that PROBIS will not meet its obligations to you under the contract. The contracts are not Exchange traded so you need to consider the credit and performance risk you have on PROBIS. This is further explained in Section 3 under "Your Counterparty Risk on PROBIS".

2.4 Your suitability

We may make an initial assessment of your suitability to invest in the contracts based on the information you give us. You should always make your own assessment of your suitability to deal in our contracts. You should carefully consider the features of contracts and their significant risks before investing in them.

Some key suitability considerations for you are:

- whether you have experience in trading in the Underlying Security;

- whether you understand the terms of our contracts and how they work;
- whether you accept a high degree of risk in trading in these contracts;
- whether you can monitor your investments and manage them in a volatile market;
- whether you have financial resources to provide more Margin, especially on little or no notice; and
- whether you can bear substantial losses that might arise from trading in these contracts, especially the potentially for unlimited losses.

Our assessment of your suitability is based on your information and any other information we ask and you give us.

During the Account establishment process, you will be required to complete a questionnaire regarding the contracts. We can only establish your Account after you have successfully passed the questionnaire.

To the extent permitted by law we do not accept liability for your choice to invest in any contracts so you should read all of this PDS and the Account Terms carefully, consider your own needs and objectives for investing in the contracts and take independent advice as you see fit.

2.5 Nature of the contracts

These contracts are leveraged over the counter financial products which allow you to make a profit or loss from changes in the market price (or level) of the Underlying Security, without actually owning the full value of the Underlying Security or having any direct interest in the Underlying Security.

In simple terms, the amount of any profit or loss made on the contract will be equal to the difference between the price of the contract with reference to the Underlying Security when the contract is opened and the price of the contract with reference to an Underlying Security when the contract is closed, multiplied by the number of contracts held.

The calculation of profit or loss is also affected by other payments, including payments relating to Finance Charges and any other charges (for more information, see Section 5).

The value can also be affected by fluctuations in foreign exchange if you make a Transaction denominated in a currency different from the denomination of your Account currency.

You can take both “long” and “short” positions. If you take a long position, you profit from a rise in the Underlying Security, and you lose if the price of the Underlying Security falls. Conversely, if you take a short position, you profit from a fall in the price of the Underlying Security and lose if the underlying price rises.

Unlike direct investments made by trading on an Exchange, the contracts are not standardised. The terms of the contracts are based on the Account Terms with **PROBIS**, which apply to your Account and your Transactions.

2.6 Types of contracts

2.6.1 PROBIS Index CFDs

PROBIS Index CFDs derive their price or value from the real time changes in the value of an Underlying Index as calculated by the relevant Exchange or **PROBIS**’s valuation of that Underlying Index.

PROBIS Index CFDs can only be traded during the open market hours of the relevant Exchange on which the Underlying Index is determined (or within any more limited hours set from time to time by **PROBIS**). Open hours of the relevant Exchanges are available by viewing the relevant Exchange’s website.

PROBIS Index CFDs allow you to deal in anticipated market trends rather than individual shares.

PROBIS Index CFDs are valued based on the number of units per index point of the Underlying Index. For example, if the Underlying Index is 4600 then trading 10 **PROBIS** Index CFDs for that Underlying Index would mean the face value of the trade was $46,000.

2.6.2 PROBIS Commodity CFDs

PROBIS Commodity CFDs’ Underlying Security is the value or price of a Commodity Transaction. **PROBIS** Commodity CFDs may be denominated in any of the available currencies.

PROBIS Commodity CFDs are an easy way to gain access indirectly to commodity markets and underlying commodities such as, copper, wheat, sugar and oil.

PROBIS Commodity CFDs can only be traded during the open market hours of the relevant Exchange on which the Commodity Transaction is able to be traded (or within any more limited hours set from time to time by **PROBIS**). Open hours of the relevant Exchanges are available by viewing the relevant Exchange’s website.

2.6.3 PROBIS FX Contracts

PROBIS FX Contracts are leveraged products which derive their prices from the real time changes in the market price and exchange rates of foreign currencies.

Prices are only quoted for **PROBIS** FX Contracts and can only be traded during the open market hours during which the foreign currency is traded.

Open hours of the market are available by viewing the relevant market’s website. **PROBIS** might not quote for a contract on a particular foreign currency if that foreign currency is illiquid (for more information on the effect of potential external disruptions see Section 4).

PROBIS FX Contracts allow you to receive many of the economic benefits of owning the full value of the foreign exchange contract on which the **PROBIS** FX Contract is based without physically owning it (for more information on key benefits of trading in **PROBIS** FX Contracts see Section 2.2). This includes contracts in the spot price for gold or silver which are the Underlying Securities.

For more information on which **PROBIS** provides quotes on, please download a demonstration trading platform located on the **PROBIS** website at www.aafx.com or contact **PROBIS**.

PROBIS FX Contracts are valued based on the price of the relevant foreign currency pair. For example, in the case of **PROBIS** FX Contracts, if you bought 10,000 of one currency against another and the price of the foreign currency pair was quoted as 10.40/10.60 then the **PROBIS** FX Contract would have a value of $106,000 (being 10.60 x 10,000).

2.7 Benchmark Disclosure

ASIC has adopted benchmarks for over the counter derivatives which include **PROBIS** CFDs and **PROBIS** FX Contracts.

The benchmarks are not mandatory and are not law. ASIC has introduced them by way of stating, in Regulatory Guide 227 (**RG 227**), ASIC’s expectations. Not meeting the benchmarks is not an indication of breaches or failures. Rather, the benchmarks in RG 227 also require prominent disclosure in a PDS as to whether an issuer meets the benchmarks or, if not, the reasons why they are not met are explained in the PDS.

The following table summarises the benchmarks as PROBIS applies them to our OTC contracts, and whether PROBIS meets them and, if not, why not.

The table also refers you to other Sections of this PDS for more information on relevant topics (to avoid duplicating the information in this PDS).

ASIC RG 227 Benchmark	PROBIS
1. **Client qualification** If an issuer meets this benchmark, the PDS should clearly explain: • that trading in CFDs [or other applicable products] is not suitable for all investors because of the significant risks involved; and • how the issuer's client qualification policy operates in practice. If an issuer does not have such a policy in place, or one that does not incorporate all of the elements described in RG 227.40, it should disclose this in the PDS and explain why this is so.	PROBIS believes that it meets this benchmark. An explanation of PROBIS's client qualification policy is described in section 2.4 – "Your Suitability".
2. **Opening collateral** If an issuer meets this benchmark, the PDS should explain the types of assets the issuer will accept as opening collateral. If an issuer accepts non-cash assets as opening collateral (other than credit cards to a limit of $1000), the PDS should explain why the issuer does so and the additional risks that using other types of assets (e.g. securities and real property) as opening collateral may pose for the investor. This includes, for example, the risks of 'double leverage' if leveraged assets are accepted as opening collateral.	PROBIS does not meet this benchmark because it accepts as collateral for opening an Account, payments by credit card of more than $1,000. The additional risks and costs of paying by credit card are described in Section 6 under "Applications". PROBIS otherwise meets this benchmark.
3. **Counterparty risk – Hedging** If an issuer meets this benchmark, the PDS should provide the following explanations: • a broad overview of the nature of hedging activity the issuer undertakes to mitigate its market risk, and the factors the issuer takes into account when selecting hedging counterparties; and • details about where investors can find the issuer's more detailed policy on the activities it undertakes to mitigate its counterparty and market risk, and the names of any hedging counterparties. If an issuer does not meet this benchmark, it should disclose this in the PDS and explain why this is so. The PDS must include information about the significant risks associated with the product: s1013D (1) (c). The PDS should also provide a clear explanation of the counterparty risk associated with OTC CFDs [or other applicable products]. The PDS should explain that, if the issuer defaults on its obligations, investors may become unsecured creditors in an administration or liquidation and will not have recourse to any underlying assets in the event of the issuer's insolvency.	PROBIS meets this benchmark: • PROBIS discloses in its PDS its hedging activity and risk mitigation (see Section 3.16). • This PDS complies with the requirements to include information about the significant risks associated with the contracts (see Section 4) and also provides an explanation of the counterparty risk associated with contracts (see Section 3.16 under "Your Counterparty Risk on PROBIS") and how an investor can find the more detailed policy. • This PDS explains that, if PROBIS defaults on its obligations, investors may become unsecured creditors in an administration or liquidation.
4. **Counterparty risk— Financial resources** If an issuer meets this benchmark, the PDS should explain how the issuer's policy operates in practice. If an issuer does not meet the requirement on stress testing, it should explain why and what alternative strategies it has in place to ensure that, in the event of significant adverse market movements, the issuer would have sufficient liquid resources to meet its obligations to investors without needing to have recourse to client money to do so. An issuer should also make available to prospective investors a copy of its latest audited annual financial statement, either online or as an attachment to the PDS.	This PDS includes information about PROBIS's policy on maintaining adequate financial resources - see Section 3.16 under "Your Counterparty Risk on PROBIS". PROBIS conducts monthly financial reports to maintain awareness of its financial position at all times (especially in the event of significant adverse market movements). PROBIS would meet this benchmark except that PROBIS makes available copies of its latest audited annual financial statement only by inspection at the office of PROBIS.
5. **Client money** If an issuer meets this benchmark, the PDS should clearly: • describe the issuer's client money policy, including how the issuer deals with client money and when, and on what basis, it makes withdrawals from client money; and • explain the counterparty risk associated with the use of client money	PROBIS meets this benchmark in all respects. See sections 3.9 and 3.16 and the risks described in section 4. PROBIS does not use client moneys paid into the PROBIS client moneys trust account for margining, guaranteeing, securing, transferring or for its hedging purposes. Rather, PROBIS uses funds from its own

ASIC RG 227 Benchmark	PROBIS
for derivatives. If an issuer does not have such a policy in place, or one that does not incorporate all of the elements described above, it should disclose this in the PDS. If an issuer's policy allows it to use money deposited by one client to meet the margin or settlement requirements of another client, it should very clearly and prominently explain this and the additional risks to client money entailed by this practice. An issuer's client money policy should be explained in the PDS in a way that allows potential investors to properly evaluate and quantify the nature of the risk, if any, to client money.	operating account for these purposes.
6. Suspended or halted underlying assets If an issuer meets the benchmark, the PDS should explain the issuer's approach to trading when underlying assets are suspended or halted. If an issuer does not meet this benchmark, it should disclose this in the PDS and explain why this is so, as well as the additional risks that trading when underlying assets are suspended may pose for investors. To provide a full explanation of this aspect of the product, an issuer should explain any discretions it retains as to how it manages positions over halted or suspended assets, and how it determines when and how it uses these discretions. This should include disclosure of any discretions the issuer retains to: • change the margin requirement on a position; • re-price a position; or • close out a position.	PROBIS meets this benchmark in all respects. PROBIS's approach to trading when underlying assets are suspended or halted is described in Section 3 under "Dealing". PROBIS's discretions and how it manages its positions are described in Section 6.2 under "Discretions".
7. Margin calls If an issuer meets this benchmark, the PDS should explain the issuer's policy and margin call practices. If an issuer does not have such a policy in place, or one that does not incorporate all of the elements described above, it should disclose this in the PDS and explain why this is so. To provide full and accurate information about this aspect of trading in CFDs [or other applicable products], the PDS should clearly state that trading in CFDs [or other applicable products] involves the risk of losing substantially more than the initial investment. This will ensure the issuer meets its obligation to include in the PDS information about the significant risks associated with the product: s1013D (1) (c).	PROBIS does not meet this benchmark in certain respects. PROBIS describes its margin policy at Section 3 under "Payments and Client Moneys" subheading "Margin Policy" and the risks associated at Section 4. PROBIS does not make Margin calls on Clients because that is contrary to the Account Terms and, if it applied, would tend to have a worse financial effect for all Clients generally, since they could all suffer adverse price movements while waiting for an undefined reasonable notice period, that may only later be decided after lengthy and costly legal proceedings. PROBIS's Margin practice is an automated process via the Electronic Trading Platform by which the platform automatically posts warnings to the Account if you do not maintain the Margin Requirement levels. Nevertheless, the Account Terms clearly require the Client to maintain the minimum Margin Requirement at all times. A Client must meet the Margin Requirements whether or not the Client has received the warnings on the Electronic Trading Platform.

Section 3 – How to Trade

3.1 Your Account

You need to establish your Account by completing PROBIS's Account application form, which will be made available for you online or by contacting PROBIS directly. After PROBIS accepts your application, your Account will be established. Your Account covers all of the services and products which you apply for in your application form and which are accepted by PROBIS.

Your dealing in the contracts is within your Account.

By opening an Account, you agree to the Account Terms.

The legal terms governing your Account and your dealing in the contracts are set out in the Account Terms. The Account Terms also have the legal terms for your dealings with us for other financial products which are not covered by this PDS.

3.2 Opening a contract

The particular terms of each contract are agreed between you and PROBIS before entering into a Transaction.

Before you enter into a contract, PROBIS will require you to have sufficient Account Value (see the Glossary in Section 7) to satisfy the Initial Margin requirements for the relevant number of contracts. The payments you make to PROBIS are either held as Margin or withdrawn to pay the amounts for Realised/Unrealised Losses or any fees and charges which you may owe.

When you Close Out an Open Position, you are entering into a new contract for a position of the same type and number of contracts opposite to your Open Position. You are liable for the costs, fees and charges as described in this PDS (see Section 5). You should be aware that your investment might suffer a loss, depending on the value of your contract at termination compared with the total cost of your investment up to the time of termination.

A contract is opened by buying a contract, corresponding with either buying (going long) or selling (going short) the Underlying Security. You go "long" when you buy a contract corresponding with buying the Underlying Security in the expectation that the price of the Underlying Security to which the contract is referable will increase, which would have the effect that the price of the contract to Close Out would increase.

You go "short" when you transact in a contract corresponding with selling the Underlying Security in the expectation that the price of the Underlying Security to which the contract is referable will decrease, which would have the effect that the price of the contract will decline.

3.3 Dealing

Quotes for prices for dealing in our products are indicative only and so are subject to the actual available price at the time of execution of your Order. While PROBIS endeavours to execute your Order to the best of its ability, there is no assurance that the Order will be able to be executed at the price of your Order.

Quotes will be given and Transactions made during the open market hours of the relevant market on which the Underlying Securities are traded. We may be able to provide quotes during suspended hours of the relevant market but in that case you might not be able to make a Transaction during this time.

PROBIS may at any time in its discretion, without prior notice, impose limits on our contracts in respect of particular Underlying Securities. Generally, PROBIS would only do this if the market for the particular Underlying Security has become illiquid or its trading status has been suspended or there is or will be, some significant disruption to the markets, including trading facilities.

You should be aware that the market prices and other market data which you view through PROBIS's Electronic Trading Platform or other facilities which you arrange yourself may not be current or may not exactly correspond with the prices for the products offered by PROBIS.

You may be able to access your Accounts and any online trading platform outside of the hours when Orders may be accepted.

Even though you may be able to place Orders outside of the hours when Orders may be accepted, if you have insufficient Balance when your Order becomes due to be executed, it will be rejected so you should ensure that you have sufficient Balance at the time of placing these Orders.

3.4 Pricing - Bid/Ask spread

PROBIS quotes a lower price and a higher price at which you can place your Order. This is referred to as the Bid/Ask spread. The higher quoted price is the indication of the price you can buy the contract. The lower quoted price is the indication of the price at which you can "sell" the contract (that is, Close Out an Open Position for the contract).

PROBIS's Bid/Ask prices are set by PROBIS and so these prices may not be the same as those quoted in the relevant underlying market but PROBIS aims to give competitive pricing. Please be aware that PROBIS does not act as your agent to find you the best prices.

When your Order is executed, for you to break even or before you can realise a profit, putting aside for the sake of simple illustration any fees or charges, the price at which you exit your position needs to have moved in your favour to at least equal to the original Bid or Ask price that you started the position (depending on whether you went long or short).

Also, the available pricing may be limited by tick sizes, minimum steps, depending on the general market rules for trading the Underlying Security or PROBIS's hedging, so, depending on the product you choose, your Order to exit your position might have to be in minimum increments of pricing before it can be accepted and executed. That could affect your net profit or loss.

3.5 Pricing model

You may only deal in and out of contracts by using PROBIS's prices. PROBIS offers prices based on its market making pricing model by which PROBIS chooses the prices made available to Clients.

PROBIS may at any time choose to make hedge contracts, fully or partly or not at all, whether at or around the same time as it issues the contracts to you by making a hedge contract with its Hedge Counterparty.

PROBIS does not draw on and use client moneys paid into the PROBIS client moneys trust account for hedging with its Hedge Counterparty. Rather, PROBIS uses funds from its operating account for this purpose.

Generally the prices of contracts are set on the Electronic Trading Platform to give competitive pricing but you should be aware that PROBIS is acting as principal to you and so is responsible for setting the prices of opening and closing contracts and PROBIS does not act as your agent to find you the best prices.

3.6 Electronic Trading Platform

Your Account gives you access to PROBIS's Electronic Trading Platform.

We do not accept telephone or other voice Orders.

We will endeavour to use our best efforts to make the Electronic Trading Platform available when you access them; however, we cannot give an absolute assurance or guarantee that the Electronic Trading Platform will be available on a continuous basis due to systems maintenance, system failures and other related technological or external factors.

You must carefully read and follow the operational rules for each of the Electronic Trading Platform. The Electronic Trading Platform from time to time may impose special operating rules including but not limited to:

- posting Margin (such as when payment is required and when the payment is effective);

- how Margins are calculated (such as automatic adjustments outside of trading hours, including at the weekend); and
- how Orders are managed.

We recommend that prior to engaging in live trading, you open a "demo" account and conduct simulated trading. This enables you to become familiar with the Electronic Trading Platform that you wish to transact in.

There is also online help available on the Electronic Trading Platform which has information relating to the operation of the Electronic Trading Platform.

3.7 Confirmations of Transactions

If you transact in our contracts, the confirmation of the Transaction, as required by the Corporations Act, may be obtained by accessing the daily statement online, which you can print.

If you have provided PROBIS with an e-mail or other electronic address, you consent to confirmations being sent electronically, including by way of the information posted to your Account on the Electronic Trading Platform. It is your obligation to review the confirmation immediately to ensure its accuracy and to report any discrepancies within 48 hours.

3.8 PROBIS CFDs – Corporate Actions

If the PROBIS CFDs relate to an index, and a share (which is a constituent of the index) goes *ex*-dividend, then typically an adjustment will be made automatically to the index level (by the index provider) to reflect this dividend.

PROBIS has discretion whether to make an adjustment for an amount for the weighted proportion of the dividend, being an amount to be credited to your Account in respect of your long positions and debited from short positions. Whether the adjustment is made depends on the index and operational matters from time to time.

Any adjustment will be uniformly applied across all relevant positions at the time. Please contact PROBIS if you have any queries on whether the adjustment will be made to a particular PROBIS CFD or an index.

You may not direct PROBIS how to act on a corporate action or other shareholder benefit.

PROBIS has a discretion to determine the extent of the adjustment and aims to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

PROBIS may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment. PROBIS may also elect to close a PROBIS CFD if the PROBIS CFD's Underlying Securities are the subject of a take-over offer, scheme of arrangement or other mechanism for change in control, prior to the closing date of the offer.

PROBIS CFDs do not entitle you to direct PROBIS on how to exercise any voting rights in connection with the PROBIS CFD's Underlying Security.

Clients should be aware that some Exchanges purge orders in securities that undergo corporate actions. You should seek confirmation from PROBIS of any action for specific corporate actions that might affect your PROBIS CFDs.

3.9 Payments and Client Moneys

Here is an explanation of payments you make for our contracts.

A. Establishing a Position

Before you transfer any money to PROBIS, you should carefully consider how your money will be held and used and the risks to you of paying money to PROBIS.

Please see the entire description which follows.

Steps:

Step 1

You (as our Client) pay money into the PROBIS client moneys trust account for Margin. You would need to do this to fund your Account before trading if there is not enough Margin Cover.

Step 2

Contracts are issued to you when your Orders are accepted and executed.

No money is withdrawn from the PROBIS client moneys trust account just for you to open your contract.

Step 3

After you have paid money as Margin and established your position, PROBIS will keep the moneys which you have paid into the PROBIS client moneys trust account in there until it needs to be paid for fees, costs and charges or if there has been a Realised/Unrealised Loss on your Account at which point PROBIS withdraws funds to pay itself since these are moneys to which PROBIS is entitled (by reason of the terms of your Account). Whether or not there is a Realised/Unrealised Loss on your Account is determined when PROBIS revalues your Account.

Step 4

Money will be paid by PROBIS to the PROBIS client moneys trust account for your benefit. This occurs when the revaluation of your Account by PROBIS shows a Realised/Unrealised Profit.

Further explanation of Client moneys when establishing a position

The above steps give a very brief outline. The following gives further explanation.

PROBIS client moneys trust account

Moneys paid by you to PROBIS for the contracts are initially deposited into a trust account maintained by PROBIS, which is referred to in this PDS as the "**PROBIS client moneys trust account**".

The moneys paid by you into the PROBIS client moneys trust account are held for you and are segregated from PROBIS's own funds. This means those funds are not available to pay general creditors in the event of receivership or liquidation of PROBIS (unless a court orders differently).

You should be aware that, generally, for trust accounts such as the PROBIS client moneys trust account:

- Individual Clients do not have separate or segregated accounts.
- All Clients' moneys are combined into one account.
- Moneys and other assets in the trust account which belong to non-defaulting Clients are potentially at risk of being withdrawn and not being re-paid to the Client even though they did not cause the default. This is because a licensee is permitted by law to use the moneys to pay itself for its hedge of the Client's position (i.e., the contract). **PROBIS does not use client moneys paid into the PROBIS client moneys trust account for hedging with its Hedge Counterparty. Instead, PROBIS uses funds from its own operating account for this purpose.**
- A licensee (e.g., PROBIS) is permitted by law to use Client moneys in these trust accounts to meet obligations incurred by a licensee (i.e., PROBIS) in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives.

  PROBIS does not use client moneys paid into the PROBIS client moneys trust account for margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives. Instead, PROBIS uses funds from its own operating account for this purpose.
- PROBIS is entitled to retain all interest earned on the money held in the PROBIS client moneys trust account.

You make your deposit by using the unique client reference number we give to you for your Account. **This deposit also serves as confirmation of your direction to PROBIS to tell us that these moneys should be withdrawn as payment to which we are entitled for, or in relation to, any or all contracts you wish to enter into using the Electronic Trading Platform. If you do not use the client reference number when making your deposit, PROBIS may ask you to provide proof of your payment and also confirm your direction before we can credit your Account to enable you to enter into a Transaction.**

In practical terms, when you make a payment which is deposited into the PROBIS client moneys trust account (for any currency), you are making payments held as Margin for your contract(s) which may be withdrawn to be paid entirely to PROBIS for any Realised/Unrealised Loss or for fees and charges.

Use of Client moneys

Pursuant to our Account Terms, you are automatically and irrevocably directing that any payment you make may be withdrawn to pay PROBIS for any Realised/Unrealised Loss, fees or charges or other amounts to which it is entitled. This is confirmed by you when you use the payment instructions given to you when your Account is established. Therefore you should only pay into the PROBIS client moneys trust account the amount which you are prepared to have withdrawn to pay PROBIS.

If you do not want your moneys withdrawn from the PROBIS client moneys trust account, then you should not pay the moneys into the PROBIS client moneys trust account and this will mean that you cannot deal in our contracts.

Client moneys are held in the PROBIS client moneys trust account until PROBIS determines there is a Realised/Unrealised Loss upon PROBIS revaluing your Account. If there is a Realised/Unrealised Loss on your Account, that amount is applied to your client moneys in the PROBIS client moneys trust account and a corresponding amount may be withdrawn and paid to PROBIS.

The timing of the withdrawals from, or payments into, the PROBIS client moneys trust account depends on a number of factors – the timing could be as short as the same day as your deposit or a week later or much longer, depending on your trading and the revaluation of your Account.

It is important to understand that the timing of the revaluation and the resulting payments depends on PROBIS's business decisions. PROBIS does not represent, warrant, undertake or guarantee the timing of when a revaluation or payment will occur.

Every time there is a revaluation of your Account Value – up or down – PROBIS will promptly make a corresponding adjustment to your client moneys in the PROBIS client moneys trust account. Although you benefit from PROBIS increasing your client moneys in the PROBIS client moneys trust account for your Account (when there is a Realised/Unrealised Profit), you also have to accept at other times there may be a reduction of your client moneys in the PROBIS client moneys trust account as a result of withdrawal from it as payment to PROBIS whenever there is a Realised/Unrealised Loss, since you benefit overall from this adjustment – your exposure to PROBIS is reduced when you have gains because your client moneys in the PROBIS client moneys trust account are increased and, if you have losses, our exposure to you and to all other Clients with losses is reduced, which reduces the risk overall for any Client.

In summary, adjustments to your client moneys in the PROBIS client moneys trust account depends on the net changes in the Account Value. If:

- there has been a **net increase in the net Account Value** – PROBIS will adjust (including by paying into) the equivalent amount of the net increase into the PROBIS client moneys trust account for your benefit;
- there has been a **net decrease in the Account Value** – you owe the equivalent amount of the net decrease to PROBIS and by the terms of your Account you direct PROBIS to withdraw the equivalent amount from the PROBIS client moneys trust account as payment to PROBIS, or if there are insufficient funds, PROBIS requires you to pay that amount into the PROBIS client moneys trust account (so it can be withdrawn and paid to PROBIS).

You are free to decide whether it is more prudent for you to pay more Margin than the Margin Requirement in respect of contracts to reduce your risks from leveraging or to avoid any future time limits for meeting later Margin Requirements that you cannot meet.

Your Account Terms and your directions give PROBIS its entitlement to withdraw your funds from the PROBIS client moneys trust account to pay itself the amounts you owe to PROBIS from all of the funds you deposit (in accordance with the Account Terms).

So, all of the funds withdrawn by PROBIS from the PROBIS client moneys trust account to pay itself are payments for fees, charges and costs (if applicable) and for your Realised/Unrealised Losses.

Withdrawal Authority

PROBIS only holds your Margin in the PROBIS client moneys trust account on the basis that it is authorised and directed by you to withdraw all of those funds to pay PROBIS for any Realised/Unrealised Loss on your Account, even if it is before you have traded any contract or, after you have traded, you have paid more Margin than is needed to meet the Margin Requirements.

Your acceptance of the Account Terms and your payment to the PROBIS client moneys trust account serves as confirmation of your direction to PROBIS to withdraw all of your funds held for you in the PROBIS client moneys trust account, whether as Margin or for fees and charges.

PROBIS uses the Account Terms, policies and procedures to ensure each Client's payments for contracts are promptly and fully allocated to that Client's Account.

Consequences of withdrawals from the PROBIS client moneys trust account

Moneys are withdrawn from the client moneys trust account either to pay PROBIS (being moneys to which it is entitled) or to pay you.

When moneys are withdrawn to pay PROBIS they are, from the time of withdrawal from the PROBIS client moneys trust account, PROBIS's own moneys (and are not held for you).

You should be aware that as from the time of withdrawal from the PROBIS client moneys trust account:

- you lose the protections given to a trust account of that kind;
- you are an unsecured creditor of PROBIS for its obligations on the contracts. This includes your exposure to PROBIS as an unsecured creditor for payment to you of the net account balance (if any) after closing all of your contract positions; and
- you are not beneficially entitled to any moneys paid by PROBIS to hedge its obligations to all or any Clients nor do you have any beneficial interest in those hedge contracts.

PROBIS reduces the risks to you arising from the withdrawals from the PROBIS client moneys trust account by:

- paying into the PROBIS client moneys trust account all amounts necessary to adjust for any Realised/Unrealised Profit; and
- managing all Clients' Margin Requirements under a policy designed to reduce risk to PROBIS and therefore benefit all of its Clients.

B. Margin payments

Here is an explanation of payment flows for Margin for an open contract. Please see the entire description which follows.

Typically this would occur if your Margin Cover has fallen and you wish to ensure your Margin Cover remains more than the Margin Requirements.

Steps:

Step 1

You (as our Client) pay moneys into the PROBIS client moneys trust account as payment for Margin.

You do this to maintain at least the minimum Margin Requirement for your open contract or because you might wish to deal in more contracts.

Step 2

If there has been a Realised/Unrealised Loss on your Account, PROBIS withdraws funds to pay itself since that is a payment to which PROBIS is entitled.

This occurs after PROBIS revalues your Account.

This withdrawal therefore may occur before or after you pay more money as Margin into the PROBIS client moneys trust account.

Step 3

Conversely, money may be paid by PROBIS into the PROBIS client moneys trust account for your Account.

This occurs if there is a Realised/Unrealised Profit on your Account.

Detailed explanation of Margining on contracts

The above steps simply outline payments if there is one Open Position when your Account has two or more Open Positions, all payments apply to the entire Account (not each position separately).

Here are the key features of Margining which are explained further in this section:

- Margin are the funds held in the PROBIS client moneys trust account for contracts, to meet the minimum Margin Requirement.
- The amount of Margin held in the PROBIS client moneys trust account for you is credited to your Account.
- When you have Open Positions, your Account must have Margin Cover of at least the Margin Requirement.
- Margin Requirements amount may change with the value of your Account for a number of reasons. It is based on all Open Positions (this could include other financial products issued by PROBIS from time to time). The value of your Open Positions can be volatile, and so too can the Margin Requirement be volatile.
- Once payments are withdrawn from the PROBIS client moneys trust account to pay PROBIS, they are no longer Margin and so you do not own them nor are they beneficially held for you. Conversely, if PROBIS makes a cash payment into the PROBIS client moneys trust account for you, those funds become Margin which you beneficially own.

Margin Requirement obligation

- You must maintain Margin Cover which meets the Margin Requirement for your Account. **PROBIS does not make Margin calls on Clients.**
- There is **no grace period as to when** you need to meet Margin Requirement obligations. There is no limit on how often the Margin Requirement may change.
- **The timing and amount of your Margin Requirement obligations for your Account** will depend on movements in the market price of the Open Positions, and the changes to the Account Value.
- You have an obligation to meet the Margin Requirement **even if PROBIS (by the Electronic Trading Platform or otherwise) cannot successfully or does not contact you. You must not rely on receiving any warning or accessing your Account.**
- You have a risk of some or all of your **contracts being Closed Out** if you do not meet the obligation to meet the Margin Requirement.
- It is **your obligation to monitor** the Margin Requirement and the Margin Cover for your Account.
- It is **your obligation to maintain the minimum Margin Cover** at all times for so long as you have an Open Position in a contract.
- You have a risk of your contracts **(and all other products held in your Account)** being Closed Out if you do not have in your Account sufficient Margin Cover credited to it, regardless of whether you have checked your Account's Margin Requirement or whether you have tried to make a payment but it has not been credited to your Account.

Margin policy

PROBIS applies the following main Margin principles:

- Each Client is required to have Margin Cover for the amount known as "Initial Margin" before issuance of a contract.
- The Initial Margin is determined by PROBIS based on a number of factors, including the Leverage Ratio applied to an PROBIS CFD or PROBIS FX Contract, Margin required to hedge the underlying market, any margin which PROBIS is required to pay its Hedge Counterparty (if applicable), PROBIS's risk assessment of the Client, and any Realised/Unrealised Loss or any Realised/Unrealised Profit on your Account at any point in time.
- The Initial Margin could be available either by the Client paying funds (as Margin) into the PROBIS client moneys trust account or because there is already sufficient Margin held in that account. If there is not sufficient Margin Cover (including all available Margin) for the contract to be opened (due to its Initial Margin requirement) then the contract will not be executed.
- If the contract is opened, the Client's Account is adjusted at any time, often continuously and quickly, for its Margin Requirement according to market movement so that no Client is intentionally materially benefited from other Clients' trading. This unintended benefit could occur if, for example, the Client's Margin requirements are not adjusted in line with market changes or the credit risk on the Client.

Paying Margin

To pay Margin, first you must deposit the funds into the PROBIS client moneys trust account. The funds are only withdrawn and paid to PROBIS after there has been a Realised/Unrealised Loss on your Account (or to pay for fees, charges or costs or to pay Withdrawable Funds to you).

For so long as your funds (paid as Margin) are held for you in the PROBIS client moneys trust account, there has not been a completed payment to PROBIS but your Margin is included in the Margin Cover.

Your payment to PROBIS is finally effective only when cleared funds are withdrawn from the PROBIS client moneys trust account. PROBIS's general policy is that it does not accept as payment just your copy of your payment instructions into the PROBIS client moneys trust account. PROBIS may, in its discretion, choose to credit your Account before it withdraws your money from the PROBIS client moneys trust account.

PROBIS is authorised to withdraw all of the funds (including Margin) payments which you deposit due to the Account Terms and due to your payment into the PROBIS client moneys trust account serving as confirmation of your direction for the withdrawal. Do not make any payment into the PROBIS client moneys trust account unless you agree that all of those funds may be withdrawn in payment to PROBIS.

How is Margin Cover calculated?

PROBIS sets the amount of the Initial Margin, calculates the Margin Cover and sets the Margin Requirement.

The Initial Margin set by PROBIS can be dependant on the Leverage Ratio, the type of contract selected by the Client (i.e., a PROBIS CFD or PROBIS FX Contract) and calculated as a percentage of the full face value of the contracts.

Example: The opening Balance of your Account is USD$12,000 and you select a maximum Leverage Ratio of 50:1 to open a position in an PROBIS FX Contract, so the Initial Margin is 2% of the Contract Value. You decide to enter into a Transaction with a Contract Value of USD$100,000. The Initial Margin required for this Transaction is USD$2,000 (i.e., 2% of USD$100,000).

Ordinarily the Initial Margin requirements are calculated to cover the maximum expected movement in the market in the near future but the ongoing Margin Requirement will change when the market changes and so might not be sufficient in all circumstances.

Owing to the volatility of the market, the amount of Margin Requirement to maintain your Open Positions may change at any time after a position has been opened due to market changes, changes made to your Account by PROBIS (as permitted by the Account Terms) or due to PROBIS performing a revaluation for any Realised/Unrealised Loss or Realised/Unrealised Profit on your Account.

You should be aware that you can reach the stage of not having enough Margin Cover to meet the Margin Requirement because changes in valuation of your contracts are automatic, reflecting the rapid changes in the market values.

The Margin Requirement is linked to the Margin Closeout level as the example below explains.

In order to satisfy the Margin Requirements, you may:

- Close Out existing positions to reduce your Margin Requirements; or
- pay additional funds as Margin for your Account; or
- increase your leverage on an Open Position (only if your contract is not on the maximum Leverage Ratio); or
- a combination of the above.

If your actions taken are not sufficient to maintain the Margin Cover to meet the Margin Requirement then you risk some or all of your positions being automatically Closed Out.

Under the Account Terms, your obligations arise from the time you have an Open Position. If the market moves so as to increase the Margin Requirements, or PROBIS increases the Margin Requirement, you immediately owe the increased amount of the Margin Cover, regardless of if or when we contact you to pay more Margin. Your obligation to maintain the Margin Cover to meet the Margin Requirement remains at all times, whether or not we contact you and whether or not you log into your Account.

Your Margin defaults

If you do not ensure that you maintain the level of Margin Cover to meet the Margin Requirement, some or all of your Open Positions may be Closed Out and the resulting Realised Loss deducted from any proceeds. Any losses resulting from Closing Out your Open Positions will be debited to your Account and you may be required to provide additional funds to PROBIS to cover any shortfall. If you do not comply with your obligations, all of your Open Positions can be Closed Out automatically.

It is your responsibility to pay your Margin on time and in cleared funds, so please keep in mind the possibility of delays in the banking and payments systems. If your payment is not credited by PROBIS by the time you are required to have the necessary Margin Cover, you could automatically, and quickly, lose some or all of your positions (and suffer further losses by reason of having to meet a shortfall). You should maintain a prudent level of Margin Cover and make payments in sufficient time to be credited to your Account. Please see “Margin risks” in Section 4.

As at the date of this PDS, Accounts can be funded by credit card, electronic funds transfer and other methods permitted from time to time. Our available payment methods are explained on our website.

C. Excess Margin Cover

Here is an outline of steps of payment flows to the Client if there is excess Margin Cover above the Margin Requirement. Please see the entire description which follows.

<u>Steps:</u>

Step 1

Assume that you (as our Client) have excess Margin Cover and you request payment of an amount not exceeding the Withdrawable Funds on your Account.

Step 2

The excess Margin Cover could be due to excess Margin already in the PROBIS client moneys trust account or because there is sufficient extra value in the Open Positions.

If there is not enough Margin (but enough Margin Cover), PROBIS pays the amount of any Realised/Unrealised Profit to the PROBIS client moneys trust account for your benefit (which then gets credited as Margin).

Step 3

On request, PROBIS pays funds from the PROBIS client moneys trust account into your nominated bank account.

D. Close Out and return of surplus funds

Here is an outline of payment flows for Closing Out a position in a contract. Please see the entire description which follows.

Essentially there is no difference from “C. Excess Margin Cover” above – if there is any excess Margin after Closing Out your contract, then surplus funds held as Margin in the PROBIS client moneys trust account will, on request from you, be withdrawn to pay you.

<u>Steps:</u>

Step 1

You (as our Client) Close Out the contracts, realising a gain. Your Account has a net credit Balance.

You request payment of Withdrawable Funds.

Step 2

PROBIS pays the amount of any Realised/Unrealised Profit to the PROBIS client moneys trust account for your benefit (which then gets credited as Margin).

Step 3

On request, PROBIS pays funds from the PROBIS client moneys trust account into your nominated bank account.

3.10 Valuation

During the term of our contracts, PROBIS will determine the value of your entire Account, based on the value of the contracts and all other Open Positions in your Account. The value of your contract positions are adjusted to reflect the positions being marked to market when the market or Exchange for the relevant Underlying Security is open.

3.11 Order Types

Different types of Orders are available on the Electronic Trading Platform when you log in. The following are examples of Order types that may be available to you.

Important notice about this section

When you request one of the types of Orders described in this section, we have discretion whether or not to accept and execute any such request. We will, at our discretion, accept or reject any Orders.

The price at which we accept an Order to trade will generally be on the basis of filling the full volume of the Order in one Transaction if possible. The type of Orders and how they may be filled, if at all, might depend on the rules of the Exchange where the Underlying Securities are being traded or our compliance and operational filters and configurations. For some contracts which you choose to deal in, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

PROBIS does not allow an Account to have long positions and short positions to be opened over the same type and number of Underlying Securities. The Electronic Trading Platform prevents such Orders and may also later automatically Close Out positions if the Client creates new positions with the same effect.

References to Orders being filled immediately or positions being Closed Out immediately or automatically refer to processing of Transactions as soon as practical in the ordinary course of electronic processing, and subject to compliance and operational filters. The speed of electronic processing can depend on a number of technical factors, including any transaction filters required for our compliance.

Limit Entry Order

Limit Entry orders are commonly used to enter a market and to take profit at predefined levels.

- Limit Entry orders to **buy** are placed below the current market price and are executed when the Ask price hits or breaches the price level specified. If placed above the current market price, the Order is filled immediately at the best available price below or at the limit price.
- Limit Entry orders to **sell** are placed above the current market price and are executed when the Bid price hits or breaches the price level specified. If placed below the current market price, the Order is filled instantly at the best available price above or at the limit price.

When a limit Entry order is triggered, it is filled as soon as possible at the price obtainable on the market. Note that the price at which your Order is filled may differ from the price you set for the Order if the opening price of the market is better than your limit price.

Stop Entry Order

Stop Entry orders are commonly used to enter a market at a predefined price level that is less favourable than the current market price.

- Stop Entry orders to buy are placed above the current market price and are triggered when the Ask price hits or breaches the price level specified.
- Stop Entry orders to sell are placed below the current market price and are triggered when the Bid price hits or breaches the price level specified.

When a Stop Entry order is triggered, it is immediately filled at the market price that triggered it. Note that the price at which your order is filled may differ from the price you set for the order if the market breaches the price rather than hitting it.

Market Order

A Market Order is executed immediately when placed. It is priced using the current spot, or market price, of the Underlying Security.

A Market Order, once executed, immediately becomes an Open Position, so is subject to fluctuations in the market. This means that should the market move against you, the value of your Open Position deteriorates – this is an Unrealised Loss. If you were to close the position at this time, you would realise the loss and after that your Account Balance would be updated to include the revised values.

Limit Settle orders can be linked to a Market Order to take profit or to stop losses when the market hits predefined levels.

Limit Settle orders can be an order with Limit Price only, with a Stop Price only, or an OCO Order.

OCO Order

A "**One Cancels the Other**" (**OCO**) order is a combination of both a limit order and stop order. If either of the orders is executed, the related order is automatically cancelled.

You need to enter both the limit price and the stop price for this kind of order. When the market price hits either the limit price or stop price, the corresponding order will be executed. However, the remaining order at the other price level will be cancelled automatically.

In addition to the pips differentials required mentioned under the limit order and stop order, the price difference between the OCO limit price and the OCO stop price must also be greater than certain number of pips

If-Done Order

An "If-Done order" consists of two orders: A primary order that will be executed as soon as market conditions allow it, and a secondary order that will be activated only if the first one is executed. If a primary order is executed, an If-Done order allows both a Stop-Loss and a Take-Profit order to be placed around a position.

A Take-Profit order and a Stop-Loss order can only be placed under an If-Done order.

Take Profit Order

A Take Profit Order automatically closes an Open Position when the price reaches your specified Take Profit Order price. Take Profit Orders are used to lock-in profits when you are unavailable to monitor your Open Positions.

For example, if you are long USD/JPY at 109.62 and you want to take your profit when the rate reaches 110.00, you can set this rate as your Take Profit Order. If the Ask price reaches 110.00, the Open Position is closed by the Electronic Trading Platform and your (gross trading) profit on that closed position is established. Your Transaction is closed at the current market rate. In a fast moving market, there may be a gap between the current market rate and the rate you set as your Take Profit Order.

Stop Loss Orders

PROBIS may, in its discretion, accept an Order from you to close a position if the price moves to or beyond a level specified by you. This is known as a "stop-loss order".

You would generally choose to place a stop-loss order to provide some risk protection. Stop-loss orders are commonly used to exit positions and to protect investments if the market moves against an Open Position.

For example, if your Open Position moves towards making a loss based on a level chosen by you, the stop-loss order would be triggered in order to try to close your Open Position.

Stop-loss orders to sell are placed below the current market level and your stop-loss order would be executed, i.e., triggered if our Bid price (for a stop-loss order that requires an Order to sell a contract) moves against you to a point that is at or lower than the level specified by you (and accepted by us).

Conversely, stop-loss orders to buy are placed above the current market level and your stop-loss order would be executed, i.e., triggered if our offer price (for a stop-loss order that requires an Order to buy a contract) moves against you to a point that is at or above the level specified by you (and accepted by us).

All stop-loss orders are subject to agreement by us, so you cannot be assured that you will always be able to have a stop-loss order. While

PROBIS has absolute discretion whether to accept a stop-loss order, it will generally try to do so, subject to market conditions, compliance and operational configuration and the reasonableness of your stop-loss order.

Your Order may be unreasonable if, for example, the level you have specified is too far away from the market price, the Underlying Security or trading in the Underlying Security has been halted or suspended on the market.

Even if we accept your stop-loss order, market conditions may move against you rapidly. It is possible that you may receive the best available price on the market which is worse than the one you have requested from PROBIS. A gap in market prices reflects the market for the contracts, so can occur for any reason, without any apparent reason or at any time.

Order bounds

In a fast moving, illiquid market situation (the more common example of this is the few seconds after a major news announcement) you will find that the next available Bid or Ask prices may be multiple pips away from where the last Bid or Ask prices provided by PROBIS.

PROBIS allows you to add upper and lower bounds to an Order which is an Order instructing PROBIS to fill your Order if the Bid or Ask price falls anywhere between these two lower and upper bound Order values.

Order duration

On the Electronic Trading Platform we allow Orders to be open for a range of times, typically from one (1) hour to approximately 100 days. The Electronic Trading Platform allows you to set the expiry time for your Order, typically by minute up to approximately 100 days.

Order expiry times can vary due to compliance, operational or market conditions, so please check your Order at the time.

3.12 Automatic Margin Closeout level

We will automatically Close Out some or all of your Open Position(s) when your Account Value reaches the Margin Closeout level (also referred to as liquidating your positions).

This will change unrealised losses into realised losses and any fees and charges may be incurred on the Close Out of those positions.

We do not represent, warrant, undertake or guarantee that we will actually Close Out your Open Positions once your Account Value reaches the Margin Closeout level or that your Open Positions will be Closed Out at any particular level or at any particular time since it is automatically done by the Electronic Trading Platform. You are responsible for losses, fees and charges that you may incur, despite us having the right to Close Out your position before the losses were incurred.

It is your responsibility to pay your Margin and to maintain the Margin Cover to meet Margin Requirement, so please keep in mind the possibility of delays in the banking and payments systems.

PROBIS may change the Margin Closeout level at any time and, generally, it will change automatically and perhaps very quickly.

3.13 Short PROBIS CFDs

When dealing in short PROBIS CFD positions, you are highly likely to be affected by the laws and Exchange rules in the country as they apply to short selling of the Underlying Security.

When dealing in short PROBIS CFDs, you can experience forced closure of a position if your PROBIS CFDs get recalled (which is a common way of referring to early Close Out of your PROBIS CFD due to the hedge contract for your PROBIS CFD being Closed Out early due to a Hedge Counterparty being required to deliver the Underlying Security to its own counterparty).

PROBIS does not allow long positions and short positions to be opened over the same type and number of Underlying Securities. The Electronic Trading Platform prevents such Orders and may also later automatically Close Out positions if the Client creates new positions with the same effect.

3.14 Market Conduct

Clients should be aware that some practices in placing Orders can constitute, or be involved in, market manipulation or creating a false market which is conduct prohibited under the Corporations Act or under other countries' laws. PROBIS has policies and procedures to manage attempts to use Orders and the Electronic Trading Platform to engage in or be involved in, illegal or otherwise unacceptable market conduct.

It is the Client's responsibility to be aware of unacceptable market practices and the legal implications. A Client may be liable for penalties to regulators such as ASIC or be liable to PROBIS for costs to PROBIS arising out of those trading practices of the Client which lead to the Client, PROBIS or any other person suffering loss or penalty.

3.15 Closing a position

Our contracts do not have an expiry date (unless specified through the Electronic Trading Platform). They remain open until they are Closed Out. With most contracts, you can hold the position for as long as the Electronic Trading Platform permits. This may be for less than a day, or for months.

If you wish to close an Open Position, you enter into a new position which is equal and opposite to the Open Position. To close a 'bought' or 'long' position - you sell. To close a 'short' or 'sold' position - you buy.

At the time that the positions are closed, the Electronic Trading Platform will calculate the remaining payment rights and obligations to reflect movements in the Contract Value since the previous business close (including any other credits/debits). Because you enter into a position to Close Out the existing position, there may be a fee on the position used to close the position – see Section 5 on "Costs, Fees and Charges".

In order to provide the contracts to you in an efficient and low-cost manner, PROBIS has discretion in determining closing prices. In general, without limiting PROBIS's discretion, it should be expected that PROBIS will act reasonably and have regard to a range of relevant factors at the time, the closing price of the Underlying Security for the position, any foreign currency exchange rates which are relevant due to the denomination of the position or Accounts and any suspension or halt in trading of the Underlying Security.

PROBIS also has the right to decide to make an adjustment in any circumstance if PROBIS considers an adjustment is appropriate. PROBIS has a discretion to determine the extent of the adjustment so as to place the parties substantially in the same economic position they would have been in had the adjustment event not occurred.

PROBIS may elect to close a position (without prior notice to you) if an adjustment event occurs and it determines that it is not reasonably practicable to make an adjustment.

Although there are no specific limits on PROBIS's discretions, PROBIS must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly.

The amount of any gross profit or loss you make on a position will be based on the difference between the amount paid for the position when it is issued (including fees and charges) and the amount credited to your Account when the position is Closed Out (including allowance for any fees and charges).

3.16 Your counterparty risk on PROBIS

When you deal in our contracts, you have a counterparty risk on PROBIS. An element of counterparty risk is "credit risk", so you should consider your credit risk on PROBIS having the financial resources at the time to pay you the amounts it owes you. Your potential risk on PROBIS is affected by PROBIS not always or not fully hedging its contracts as part of its market making model.

Please note that PROBIS does not use client moneys to hedge any of its positions with its Hedge Counterparty. Those positions are funded by PROBIS's operating account. PROBIS will withdraw your client moneys to pay amounts to which it is entitled, and pay moneys into the PROBIS client moneys trust account for your benefit, following revaluations of your Account (as explained in this PDS).

Your credit risk on PROBIS

You have credit risk on PROBIS when your Account has a net credit Balance made up from the amounts credited as Margin, the unrealised value of the contracts, other amounts credited to your Account (from closed positions or Finance Charges credited to your Account), other positions posted to your Account (from your other trading using the Electronic Trading Platform), less fees and charges and the minimum required Margin.

Your credit risk on PROBIS is reduced when PROBIS pays funds into the PROBIS client moneys trust account following a Realised/Unrealised Profit, because those funds are held beneficially for you (instead of you being an unsecured creditor for that same amount).

Your credit risk on PROBIS depends on the overall solvency of PROBIS, which is affected by PROBIS's risk management.

Your credit risk on PROBIS is managed and reduced by PROBIS making the payments into the PROBIS client moneys trust account for your Account and by PROBIS applying its risk management policy and margin policy designed to reduce risk to PROBIS and therefore benefit all of its clients.

Risks from PROBIS's Hedge Counterparties

PROBIS operates a market making model, which means it may change at any time choose to hedge or not to hedge any of its positions and change that at any time. PROBIS will generally hedge all of its positions to some extent. Any of those hedge positions means that PROBIS will have one or more Hedge Counterparties, each of which potentially owes a net amount to PROBIS.

PROBIS intends to use only one Hedge Counterparty to hedge any of its positions.

It is possible that PROBIS's Hedge Counterparty may become insolvent or it is possible that other clients of that Hedge Counterparty may cause a default which reduces the financial resources or capacity for that Hedge Counterparty to perform its obligations owed to PROBIS under the hedge contracts.

Since PROBIS is liable to you as principal on the contract, PROBIS could be exposed to the insolvency of its Hedge Counterparty or other defaults which affect the Hedge Counterparty.

The following information is applicable with respect to PROBIS's Hedge Counterparty as at the date of this PDS:

PROBIS's Hedge Counterparty:	City Credit Investment Bank Limited (**CCIB**)
Website of Hedge Counterparty:	www.citycreditinvestmentbank.com

You should note that:

- CCIB has not been involved in the preparation of this PDS but has authorised any statement made in this PDS relating to it.
- CCIB has no contractual or other legal relationship with you as holder of the contracts. CCIB is not liable to you and you have no legal recourse against CCIB (because PROBIS acts as principal to you and not as agent) nor can you require PROBIS to take action against CCIB.
- PROBIS gives no assurance as to the solvency or performance of any Hedge Counterparty.
- The regulation of a Hedge Counterparty is no assurance of the credit quality of the Hedge Counterparty or of any regulated or voluntary scheme for meeting the claims of creditors of the Hedge Counterparty. For example, although a Hedge Counterparty may be regulated by US financial services law, that gives no assurance that the Hedge Counterparty has good credit quality or it will perform its obligations to PROBIS.
- The credit quality of the Hedge Counterparty can change quickly. PROBIS may not be able to make assessments of the credit quality of its Hedge Counterparty at the time the changes occur which it can disclose. Reports by independent credit rating agencies may not be available because of their lack of consent or because they are not licensed to allow such reports to be cited in the PDS given to retail clients.
- PROBIS may use other Hedge Counterparties and may do so without prior notice to you of that. For example, in times of exceptional market difficulties or communications technology problems, PROBIS may decide it is prudent to hedge with other hedge counterparties other than with CCIB. If PROBIS intends to change its Hedge Counterparty on a more fixed arrangement, PROBIS will post that information on its website.
- If PROBIS becomes aware that material information about the Hedge Counterparty changes or a significant matter later changes, PROBIS will issue a supplementary product disclosure statement, or a new product disclosure statement. If the new information is not materially adverse to you, PROBIS will provide the updated information on its website.

PROBIS is not authorised to set out in this PDS any further information published by the Hedge Counterparty and PROBIS takes no responsibility for third-party information about the Hedge Counterparty which may be available to you. If you require further information about the Hedge Counterparty used by PROBIS before deciding whether to invest in the contracts, please contact us so we can provide to you any further information of the Hedge Counterparty which is publicly available.

Solvency of PROBIS

The risks you have by dealing with PROBIS cannot be simplistically assessed by reference to historical financial information about PROBIS or its Hedge Counterparty or general statements of principle.

The credit risk you have on PROBIS depends on, whether it systematically manages all Client Accounts on the same basis, its solvency generally, as well as on the amount (and kind) of its capitalisation, its cash flow, all of its business risks, its Client and security concentration risks, its counterparty risks for all of its business and transactions (not just the contracts), its risk management systems and actual implementation of that risk management.

Your credit risk on PROBIS will fluctuate throughout the day and from day to day, including due to the implied credit risk on its Hedge Counterparty, whose credit risk to PROBIS (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all.

You should take into account all of those factors and not rely only on past financial statements since that could be materially incomplete information for your purposes, not current and therefore potentially misleading as a guide to the current solvency and creditworthiness of PROBIS.

The PROBIS annual directors' report and an audited annual financial report will be available for inspection free of charge on request by contacting PROBIS for an appointment at its offices.

Payments to you in PROBIS insolvency

If PROBIS becomes insolvent, here is how you could be paid for any net credit balance in your Account:

- Your moneys in the PROBIS client moneys trust account should be paid to you, after deduction for any amounts properly payable to PROBIS for the contracts or other financial products or which you have otherwise agreed are payable to PROBIS (and subject to any court orders to the contrary).
- PROBIS will owe you any remaining net amount after paying to you your moneys from the PROBIS client moneys trust account.
- PROBIS will need to assess the amounts prudently available to pay Clients from its own funds, and may choose to pay out interim amounts from any available funds.
- The precise amounts and timing of any further possible payments might not be known until the net position with its Hedge Counterparty is known and paid to PROBIS.
- PROBIS will need to assess whether it can feasibly sue to recover anything owed by its Hedge Counterparty.
- PROBIS will need to assess fair and reasonable allocation to Clients, having regard to, for example any amounts paid from the PROBIS client moneys trust account, Account balances and amounts recovered from its Hedge Counterparty.

Section 4 – Significant Risks

Dealing in our financial products involves a number of significant risks. You should seek independent advice and consider carefully whether our products are appropriate for you given your experience, financial objectives, needs and circumstances.

4.1 Key Risks

You should consider these key risks involved in our offering:

KEY RISKS	IMPORTANT ISSUES
Loss from Leverage:	The contracts have leverage which can lead to large losses as well as large gains. The high degree of leverage in our products can work against you as well as for you. The leveraged nature of the PROBIS contracts gives a moderate to high risk of a loss larger than the amounts you pay PROBIS as Margin. It can also cause volatile fluctuations in the Margin Requirements. You can minimise the risk of losses on positions by monitoring your Open Positions and Closing Out the positions before losses arise.
Unlimited loss on short positions:	Your potential loss on short positions may be unlimited – more than the amount you pay PROBIS for the positions. You can minimise the risk of losses on positions by monitoring your Open Positions and Closing Out the positions before losses arise.
Client moneys may be withdrawn to pay PROBIS:	The money which you pay into the PROBIS client moneys trust account may be withdrawn to pay PROBIS moneys to which it is entitled. This includes amounts for any Realised/Unrealised Losses as well as for any fees, charges and costs. Those moneys withdrawn to pay PROBIS are PROBIS's moneys (and are not held for you), reducing the amount of moneys held in the PROBIS client money trust account held beneficially for you.
Margin risk:	You must be able to pay to PROBIS the amount of required Margin as and when required, otherwise some or all of your Transactions may be Closed Out without notice to you. Margin Requirements are highly likely to change continuously, in line with market movements in the Underlying Security. You should be aware that there is a high risk of Margin Requirements changing and at times, very rapidly. There is a moderate to high risk that if the market value of the Underlying Security moves

KEY RISKS	IMPORTANT ISSUES
	rapidly against you, you will be required to pay more Margin without PROBIS actually giving you notice of that. You can minimise your risk of losing your positions after failing to meet Margin Requirements by carefully selecting the type and amount of contracts to suit your needs, having risk management tools in place (such as placing stop loss orders, limit orders or any other Order permitted by PROBIS), monitoring the positions, maintaining a prudent level of cash balance in your Account and providing sufficient Margin within the time required by PROBIS. Please see section 3.9 for further information about Margin.
Foreign exchange risk:	Foreign currency conversions required for your Account (see section 6.1 for a further description) can expose you to foreign exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. Foreign exchange markets can change rapidly. This exposes you to potentially adverse changes in the value of your Account which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of a position.

KEY RISKS	IMPORTANT ISSUES
Counterparty risk on PROBIS:	You have the risk that PROBIS may not meet its obligations to you under the contracts. The contracts are not Exchange traded so you need to consider the credit and related risks you have on PROBIS. PROBIS believes that your counterparty risk on PROBIS is low, especially due to its feature of paying moneys into the PROBIS client moneys trust account if there is any Realised/Unrealised Profit on your Account and due to its Margin policy and risk management which it implements for the benefit of Clients. **PROBIS also believes that your counterparty risk is reduced by the additional feature of PROBIS not using client moneys to hedge any of its positions with its Hedge Counterparty. Those positions are funded from PROBIS's operating account.** You can minimise your counterparty risk on PROBIS by limiting the amount you pay PROBIS, dealing prudently and requesting payment to you of any surplus in your Account which is not required for prudent Margin Cover management; however, this approach may increase your Margin Cover risk, resulting in all of your positions being Closed Out. Please see heading "Your Counterparty Risk on PROBIS" in Section 3.

4.2 Other Significant Risks

You should consider these other significant risks involved in our products:

SIGNIFICANT RISKS	IMPORTANT ISSUES
Market risk:	Financial markets can change rapidly; they are speculative and volatile. Prices of currencies depend on a number of factors including, but not limited to, commodity prices or central bank decisions, interest rates, demand and supply and actions of governments. Our products are highly speculative and volatile. There is a high risk that market prices may move such that the Contract Value of the position on closing can be significantly less than the amount you invested in them. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged.

SIGNIFICANT RISKS	IMPORTANT ISSUES
	You can reduce your risk by understanding the market relevant to the contracts, monitoring your positions carefully and closing your Open Positions before unacceptable losses arise.
OTC market:	The financial products offered by PROBIS are derivatives and are not covered by the rules for Exchange-traded contracts. For example, trading on the ASX is governed by rules applicable to brokers and generally has the benefit of a guarantee system known as the National Guarantee Fund which provides protection from fraud or misconduct by brokers in connection with certain ASX trades. The ASX rules and the National Guarantee Fund do not apply to trading in our contracts. Over-the-counter derivatives, such as the contracts, by their nature may not at times be liquid investments in themselves. If you want to exit the position, you rely on PROBIS's ability to Close Out at the time you wish, which might not match the liquidity or market price of the Underlying Security. You can reduce your risk by carefully reading this PDS, the Account Terms and taking independent advice on the legal and financial aspects relevant to you.
Market disruptions:	A market disruption may lead to you being unable to deal in our financial products when you wish, and you may suffer a loss as a result of that. This is because the market disruption events which affect the Underlying Security will also affect the contract positions on the same or very similar basis. Examples of disruptions include the "crash" of a computer-based trading system, a fire or other Exchange emergency, or an Exchange or government regulatory body declaring an undesirable situation has developed in relation to particular series of contracts or a particular trade, and suspends trading in those contracts or currencies or cancels that trade. You can attempt to minimise the effect of market disruptions by obtaining information released by the market relevant to the position and taking action after the event as appropriate (if any) to the position held, such as Closing Out because the values have significantly changed since before the event.
Orders and gapping:	It may become difficult or impossible for you to Close Out a position. This can happen, for example, when there is a significant change in the Contract Value over a short period. There is a moderate to high risk of this occurring. PROBIS's ability to Close Out a position depends on the market for the Underlying Security. Stop Loss Orders (and other Order types) might not always be filled and, even if placed, might not limit your losses to the amount specified in the Order, since they are not guarantees that there will be no loss. You should consider placing Stop Loss Orders or other Orders that might limit your losses but also closely monitor your Account and the relevant market in case the Stop Loss Order is not fully filled or not filled at all and you need to take further action to limit your losses. For further information, see the description on "Stop-Loss Orders" in Section 3.11.
Auto Liquidation:	PROBIS may without prior notice to you liquidate some or all of your Open Positions if the Account Value balance reaches or falls below the Margin Closeout level applicable to your Account. This can generate fees and realised losses in your Account. PROBIS does not assure you that PROBIS will actually act on this right, at any time or in respect of all or any of your Open Positions. You should not rely on this right to manage your risk and your obligation to maintain Margin Cover to meet your Account's Margin Requirement. The more basic risks to you are that you fail to manage your own Account by maintaining adequate Margin Requirement, you fail to monitor your Open Positions, you (wrongly) rely on PROBIS liquidating your Open Positions or you fail to manage your Open Positions before the Account Value balance reaches or falls below the Margin Closeout level applicable to your Account. You can manage the risk of PROBIS liquidating some or all of your Open Positions, or the risk of you wrongly relying on PROBIS to do this, by carefully monitoring your Open Positions, placing and maintaining prudent Orders (including Stop Loss Orders) and managing your Open Positions before the Account Value balance reaches or falls below the Margin Closeout level applicable to your Account.
Electronic Trading Platform:	You are responsible for the way you access the Electronic Trading Platform or your other contact with PROBIS. If you are unable to access the Electronic Trading Platform, you will be unable to trade in our contracts (including Closing them Out) or you might not be aware of the current Margin Cover and Margin Requirement and so you may suffer loss (and liable to pay fees) as a result. PROBIS may also suspend the operation of the Electronic Trading Platform or any part of it, without prior notice to you. Although this is considered to be a low risk since it would usually only happen in unforeseen extreme situations, PROBIS has discretion in determining when to do

SIGNIFICANT RISKS	IMPORTANT ISSUES
	this. If the Electronic Trading Platform is suspended, you might have difficulty contacting PROBIS, you might not be able to contact PROBIS at all, or your Orders may not be able to be executed at prices quoted to you. There is a moderate to high risk that PROBIS imposes volume limits on Client Accounts or limits or filters on dealing in particular contracts, which could prevent or delay execution of your Orders, at your risk. You have no recourse against PROBIS in relation to the availability or otherwise of the Electronic Trading Platform, nor for technological or software errors or limitations.
Market:	The rules of the relevant market (if any) or Exchange govern the trading in the Underlying Security and so might indirectly affect your dealing in the contracts. All of the rules (if any) of each relevant market or Exchange may be relevant to the contracts, so you should consider those rules. The details of those rules are outside the control of PROBIS and they may change at any time and without notice to you.
Conflicts:	Trading with PROBIS for its OTC contracts carries an automatic risk of actual conflicts of interests because PROBIS is acting as principal in its positions with you and PROBIS sets the price of the contracts and also because it might be transacting with other persons, at different prices or rates, or PROBIS might be dealing with market participants in relation to its exposure to you or to any aspect of all of its Clients' Accounts. The policy used by PROBIS is that as principal it issues the contract to you based on the price it gives you, not by acting as broker to you. PROBIS obtains its price by dealing with its own Hedge Counterparty. You can reduce the risks to you of unfavourable pricing or opaque pricing (meaning it is unclear how it relates to the underlying market) by monitoring the contracts' pricing and by monitoring the underlying market. The other trading activities of PROBIS, are conducted without reference to PROBIS's dealing in our products with you. PROBIS may make those transactions as principal or as agent, and may do so to hedge its position and with the intention of making a profit.
Valuations:	PROBIS decides the values of its financial products issues to you. Typically this is by some reference to (but not automatically solely derived from) the market value (or, if relevant, index level) of the relevant Underlying Security on the relevant market which in turn affects the price quoted by any relevant Hedge Counterparty to PROBIS. PROBIS does not commit to providing prices directly from a market. If the market fails to provide that information (for example, due to a failure in trading systems or data information service) or trading in the Underlying Security is halted or suspended, PROBIS determines its value based only on its own information (not market pricing). Due to the nature of our financial products, PROBIS's discretion is unfettered and so has no condition or qualification. While there are no specific limits on PROBIS's discretions, PROBIS must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You therefore have the risk of relying on whatever value is determined by PROBIS in the circumstances permitted by the Account Terms.
Regulatory bodies:	A Client may incur losses that are caused by matters outside the control of PROBIS. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to the Client by reason of the effect of those actions on the Underlying Security and so, will effect the terms of the Client's contract (with or without any decision by PROBIS). A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which might lead to changes to the pricing for the Underlying Security for the Client's position.
PROBIS's powers on default, indemnities and limitations on liability	If you fail to pay, or to provide currency for, amounts payable to PROBIS or fail to perform any obligation under your Transactions, PROBIS has extensive powers under the Account Terms to take steps to protect its position. For example, PROBIS has the power to Close Out positions, to decide whether to accept Orders or to execute them and to determine the rates of interest it charges. Additionally, under the Account Terms, you agree to indemnify PROBIS for certain losses and liabilities, including, for example, in default scenarios. Although these powers, limits on the liability of PROBIS and the indemnities you give to PROBIS are extensive and

SIGNIFICANT RISKS	IMPORTANT ISSUES
	potentially expose you to significant risks, PROBIS must comply with its obligations as a financial services licensee to act efficiently, honestly and fairly. You should read the Account Terms carefully to understand these matters.
Operational risk:	There is always operational risk in the contracts. For example, disruptions in operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a Transaction. We might not liable to you if losses arise owing to delays, errors or failures in operational processes outside our control, including but not limited to faults in the Electronic Trading Platform or in the provision of data by third parties.

Section 5 – Costs, Fees & Charges

5.1 Costs, Fees & Charges

PROBIS does not charge a commission for opening or closing a position. It only charges the Finance Charge on each contract.

5.2 Financing Charge on contracts

FX Contracts

If you hold a long or short position, generally your Account will be debited a Finance Charge or credited with a finance credit (respectively) on the Open Positions held.

The Finance Charge (or finance credit) is applied to the Account Value and is calculated each day, with the calculation generally performed at 16:00 eastern standard time (**EST**). The rates used to calculate the Finance Charge (or finance credit) can be found either on the Electronic Trading Platform or the PROBIS website and vary according the currency pair of an FX Contract.

To calculate the Finance Charge (or finance credit), PROBIS analyses the Account Value during each second of the previous 24 hours of an Open Position.

For example, if your Account Value was $10,000 at 16:00 and it changes to $12,000 at 22:00 (and remains at $12,000 until 16:00) the following day, then 6 hours worth of Finance Charge (or credit) is calculated on $10,000 and 18 hours worth of Finance Charge (or finance credit) is calculated on $12,000.

PROBIS debits the Finance Charge (or credits the finance credit) on a Transaction opened at 16:00 EST, calculated for the time interval starting at 16:00 EST the previous day or the time the Transaction was entered into by the Client, whichever is the later and ending at 16:00 or when the Transaction is Closed Out (whichever is the later).

By way of illustration, an open trade, say 1000 units of EUR/CHF, involves two currencies: the Euro and the Swiss Franc. If the open trade is long (i.e., you bought Euro and sold Swiss Francs), then you effectively are long (i.e., you hold) 1000 Euro and PROBIS pays you the borrowing interest rate on the 1000 EURO for the duration you hold the trade. At the same time, you are short on the equivalent amount of Swiss Francs, so PROBIS charges you for the equivalent of the interest rate on that amount for the duration of the position. These rates are converted to USD before they are credited/charged to your Account.

If the Open Position is short (i.e., you sold Euro and bought Swiss Francs), then you are short EUR and PROBIS charges you for the equivalent of interest rates for that amount of EUR, and you are long CHF and PROBIS pays you for the equivalent of borrowing interest rates for the corresponding amount of CHF.

The calculation for an overnight Finance Charge (or finance credit) for each day that a long or short position is held overnight can be found on our website under “Interest charges”.

This means that the Finance Charge (or finance credit) will be applied throughout the time the OTC contracts are held, not just if they are held overnight. While this can increase costs it can also increase the benefits to Clients.

A finance payment will be credited if you are long the higher yielding currency. It will be debited less a rollover fee if you are short the higher yielding currency.

For example, for an PROBIS FX Contract held overnight, assume the interest rates in the Base Currency is 3% and interest rate in the Term Currency is 8%, the rate of exchange is 0.7500 (see “Base Currency and Term Currency ” in the Glossary in Section 7), the charge you may incur is illustrated below:

Where:

Base Currency is $130,000

Term Currency is $110,000

Exchange rate is 0.66 or in other words 1 unit of the Base Currency equals three quarters that of the Term Currency.

Base Currency

$130,000 x 3% / 365 = $10.68

Convert interest in Base Currency to Term Currency

$10.68 x 0.66 =$7.05

Term Currency

$ 110,000 x 8%/365 = $24.11

So in the case because you are long the lower yielding currency it will cost you $10.68 of the Term Currency per day to hold the position.

No Finance Charge/finance credit is paid or received if you open and close a position on the same day.

5.3 Conversion

PROBIS will convert any profit or loss of your Transactions from the trade currency to the currency of your Account and does not charge any additional conversion fee. The conversion is actually reflected in the exchange rate at which the Transaction is converted and is not an additional conversion fee.

5.4 Charges, External Fees and Taxes

In some cases, there may be fees charged by third party banks (e.g., bank charges on international payment transfers and credit card payments) to PROBIS which PROBIS may charge you. These are not part of our financial products but you might incur them in relation to you payments to us or receipts from us.

For example, if PROBIS is charged a credit/debit card/e-wallet fee for receiving your payment, PROBIS will charge you for that (and any GST), and apply that to your Account.

If there is a chargeback for any payment to your Account (whether made by you or in your name), you may be responsible for covering any reversed payments and charge back fees incurred by PROBIS.

You are responsible for any transaction duty, GST or similar goods and services or value added tax payable in respect of trading in Transactions (except for any income tax payable by PROBIS).

5.5 **Transaction examples** Here are some examples to illustrate the variables for a typical Transaction and how they affect the calculations. The variables of your actual Transactions will, of course, differ.

Example 1 – PROBIS Commodity CFD - Profit

The Client expects the price of gold to appreciate against the US dollar and therefore decides to buy 1 PROBIS Commodity CFD with an Initial Margin requirement of $5,000.

PROBIS quotes a Bid/Ask of 1100/1105. The Client buys the PROBIS Commodity CFD at 1105.

Quote (Bid/Ask)	1100/1105
Open Ask price	1105
Transaction size	1 Lot (100 troy oz)
Initial Margin	$5,000

On the next day the gold price has risen to USD1150 and the Client decides to take the profit.

At the time the Client wants to close the position, PROBIS quotes a Bid/Ask price of 1150/1155. The Client sells at 1150.

The profit/loss for Transactions is calculated using the following: (close Bid price – open Ask price) x Transaction size = profit/loss.

The result is a profit of $5,000 summarised below:

Quote (Bid/Ask)	1150/1155
Closing Bid price	1155
Transaction size	1 Lot (100 troy oz)
(Close Bid price – open Ask price) x Transaction size =	$5,000 USD [i.e. ($1155 - $1105) x 100]

Example 2 – PROBIS Index CFD - Loss

The Client expects the level of the S&P 500 index to fall and therefore decides to buy 5 PROBIS Index CFDs for the S&P 500 for short positions currently at the Bid/Ask price of 1200/1202 with an Initial Margin requirement of $3,000.

Quote (Bid/Ask)	1200/1202
Open Bid price	1200
Transaction size	50 units of PROBIS Index CFDs (i.e., 50 contracts)
Initial Margin	$3,000

The next day, the price of S&P 500 falls to 1155, at which the Client decides to close the position and take the loss.

PROBIS quotes a Bid/Ask price of 1155/1157. The Client sells at 1157.

The profit/loss for the Transaction is calculated as following:

(closing Bid price – open Ask price × Transaction size = profit/loss

The result is a **loss** of $2,350 summarised below:

Quote (Bid/Ask)	1155/1157
Closing Bid price	1155
Transaction size	50 contracts
(closing Bid price – open Ask price) x Transaction size =	- $2,350 USD [i.e. ($1155 - $1202) x 50]

Example 3 – PROBIS FX Contracts - Profit

You decide to go long on the US dollar against the yen, and ask for a quote for 10 PROBIS FX Contracts, the equivalent of US$250,000 (Transaction sizes are set out in the confirmation). We quote you 110.00/113.00 and you buy 10 PROBIS FX Contracts at 110.00

Finance Charge adjustments

While the position remains open, an overnight adjustment (i.e., Finance Charge adjustment) is debited or credited to your Account using the applicable Tom-Next rate.

In this example, assume the overnight finance credit for one day is ¥4120.

Closing the Position

Three weeks later, US$/yen has risen to 115.20/115.44, and you take your profit by going long 10 PROBIS FX Contracts at 115.20. Your gross profit on the Transaction is calculated as follows:

Closing transaction:	US$250,000 (10 PROBIS FX Contracts) x 115.20 = ¥28,800,000
Opening transaction:	US$250,000 (10 PROBIS FX Contracts) x 110.00 = ¥27,500,000
Gross profit on Transaction:	= ¥1,300,000

Calculating the Overall Result

To calculate the overall or net profit, you also have to take account of the finance credit for the equivalent of interest adjustments. In this example, you might have held the position for 20 days, earning a total finance credit of ¥84,200 (i.e., 20 x ¥4120):

Gross profit on Transaction:	¥1,300,000
Finance credit:	¥84,200
Net Profit:	¥1,384,200 = US$13,303.60 equivalent (based on an exchange rate of 1 JPY = 0.0096 USD)

Exchange rates are subject to fluctuations and Clients should always be aware of the effect the exchange rates will have on their positions.

Example 4 – PROBIS FX Contracts - Loss

Opening the Position

You decide to go short on Australian dollar against the US dollar, and ask for a quote for 3 PROBIS FX Contracts, the equivalent of A$300,000. We quote you 0.9355/0.9359 and you short 3 PROBIS FX Contracts.

You decide to put your Stop Loss Order at 0.9565. This means that, if the market moves against you, your position will be closed at 0.9565 (during normal market conditions). So the most you can lose on the position is:

Stop Loss Order Level:	A$300,000 (3 PROBIS FX Contracts) x 0.9565 = US$286,950
Opening Level:	A$300,000 (3 PROBIS FX Contracts) x 0.9355 = US$280,650
Net Loss:	US$6,300

Notes to all examples in this PDS:

1. The above examples are to illustrate the impact of key variables on the outcome of a Transaction. They are not forecasts or projections of any particular Transaction.
2. These examples are not intended to be exhaustive and document every trading strategy.
3. The examples use simplifying assumptions by **not** taking into account a Client's tax rate or overall tax position, potential changes in interest rates charged to or earned on the Account or the time value of money. Although these variables will undoubtedly change the outcome of a Transaction or overall Account profitability, they are normal market variables which cannot now be predicted and so must be taken into consideration by a potential Client in Transactions.
4. Margin Requirements, Margin Cover interest rates and external charges may change at any time and are hypothetical only. Please refer to Trading Conditions prior to trading.
5. PROBIS's Margin Closeout feature has been ignored in the scenarios in order to show the potential impact of changes. The scenarios assume that PROBIS has manually Closed Out these positions. You are reminded that PROBIS may set a lower Margin Closeout level and so you should also not assume that PROBIS will apply an automatic Close Out if its internal Margin Closeout level is exceeded. You should decide your own exit levels and monitor your positions.

Section 6 – General Information

6.1 Accounts denominated in foreign currency

Each Account will be denominated in Australian dollars or any other currency permitted by PROBIS from time to time.

If you instruct PROBIS to effect a Transaction denominated in a currency different from the denomination of your Account currency, PROBIS will convert the currency value of your Transaction into the Account's currency.

The foreign currency conversions can expose you to foreign currency exchange risks between the time the Transaction is entered into and the time the relevant conversion of currencies occurs. This will immediately impact on the margining of your Account, so you must be careful to understand and to monitor the effect of trading in products denominated in foreign currencies.

Foreign exchange markets can change rapidly. Foreign currency exchange rates depend on a number of factors including for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of foreign currency may be suspended and further, may be allowed after a delay and the rates substantially different due to, for example, government decisions. These will impact on the rates of conversion set by PROBIS.

6.2 Discretions

PROBIS has discretions under the Account Terms which can affect your Account Orders and positions. You do not have any power to direct how we exercise our discretions.

When exercising our discretions we will comply with our legal obligations as the holder of an Australian Financial Services Licence. We will have regard to our policies and to managing all risks (including but not limited to financial, credit and legal risks) for ourselves and all of our Clients, our obligations to our counterparties, market conditions and our reputation.

We will try to act reasonably in exercising our discretions but we are not obliged to act in your best interests or to avoid or minimise a loss in your Account, or avoid causing you fees on Transactions.

Our significant discretions are:

- whether to accept your Order (including to Close Out a position) or to amend it;
- any risk limits or other limits or filters we impose on your Account or your trading;
- determining Margin Cover and Margin Requirements, especially the amount of Initial Margin, and any grace time to meet any changed Margin Requirement;
- determining values of Underlying Securities (for opening and closing positions and for determining Margin Cover);
- setting Bid prices and Ask prices; and
- Closing your positions and setting the Closing Value.

You should consider the significant risks that arise from PROBIS exercising its discretions – see Section 4.

Our other discretions include:

- setting our fees and interest rates;
- adjusting your positions for adjustments made in the market to the Underlying Security;
- adjusting, Closing Out or cancelling Transactions or Orders due to applying our compliance or operational policies;
- setting foreign currency exchange conversion rates;
- opening and closing your Account;
- giving you a grace period for full compliance in paying by cleared funds any amount you owe; and
- interpretation, variation and application of our policies.

Please note that while we have discretions, the Trading Conditions typically are set or applied for automatic outcomes, such as Closing Out all of your Open Positions if your Account does not meet the Margin Requirement.

6.3 Policies

PROBIS has a number of policies that can affect your investments. The policies are guidelines that PROBIS (including all of its staff) is expected to follow but policies are not part of the Account Terms and do not give you additional legal rights or powers.

We may change our policies at any time without notice to you. We may amend, withdraw, replace or add to our policies at any time without notice to you. Our policies might help you understand how we operate but all of the important information is set out in or referred to in this PDS so you should only rely on this PDS and not on the policies.

A summary of our key policies are available by contacting us, which we will send you by email free of charge.

Our key policies relevant to our products currently are:

- client suitability policy;
- client moneys policy;
- risk management policy (to the extent it applies to Clients, hedging and Hedge Counterparties); and
- conflicts of interests management policy

6.4 Anti-Money Laundering Laws

PROBIS is subject to anti-money laundering and counter-terrorism financing laws (**AML laws**) that can affect the contracts. If your Account is established, PROBIS may disclose your personal information and stop or Close Out Transactions on your Account for the purposes of the AML laws or under PROBIS's AML laws, policies and procedures, without liability to you for any loss that arises due to that occurring.

6.5 About PROBIS

PROBIS is an Australian incorporated company, structured to provide financial services in OTC derivatives to retail clients and wholesale clients.

Further information about PROBIS is available on its website at www.aafx.com.com.au.

6.6 Applications

You apply for an Account by completing an online application form which accompanies the online access to the Account Terms.

Accounts can be funded by credit card, electronic transfer, or other methods permitted by PROBIS from time to time. **Please note that PROBIS does not accept cheques or cash deposits.**

Funding your Account by credit card has additional risks and costs for you. By using that payment method you effectively would be doubling your leverage by taking credit from your credit card account and dealing with leverage on your Account. This can add to the risks and volatility of your positions as well as potentially higher interest costs on your credit card account.

Further, when funding your Account by credit card, PROBIS may charge a fee which will be deducted from the amount credited to your Account. This fee will be notified to you before you fund your Account by credit card. For example, if you pay $100 to PROBIS by using a credit card, your Account will be credited with the net amount after deducting the credit card fee.

If you lose on your contracts, you might not have other financial resources to repay your credit card account, incurring higher interest costs and possibly defaulting on your credit card terms.

Although PROBIS accepts payments of more than $1,000 from credit card accounts to fund your Account and for later Margin payments, please carefully consider whether this payment method is suitable for your dealing and limit it to what you can afford.

6.7 Taxation Implications

The Australian Taxation Office (**ATO**) Taxation Ruling 2005/15 describes the income tax and capital gains tax implications of trading in contracts for differences and margin foreign exchange contracts.

Our products will have taxation implications for Clients, depending on the current tax laws and administration, the nature of the Client for tax laws, the terms of the transactions and other circumstances. These are invariably complex and specific to each Client. You should consult your tax advisor before trading in these financial products.

The following summary assumes that the Client will hold the contract on revenue account, i.e., the Client will be carrying on a business of either trading or investing in these types of financial products or the Client will enter into the financial products for profit making purposes (or both). This summary does not consider the taxation position if you enter into the financial products detailed in this PDS for the purposes of hedging risks associated with other investments held by the Client on capital account.

If you are entering into a contract for the purposes of hedging, then the taxation consequences will depend on the nature of the underlying transaction or the asset or liability which is being hedged. It is recommended that you obtain your own professional taxation advice for this scenario.

The following information should be regarded as general information only.

Profits and losses on our contracts

Any realised gains derived or losses incurred by you in respect of a contract ordinarily should be included in your assessable income. Realisation will generally occur when the right or obligation to receive or pay on the contract ceases.

When calculating the amount of profit or loss, you need to consider the difference between the Closing Value and the Contract Value on commencement of the position and any fees on Open Positions paid or received by you.

The availability of tax deductions or losses incurred as a result of entering into these contacts to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax adviser in this regard.

Interest you receive on your Account is likely to be treated as assessable income for Australian tax purposes at the time that it is credited to the Account. If you do not provide your TFN (or ABN if applicable) or proof of exemption, PROBIS may be required to withhold tax from any interest payment at the highest marginal rate (possibly plus any levy).

Capital gains tax

A contract for difference is classified as a capital gains tax asset under the Income Tax Assessment Act 1997 (Commonwealth) (**ITAA**). Your dealing in PROBIS CFDs will have capital gains tax implications for you. In calculating any capital gain or loss in respect of your dealing in PROBIS CFDs, it is our understanding that you are entitled to take into consideration the cost of acquiring, holding and disposing of the PROBIS CFD.

Tax file number withholding rules

The tax file number withholding rules only apply to those investments as set out in income tax legislation. PROBIS's current understanding is that those withholding rules do not apply to its financial products; however, if it is later determined to apply and you have not provided PROBIS with your tax file number or an exemption category, PROBIS may be obliged to withhold interest payments at the highest margin tax rate and remit that amount to the ATO.

Other fees, charges or commissions

If the position gives rise to gains that are assessable or losses that are deductible, any fees other than charges or commissions ordinarily should be available as a deduction at the time they are paid by the investor and debited against their Account.

Goods and Services Tax

According to the ATO GST Determination GSTD2005/3, the provision, acquisition or disposal of a contract for difference is a financial supply under the provisions of the A New Tax System (Goods and Services) Tax 1999 and related regulations and is input taxed, with no GST imposed.

With the exception of fees and charges as set out in this PDS, amounts payable for or in respect of positions are not subject to goods and service tax for Australian residents. Clients should seek their own independent advice.

6.8 Cooling Off

There is no cooling off arrangement for our offering. You do not have the right to return any PROBIS OTC contract acquired, nor request a refund of the money paid to acquire the contract. If you change your mind after entering into a contract with PROBIS, you must Close it Out, pay any Transaction fees and take the risk of incurring a loss in doing so.

6.9 Ethical Considerations

PROBIS OTC contracts do not have a managed investment component.

Labour standards or environmental, social or ethical considerations are not taken into account by PROBIS when making, holding, varying or Closing Out the contracts.

6.10 Jurisdictions

The distribution of this PDS in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia who gains access to this PDS should comply with any such restrictions and failure to do so may constitute a violation of financial services laws.

PROBIS's operations are governed by the laws of Australia.

6.11 PROBIS insurance

PROBIS has a comprehensive insurance policy in place to cover a variety of different scenarios, some which may assist in the repayment of deficits arising from dealing in Hedge Counterparties or if there is fraudulent activity by one of PROBIS's employees, directors or authorised representatives that results in your money being used in fraudulent activities.

If the insurance policy is insufficient or the insurer fails to perform its obligations, PROBIS may not be able to make the payments it owes to you.

6.12 Dispute Resolution

PROBIS is committed to providing our clients with outstanding service. If you have a complaint about the financial product or service provided to you, please raise the issue with us by taking the following steps:

1. Contact our PROBIS compliance department and provide the details of your complaint. You may do this by telephone, email or letter.

2. If your complaint is not satisfactorily resolved, within three (3) Business Days of receipt of your initial complaint, please put your complaint in writing and send it to the Compliance Department at:

   Exchange House, Level 2

   10 Bridge Street,

   SYDNEY NSW 2000

PROBIS will make every effort to try to resolve your complaint quickly and fairly. Complaints received in writing will be acknowledged within two (2) Business Days of written receipt of your complaint and we will use our best endeavours to try to resolve your complaint within 45 days of receipt of your written complaint.

3. If you are not satisfied with the final response provided by our Compliance Department, you may exercise your right to complain to the Financial Ombudsman Service Ltd (**FOS**), if your complaint is within its rules. FOS is an external dispute resolution scheme. The contact details for FOS are:

   Financial Ombudsman Service Limited
   G.P.O. Box 3
   Melbourne VIC 3001
   Telephone: 1300 780 808
   Website: www.fos.org.au

Please note that we will need to respond to your complaint prior to FOS initiating any investigation into your complaint.

PROBIS is a member of the FOS complaints resolution scheme (No. 25794). The service provided to you by FOS is free of charge.

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

6.13 Privacy

All of the information collected by PROBIS, in the application form or otherwise, is used for the purpose of providing you with the financial products and services, maintaining your Account, and for the purpose of assessing whether you would be suitable as a Client.

PROBIS has obligations under, and has procedures in place to ensure its compliance with, the Privacy Act 1988 (Commonwealth).

Significantly, these include the following:

6.14.1 Collecting personal information

In collecting personal information, PROBIS is required:

- to collect only information which is necessary for the purpose described above;
- to ensure that collection of the information is by fair and lawful means; and
- to take reasonable steps to make you, the individual, aware of why the information is being collected and that you may access the information held by us.

If necessary, PROBIS may also collect information on directors and shareholders of a corporate client or agents or representatives of the Client. PROBIS may be required by law to collect information, such as for taxation purposes or to identify persons who open or operate an Account.

PROBIS may take steps to verify information given to it, in accordance with relevant laws, such as consulting registries, referees, employers or credit agencies. This information will not be disclosed to any other person although PROBIS may disclose this information to its related bodies corporate or agents in the ordinary course of PROBIS providing you with its products and services.

6.14.2 Using the personal information

If PROBIS has collected the information from you, PROBIS will only use the information for the purposes described above unless you consent otherwise.

Personal information may be disclosed to:

- any person acting on your behalf, including your advisor, accountant, solicitor, executor, attorney or other representative;
- related bodies corporate or agents in the ordinary course of PROBIS providing you with its products and services if you use, or intend to use, services of those other corporations;
- any organisations to whom PROBIS outsources administrative functions;
- brokers or agents who refer your business to PROBIS (so that we may efficiently exchange information and administer your account);
- regulatory authorities; and
- as required or permitted by law or by court order.

This information will not be disclosed to any other person without your consent.

You may access your personal information held by PROBIS (subject to permitted exceptions), by contacting PROBIS.

Since PROBIS is obliged by law to take reasonable steps to ensure that the personal information used is accurate, up to date and complete, please tell us immediately if any of the information provided in this section changes.

6.14.3 Retaining personal information

PROBIS takes reasonable steps to maintain secure protection of all personal information obtained from misuse, loss, unauthorised access, modification or disclosure.

Section 7 – Glossary

ABN means Australian business number.

Account means your account with PROBIS established under the Account Terms, including all Transactions recorded in them, for using the Electronic Trading Platform.

Account Terms means the terms of your Account with PROBIS for all of your Accounts by which you deal in Transactions (as amended from time to time). Variations or additional terms may be notified to you from time to time in accordance with your current Account Terms.

Account Value means the current value of your Account which is calculated by PROBIS by combining:

- the equivalent balance of your Account in the PROBIS client moneys trust account;
- the Realised/Unrealised Losses and Realised/Unrealised Profits;
- indicative costs to Close Out (fees, Finance Charges); and
- the values of Transactions not yet booked.

AML Laws means the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Commonwealth) and any related regulations, rules and instruments.

Ask means the price which PROBIS as the seller is willing to accept i.e., the price at which you can buy the contract. This is also known as the “offer price”.

ASX means the currencies and other Exchanges operated by ASX Limited.

Australian Dollars or **AUD$** means the lawful currency of the Commonwealth of Australia.

PROBIS means PROBIS Securities Pty Limited ACN 81 149 475 105; AFSL 403070.

PROBIS CFD means an OTC contract issued by PROBIS pursuant to the Account Terms for the parties to pay in cash the difference in prices/index level of securities on the terms of the Account Terms.

PROBIS client moneys trust account means the bank account (or any one of several of them) maintained by PROBIS as a trust account under section 981B of the Corporations Act. The moneys held in it beneficially for you are credited to your Account.

PROBIS Commodity CFD means a PROBIS CFD (issued by PROBIS pursuant to the Account Terms) whose Underlying Security is a Commodity Transaction.

PROBIS FX Contract means an OTC contract issued by PROBIS pursuant to the Account Terms for the parties to pay in cash an amount calculated by reference to foreign exchange rates.

PROBIS Index CFD means an PROBIS CFD whose Underlying Security is an index comprised of securities of issuers listed on an Exchange, typically an index sponsored or promoted by an Exchange. The S&P™/ ASX 200™ is an example, so a S&P™/ ASX 200™ PROBIS Index Contract is an PROBIS CFD whose Underlying Security is the S&P™/ ASX 200™ and the values are based on the index levels of the S&P™/ ASX 200™. The index sponsor has no involvement in the PROBIS CFD.

Balance means the funds or posted credit value available in an Account that may be used for dealing in the contracts.

Base Currency is the first currency quoted in a currency pair, for example in the quote AUD/USD, the AUD is the Base Currency.

Bid means the price which PROBIS as the buyer is willing to accept i.e., the price at which you can sell the contract.

Business Day means a weekday which is not a gazetted public holiday in Sydney.

Client refers to the person who has an Account with PROBIS.

Close Out, Closed Out and **Closing Out** in relation to a Transaction means discharging or satisfying the obligations of the Client and PROBIS under the transaction and this includes matching up the Transaction with another Transaction of the same kind under which the Client has assumed an offsetting opposite position.

Closing Value means the value determined by PROBIS by multiplying the number of your contract by the price (or, if an index, the level) of the contract.

Commodity Transaction means a transaction to buy or sell a specific quantity of a described commodity or to make a payment calculated by reference to changes in the level of an index or interest rate, at an agreed date in the future.

Contract Value means the face value of the contract, and is calculated by PROBIS by multiplying the applicable price (or, if an index, the level) of the contract by the number of contracts.

Corporations Act means the Corporations Act 2001 (Commonwealth).

Electronic Trading Platform means any of the online trading platforms provided by PROBIS for accessing your Account and placing Orders.

Exchange means the relevant market or any other exchange or market on which the relevant Underlying Security trades or, in the case of an index, to which it relates.

Finance Charge means a charge payable by you in respect of your Transaction, in accordance with the Account Terms.

FX Contract means an OTC contract which is a foreign exchange contract.

Hedge Counterparty means a person with whom PROBIS enters into a hedge contract to hedge PROBIS's exposure to Client positions.

Initial Margin means the amount which you are required to provide to PROBIS as the initial Margin to open a position.

Leverage Ratio means the ratio set by PROBIS which enables the Client to open a Transaction with an exposure referable to that ratio.

Margin means the amount of funds paid to PROBIS and credited to your Account as Margin.

Margin Closeout means the automatic Close Out of all of your Open Positions which occurs if the Balance does not equal or exceed the Margin Requirement.

Margin Cover means the amount calculated by PROBIS as the value in your Account available to meet your Account's Margin Requirement and for any further contracts. It comprises Margin held in the PROBIS client moneys trust account for you and some part of any Realised/Unrealised Profit.

Margin Requirement means the minimum amount of Margin required to be maintained in your Account before the Account Value reaches the Margin Closeout level.

Market Order has the meaning given to it in section 3.11 of this PDS.

Open Position means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement.

Order means any instruction provided by you to enter into a Transaction or to Close Out a Transaction.

OTC means over-the-counter (in contrast with Exchange-traded).

OTC contract means an over-the-counter contract for a financial product, including options and contracts in respect of foreign exchange or other commodities, such as metals.

Realised/Unrealised Loss means:

(a) **(realised loss)** – the amount by which the value of an Open Position on Close Out is less than the value of the Open Position when the Open Position was last valued or if the Open Position has never been valued previously, it is the value when the position was opened; and
(b) **(unrealised loss)** – the amount by which the value of an Open Position (not on Close Out) is less than the value of the Open Position when it was last valued or if the Open Position has never been valued previously, it is the value when the position was opened.

Realised/Unrealised Profit means:

(a) **(realised profit)** – the amount by which the value of an Open Position on Close Out is more than the value of the Open Position when the Open Position was last valued or if the Open Position has never been valued previously, the value when the position was opened; and
(b) **(unrealised profit)** – the amount by which the value of an Open Position (not on Close Out) is more than the value of the Open Position when it was last valued or if the Open Position has never been valued previously, the value when the position was opened.

Take Profit Order has the meaning given to it in section 3.11 of this PDS.

Term Currency is the second currency quoted in a currency pair, for example for the quote AUD/USD, the Term Currency is the USD.

Trading Conditions means the operating rules and conditions for your trading on the Electronic Trading Platform from time to time.

Trailing Stop Order has the meaning given to it in section 3.11 of this PDS.

Transaction means any of the kinds of contracts which are dealt under the Account Terms.

Underlying Index means an Underlying Security which is an index when it is used as the basis for the calculations of prices for a PROBIS Index Contract.

Underlying Security means the instrument which is used as the basis for the calculations of prices for your contracts. This includes an Underlying Index.

Withdrawable Funds means the amount of cash which may be paid to you from the Account if requested. There are Withdrawable Funds only if you have excess Balance over your Margin Requirement. The amount of the Withdrawable Funds is the lesser of the Balance of your Account and the Margin Requirement.