

OMFMarkets

# FX Master Agreement

Sydney

+61 2 8317 3131 [omfmarkets.com](http://omfmarkets.com)



# FX Master Agreement

Version 1 Dated 12 July 2016

## 1. Scope of Master Agreement

- a. All Transactions which are entered into between the Client and OMF Australia and any Guarantor on or after the date of this Master Agreement will be governed by the terms of this Master Agreement.
- b. The OMF Australia Client Application Form, this Master Agreement (including the Guarantee, Schedule 1, Schedule 2 and Schedule 3), and all Confirmations are collectively referred to as this 'Master Agreement' and constitute a single agreement between the Client and OMF Australia.
- c. All Transactions will be governed by this Master Agreement.
- d. If there is any inconsistency between this Master Agreement and any Confirmation, the provisions of the Confirmation will prevail for the purpose of the relevant Transaction.

## 2. Entering and Terminating Transactions

### 2.1 Entering Transactions

- a. OMF Australia is not obliged to enter into any Transaction under this Master Agreement unless we have received everything that we have asked the Client to provide to us, including, but not limited to any deposit that we require you to provide for a Transaction in a form and substance acceptable to us.
- b. Subject to any specific requirements for Market Orders as set out in this Master Agreement, the Client may place an Order by applying to OMF Australia:
  - i. by telephone;
  - ii. electronically, if you are logged into your Client Account on our website; or
  - iii. by any other means approved by OMF Australia
- c. OMF Australia is under no obligation to accept your Order.
- d. The Client is legally bound by a Transaction from the time we accept your Order.
- e. OMF Australia will use its best endeavours to enter into a Transaction in accordance with your Order as quickly as possible, however we make no guarantee of the timeframe in which your Order will be filled or the price at which your Order will be executed.
- f. OMF Australia will confirm the terms of a Transaction in a Confirmation that we make available to the Client in accordance with this Master Agreement.

### 2.2 Market Orders

- a. The Client may make a request to enter into a Market Order with OMF Australia at a Target Rate selected by the Client by telephoning OMF Australia during Business Hours.
- b. Each Market Order is an offer by the Client to OMF Australia and that OMF Australia may accept at any time until cancelled by the Client or the expiry date for the Market Order specified in the Confirmation.
- c. For each open Market Order, if the Target Rate is reached, OMF Australia will attempt to hedge the position that will arise if a Transaction at the Target Rate is entered into between the Client and OMF Australia (Position).

- d. If OMF Australia is successful in hedging its Position to its reasonable satisfaction, the Market Order is triggered and the Client must enter into a Transaction on the terms set out in the Confirmation of the Market Order without any further action from Client.
- e. The exchange rate at which OMF Australia hedges a request from a Client to enter a Market Order may include OMF Australia's spread. OMF Australia may not hedge its exposure to the Transaction at the Target Rate.
- f. OMF Australia will use its best endeavours to fill all Market Orders but makes no guarantee that a Market Order will be filled. Although the Client specifies a Target Rate for a Market Order, market conditions may prevent the execution of an individual Market Order at the Target Rate.
- g. The Client may cancel or alter a Market Order by telephoning OMF Australia during all Business Hours before:
  - i. the Target Rate is reached; and
  - ii. OMF Australia successfully enters into an appropriate hedge with its trading counterparty.
- h. The Client may cancel or alter a Market Order by telephoning OMF Australia's night desk after Business Hours before:
  - i. the Target Rate is reached; and
  - ii. OMF Australia successfully enters into an appropriate hedge with its trading counterparty.
- i. OMF Australia will at its sole discretion determine whether a Target Rate has been reached and may disregard temporary movements in exchange rates.

### 2.3 Close out / termination of position

- a. Once an Order is placed, there is no cooling off period. The Order will be filled as quickly as possible.
- b. If the Client wishes to close out or cancel a previous Order (other than an unfilled Market Order) in whole or in part, you may do so by entering into the opposite position. Upon the receipt of your Order to close out a position, OMF Australia will enter into a new Transaction on your behalf as quickly as possible in accordance with your instructions and in accordance with sub-clause 2.1(a) of this Master Agreement.

## 3. Obligations

### 3.1 Notification and information

The Client must:

- a. provide to OMF Australia any forms, documents or other information specified in any request by us (including, but not limited to requests made in any Confirmation);
- b. notify OMF Australia if anything happens which would result in you being unable to repeat the representations and warranties in this Master Agreement at any time during the term of this Master Agreement. Any notification provided by you under this clause does not limit our rights under this Master Agreement; and
- c. notify OMF Australia of any Event of Default.

### 3.2 Client Representations and Warranties

The Client and each Guarantor acknowledge that OMF Australia has entered into this Master Agreement and any Transaction relying on the following representations and warranties by you and each Guarantor.

The Client and each Guarantor represent and warrant to OMF Australia that as at the date of this Master Agreement and on each day during the term of this Master Agreement, that:

- a. no Event of Default has occurred;
  - i. which constitutes; or
  - ii. which would constitute an Event of Default with
    - a. the giving of notice; and/or
    - b. the lapse of time; and/or
    - c. a relevant determination by OMF Australia;
- b. it has full legal capacity to enter into and perform its obligations under this Master Agreement;
- c. it acknowledges that this Master Agreement constitutes legally valid, binding and enforceable obligations of you and any Guarantor;
- d. if it is a company, it is duly incorporated under the laws of its place of incorporation and has the power and authority to enter into this Master Agreement and has undertaken and complied with the necessary procedures to ensure this Master Agreement is enforceable and binding on it;
- e. all information provided to OMF Australia by is true and correct to the best of its knowledge and it has fully disclosed to OMF Australia in writing all facts that are material in the context of this Master Agreement;
- f. by entering into this Master Agreement it will not contravene any other agreements, judgements, orders, licences or consents by which it is bound;
- g. no litigation, arbitration or administration proceedings or claims are presently in progress, pending or threatened against it that would have a material adverse effect on its ability to observe or perform its obligations under this Master Agreement; and
- h. it enters into this Master Agreement as principal and not as trustee of a trust, unless full details of the trust have previously been provided to OMF Australia in writing.

## 4. Termination of this Master Agreement

### 4.1 Termination following an Event of Default

If any one or more Events of Default occur (at the discretion of OMF Australia, acting reasonably), OMF Australia may terminate this Master Agreement and any or all outstanding Transactions immediately.

### 4.2 Effect of an Event of Default

- a. If OMF Australia elects to terminate any or all outstanding Transactions following an Event of Default, neither party need make any further payments in respect of those outstanding Transactions. Instead:
  - i. OMF Australia may calculate the mark-to-market value of each Transaction as at the termination date using market prices chosen by OMF Australia acting reasonably;
  - ii. the mark-to market value of each Transaction will be determined by OMF Australia calculating what a reasonable person would pay OMF Australia (expressed as a negative number) or what OMF Australia would pay a reasonable person expressed as a positive number) to take over your rights and obligations under the terminated Transaction; and
  - iii. the mark-to-market value may be determined by OMF Australia in Australian dollars or any other currency agreed to by OMF Australia.
- b. OMF Australia must notify the Client of the net sum payable as soon as possible after electing to terminate any or all outstanding Transactions.

- c. The net sum of all mark-to-market values for all terminated Transactions must be settled between the parties. For example, if the net sum of all mark-to-market values is a negative number, the Client must pay OMF Australia the amount equal to the overall net negative sum. Alternatively, subject to any set-off rights which OMF Australia has under this Master Agreement, if the net sum of all mark-to-market values is a positive number, OMF Australia will must pay the Client the amount equal to the overall net positive sum.
- d. Payments due under this clause are payable in cleared funds within two business days of OMF Australia notifying the Client of the net amount payable under this clause.
- e. The Client agrees that any net amount calculated and payable in accordance with this clause is a reasonable pre-estimate of the receiving party's loss of the future benefit of the terminated Transactions.

#### 4.3 Voluntary termination of this Master Agreement

- a. Either the Client or OMF Australia may terminate this Master Agreement at any time by providing 30 days written notice to the other party.
- b. At the end of the 30 day notice period, the Client may not enter into any further Transactions under this Master Agreement, however, the terms of this Master Agreement remain in force and will continue to govern any Transaction that remains outstanding and will continue to govern such Transactions until those Transactions are closed-out or settled.

## 5. Interest

### 5.1 Interest on Client Accounts in credit

- a. The Clients will receive interest on credit balances in their Client Accounts if the interest rate for the applicable currency for the Client Account is more than 2% per annum.
- b. OMF Australia will pay interest at 2% per annum below the OMF Australia's base rate ("Annual Percentage Rate").
- c. The OMF Australia's base rate is based on the Official Cash Rates ("OCR") of each country for the currency in which the trading account is denominated and are subject to change at any time.
- d. The OCR is published:
  - i. For Client Accounts denominated in Australian dollars, by the Reserve Bank of Australia on its website [www.rba.gov.au](http://www.rba.gov.au)
  - ii. For Client Accounts denominated in United States dollars, by the Board of Governors of the Federal Reserve System on its website [www.federalreserve.gov](http://www.federalreserve.gov); and
  - iii. For Client Accounts denominated in New Zealand dollars, the Reserve Bank of New Zealand on its website [www.rbnz.govt.nz](http://www.rbnz.govt.nz)
- e. Interest is calculated daily on the credit balance in your OMF Australia trading account at the daily interest rate (i.e. the Annual Percentage Rate divided by 365 for AUD and NZD and the Annual Percentage Rate divided by 360 days for USD) and is credited to your Client Account on the first Business Day of the following month.
- f. If you do not provide us with your tax file number, withholding tax will be deducted from any interest earned.
- g. For the purposes of calculating interest, each Client Account in a different currency will be treated as a separate account.

## 5.2 Default interest

- a. The Client must pay OMF Australia interest (on demand) on amounts not paid by the Client when due and payable.
- b. Interest accrues from the date the payment is due until the Client pays the amount owing.
- c. Interest is calculated at the OCR plus 2% per annum.
- d. Interest is calculated daily on the debit balance in your Client Account at the daily interest rate (ie the Annual Percentage Rate divided by 365 for AUD and NZD and the Annual Percentage Rate divided by 360 days for USD) and is debited to your Client Account on the first Business Day of the following month.
- e. Interest will be added to any other amount you owe us under this clause on the first Business Day of each month (i.e. the interest will capitalise and the amount on which you are required to pay interest will increase each month that you do not pay the amount owing to us).

# 6. Indemnities

## 6.1 General indemnity

- a. The Client and each Guarantor indemnifies OMF Australia and its officers, agents and employees from and against all actions, claims, demands, losses, damages, liabilities, cost and expenses of any nature (including without limitation civil and criminal penalties to the extent permitted by law) suffered or incurred by OMF Australia, its officers, agents or employees at any time actually or contingently arising directly or indirectly from:
  - i. any Event of Default;
  - ii. the exercise or non-exercise, or purported exercise of any of OMF Australia's rights, powers or privileges under this Master Agreement or as a result of an Event of Default; or
  - iii. any action or assumed obligation of OMF Australia to pay any money or do anything in connection with this Master Agreement.

## 6.2 Continuing Indemnity

- a. Each indemnity provided by the Client and any Guarantor under this Master Agreement survives termination of this Master Agreement and is a continuing obligation on you and any Guarantor despite any settlement of account or the occurrence of any other thing.
- b. A certificate signed by an officer of OMF Australia detailing the amount of any damage, loss, liability, cost, charge, expense, outgoing or payment covered by the indemnity in this Master Agreement is sufficient evidence unless you can prove otherwise.

# 7. Confirmations, notices and disclosure documents

## 7.1 Confirmation and notices

- a. OMF Australia will send Confirmations to Clients for all Transactions as soon as practicable after the Transaction is entered into. For Transactions entered into after Business Hours, the Confirmation will be sent the next Business Day.
- b. The Client agrees that Confirmations and other notices or communications made in connection with this Master Agreement will be given electronically or via your Client Account accessible via the OMF Australia website, [www.omfmarkets.com](http://www.omfmarkets.com) unless:

- i. otherwise specified in this Master Agreement or a Confirmation; or
  - ii. OMF Australia, acting reasonably, determines otherwise.
- c. OMF Australia will provide the Client with the ability to print all Confirmations and other notices or communications provided via your Client Account accessible via the OMF Australia website.
- d. The Client may request a paper copy of a Confirmations and other notices or communications made available to you via your Client Account accessible via the OMF Australia website if you request the paper copy within six months of the electronic copy being made available.
- e. The Client is deemed to have received a Confirmations or other notice or communication when the Confirmation, notice or communication is capable of being viewed via your Client Account even if you are not aware that it has been uploaded.

## 7.2 Disclosure documents

- a. The Client agrees that OMF Australia may deliver a Product Disclosure Statement, Financial Services Guide, Privacy Consent Form or other disclosure document by providing the document (in a downloadable and printable form) on our website.
- b. By entering into this Master Agreement, the Client acknowledges that you have obtained a copy of and have read and understood the following documents:
  - i. the OMF Australia Financial Services Guide;
  - ii. the Product Disclosure Statement for each Financial Product that you intend to deal in;
  - iii. the OMF Australia Privacy Policy;
  - iv. this Master Agreement; and
  - v. any other disclosure document made available to you by OMF Australia from time to time via your Client Account accessible or available on the OMF Australia website, [www.omfmarkets.com](http://www.omfmarkets.com).

## 8. Guarantee and Indemnity

- a. Each Guarantor guarantees to OMF Australia due and punctual performance by the Client of the Client's obligations under this Master Agreement and indemnifies OMF Australia against all loss, damage, costs, and expenses suffered or incurred by OMF Australia as a result of any breach by the Client of any of the terms of this Master Agreement.
- b. This guarantee and indemnity is a continuing guarantee and indemnity (it being the intent of the Guarantor that the guarantee and indemnity will be absolute and unconditional in all circumstances) and is irrevocable.
- c. This guarantee and indemnity will not be considered as wholly or partially discharged by the payment at any time of any money on account or by any time, credit, indulgence, or concession extended by OMF Australia to the Client, the Guarantor, or any other person.

## 9. Power of Attorney

- a. At the request of OMF Australia, the Client must, promptly do all things that OMF Australia considers necessary or desirable to protect OMF Australia's interests under this Master Agreement and any such action will be at your expense.
- b. The Client irrevocably appoints OMF Australia as your attorney to do anything which may be done by you or which you are required to do under this Master agreement.
- c. If required by OMF Australia, the Client must ratify and confirm to any person, anything done by OMF Australia under the power of attorney granted by you under this Master Agreement.

## 10. Authorised Persons

- a. The initial list of authorised persons who are authorised to enter and settle Transactions on the Client's behalf is to be provided by the Client during account opening.
- b. The Client must advise OMF Australia of any changes to that list which may arise from time to time and if requested by OMF Australia.
- c. OMF Australia may treat any person on that list or who holds himself out as having the authority to enter into and settle a Transaction on behalf of the Client, as having the authority to do so.
- d. Any Transaction entered into by an authorised person on the Client's behalf will be valid even if that person did not have proper authority to enter into or settle the Transaction.

## 11. General

### 11.1 Costs

Each party must pay its own costs in relation to:

- a. the negotiation, preparation, execution, performance, amendment or registration of, or any consent given or made; and
- b. the performance of any action by that party in compliance with any liability arising, under this Master Agreement, or any Transaction effected under this Master Agreement, unless this Master Agreement provides otherwise.

### 11.2 GST

- a. If GST is payable by a supplier (or by the representative member for a GST group of which the supplier is a member) on any supply made under or in relation to this document, the recipient must pay to the supplier an amount (GST Amount) equal to the GST payable on the supply. The GST Amount is payable by the recipient in addition to and at the same time as the net consideration for the supply.
- b. If a party is required to make any payment or reimbursement, that payment or reimbursement must be reduced by the amount of any input tax credits or reduced input tax credits to which the other party (or the representative member for a GST group of which it is a member) is entitled for any acquisition relating to that payment or reimbursement.
- c. This clause is subject to any other specific agreement regarding the payment of GST on supplies.



### 11.3 Assignment

- a. The Client must not assign, mortgage, charge, transfer, or deal in any other way with any of your rights or liability under this Master Agreement (including the Guarantee) or any Transaction without the prior consent of OMF Australia.
- b. OMF Australia may assign its rights and obligations under this Master Agreement (including the Guarantee) or in respect of a Transaction to any person.

### 11.4 Severability

Any provision of this Master Agreement which is invalid in any jurisdiction is invalid in that jurisdiction to that extent, without invalidating or affecting the remaining provisions of this document or the validity of that provision in any other jurisdiction.

### 11.5 Counterparts

This Master Agreement may be executed in any number of counterparts, all of which taken together are deemed to constitute one and the same document.

### 11.6 Set-Off

- a. In addition to any other right of set-off that OMF Australia may have under this Master Agreement, a Confirmation or at law, after an Event of Default occurs, OMF Australia may, without notice, combine, consolidate or merge any or all of the Client's Transactions and may set off any amount owing to OMF Australia against the total of all amounts due and payable under those Transactions even though those Transactions are not in the same currency.
- b. OMF Australia may affect any currency conversion necessary or desirable for that purpose. OMF Australia may not allow any set-off between the Transactions by any person.

### 11.7 Consent to telephone recording

The Client consents to OMF Australia recording our telephone calls with you and you acknowledge that such recordings may be used in any legal proceedings under this Master Agreement.

### 11.8 Certificate of amount due

- a. A certificate signed by or on behalf of OMF Australia or its solicitor as to a matter or an amount payable under this Master Agreement or a Confirmation is, in the absence of manifest error, conclusive and binding on the Client and any Guarantor as to the amounts or any other matter stated in it. In making a determination about an amount or matter that is stated to be capable of determination by OMF Australia in its discretion under this Master Agreement, in making the determination OMF Australia must not act arbitrarily, capriciously or unreasonably.
- b. The Client agrees that OMF Australia is the calculation agent for the purpose of all calculations or determinations under this Master Agreement or any Transaction.

### 11.9 Entire Agreement

This Master Agreement and any Confirmation contains all of the terms, representations and warranties between the Client and OMF Australia and constitutes the entire understanding between the parties.

### 11.10 Varying this Master Agreement

Upon the provision of at least 30 days notice to the Client, OMF Australia may amend this Master Agreement at any time. Any such amendment will take effect on the date specified in the variation notice. Any other amendment to this Master Agreement will only be effective if it is in writing and agreed by all parties to this Master Agreement.

### 11.11 No Waiver

No failure or delay by OMF Australia to exercise any right, power or privilege under this Master Agreement operates as a waiver. No waiver of OMF Australia's rights, powers or privileges under this Master Agreement is effective unless made in writing. OMF Australia may exercise all of its rights at any time and more than once.

### 11.12 Governing law and jurisdiction

This Master Agreement is governed by and construed under the law in the State of New South Wales.

### 11.13 Client or Guarantor acting as trustee

- a. If the Client or a Guarantor enters into this Master Agreement as trustee of a trust, you and/or the Guarantor and its successors as trustee of the trust will be liable under this Master Agreement in its own right and as trustee of the trust.
- b. Nothing releases the Client or Guarantor from any liability in its personal capacity. You and/or Guarantor warrant that at the date of this document:
  - i. all the powers and discretions conferred by the deed establishing the trust are capable of being validly exercised by you and/or the Guarantor as trustee and have not been varied or revoked and the trust is a valid and subsisting trust;
  - ii. you and/or the Guarantor is the sole trustee of the trust and has full and unfettered power under the terms of the deed establishing the trust to enter into and be bound by this Master Agreement on behalf of the trust and that this Master Agreement is being executed and entered into as part of the due and proper administration of the trust and for the benefit of the beneficiaries of the trust; and
  - iii. no restriction on your and/or the Guarantor's right of indemnity out of or lien over the trust's assets exists or will be created or permitted to exist and that right will have priority over the right of the beneficiaries to the trust's assets.

## 12. Definitions and Interpretation

### 12.1 Definitions

The meanings of the terms used in this agreement are set out below.

**Business Day** means a day other than a Saturday or Sunday on which the banks are open for business in Sydney.

**Business Hours** means 9.00 am to 5.00 pm on each Business Day.

**Client (you, your)** means the person named in an OMF Australia Client Application Form as the client.

**Client Account** means the secure on-line portal accessible by a password which is made available to the Client by OMF Australia for the purposes of making Orders, viewing all open Transactions and receiving Confirmations, notices and other communications for the purposes of this Master Agreement.

**Confirmation** means a document (including in electronic form) sent by OMF Australia confirming the details of any Transaction.

**Deliverable Forward Foreign Exchange Transaction** has the meaning in Schedule 2.

**Event of Default** means any one or more of the following:

- a. there is default by the Client in respect of the performance of any term, condition or agreement contained in this Master Agreement;
- b. the Client:
  - i. does not pay on time any amount you owe OMF Australia or anyone else; or
  - ii. fails to meet any obligation you have to any person (including OMF Australia) on before the due date; or
- c. any of the Client's creditors become entitled to declare any indebtedness due; or
- d. the Client defaults under any Security granted in favour of any person under any agreement or order;
- e. an Insolvency Event occurs;
- f. if the Client is an individual, you die or are made bankrupt or become incapable of managing your own affairs or is gaoled;
- g. any Security granted by the Client over your assets becomes enforceable;
- h. if the Client is a company, there is a change in ownership or control (or there is a change in ownership and control of any company of which you are a subsidiary);
- i. if the Client is a company whose shares are listed on a stock exchange, the listing is suspended or revoked and the suspension or revocation remains in place for a period of more than 14 days;
- j. any of the Client's directors become subject to any sanctions imposed by an Australian regulatory body or law;
- k. in the opinion of OMF Australia, there is a material adverse change in the Client's financial circumstances;
- l. a representation or statement made by the Client under or in connection with this Master Agreement or under any other agreement is found to be untrue or misleading in any material respect;
- m. any of the events in sub-clauses (a) to (l) of this clause occur in relation to any Guarantor, or any Related Body Corporate of you or any Guarantor; or
- n. in the opinion of OMF Australia, the Transaction is used to finance or facilitate an illegal or improper purpose or that OMF Australia reasonably suspects that the Transaction is being used for an illegal or improper purpose.

**Foreign Exchange Transaction** has the meaning in Schedule 2.

**Guarantor** means each person named in the OMF Australia Client Application Form as a guarantor.

**Insolvency Event** means the occurrence of any one or more of the following:

- a. the Client:
  - i. is unable to pay your debts as they fall due or are unable to certify that you are able to pay your debts as they fall due; or
  - ii. commences negotiations with any one or more of your creditors with a view to the general readjustment or rescheduling of your indebtedness;
- b. an application is made to a court for an order or an order is made appointing a liquidator, provisional liquidator in respect of the Client (or proceedings are commenced or a resolution passed or proposed in a notice of meeting for any of those things);
- c. proceedings are initiated with a view to obtaining an order for the winding up or similar process of the Client, or an order is made or any effective resolution is passed for the winding up of the Client;

- d. the Client enters into, or resolves to enter into, a scheme of arrangement, deed of company arrangement or composition with, or assignment for the benefit of, all or any class of your creditors, or it proposes a reorganisation, moratorium or other administration involving any class of your creditors;
- e. a controller is appointed to or over or takes possession of all or a substantial part of the assets or undertaking of the Client;
- f. the Client is or is deemed or presumed by law or a court to be insolvent;
- g. the Client takes any step to obtain protection or is granted protection from your creditors, under any applicable legislation or an administrator is appointed to the Client; and
- h. anything analogous or having a substantially similar effect to any of the events specified above happens in respect of the Client.

**Margin FX Transaction** has the meaning in Schedule 2.

**Market Order** means an Order for a Foreign Exchange Transaction or a Deliverable Forward Foreign Exchange Transaction under which the Client offers to enter into a Transaction with OMF Australia if the relevant exchange rate reaches the Target Rate.

**OMF Australia (we, us, our)** means OMF Australia Pty Ltd ACN 608 611 687 AFSL 485351

**OMF Australia Client Application Form** means the application form used by OMF Australia to on-board new clients and which forms part of this Master Agreement.

**Option Transaction** has the meaning in Schedule 2.

**Order** means a request by the Client to initiate a Transaction.

**Parties** means OMF Australia and the Client.

**Security** includes any security interest (as that term is defined in the Personal Property Securities Act and any mortgage, charge, encumbrance, lien, pledge, which in effect is, or has the commercial effect of a security).

**Target Rate** means the exchange rate nominated by the Client for the purposes of a Market Order.

**Transaction** means any individual Foreign Exchange Transaction, Deliverable Forward Foreign Exchange Transaction or Option Transaction that is entered into by the Client under the terms of this Master Agreement or that you and OMF Australia agree is a transaction for the purpose of this Master Agreement.

## 12.2 Interpretation

In this Master Agreement unless the context otherwise requires:

- a. clause and subclause headings are for reference purposes only;
- b. the singular includes the plural and vice versa;
- c. words denoting any gender include all genders;
- d. reference to a person includes any other entity recognised by law and vice versa;
- e. where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- f. any reference to a party to this Master Agreement includes its successors and permitted assigns;
- g. any reference to any agreement or document includes that agreement or document as amended at any time;
- h. an agreement, representation or warranty on the part of two or more persons binds them jointly and severally;

- i. an agreement, representation or warranty on the part of two or more persons is for the benefit of them jointly and severally;
- j. reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated.

## Schedule 1 – Standard Definitions and Terms for Confirmations

This schedule contains the standard definitions and terms that apply to all Confirmations.

### 1. Standard Terms

Capitalised terms used in this schedule have the definition in the Master Agreement unless otherwise defined in this Schedule.

#### 1.1 Business Day conventions

If a date specified in a Confirmation is not a Business Day, then the date will be adjusted in accordance with the convention specified in the Confirmation as follows:

- a. 'Following' - the relevant day will be the next day that is a Business Day; or
- b. 'Modified Following' - the relevant day will be the next day that is a Business Day unless the next day falls in the next calendar month in which case it will be the first preceding day that is a Business Day.

#### 1.2 Trade Dates

'Trade Date' means the date specified in the Confirmation as the date on which the Client and OMF Australia entered into the Transaction.

#### 1.3 Day count fractions

The Day Count Fraction specified in the Confirmation means the following:

- a. Actual/365 - the actual number of days in the relevant Calculation Period divided by 365.
- b. Actual/360 - the actual number of days in the relevant Calculation Period divided by 360.

#### 1.4 Settlement Date

'Settlement Date' means the 'Settlement Date' specified in the relevant Confirmation.

#### 1.5 Exchange Rate

'Exchange Rate' means the currency exchange rate specified in the Confirmation and is the rate that will be applied to the exchange of the relevant currencies.

## Schedule 2 – Additional Terms for Specific Transactions

### 1. Foreign Exchange Transactions

This paragraph only applies to Foreign Exchange Transactions.

- a. A Foreign Exchange Transaction is a Transaction with a Settlement Date that is no more than two Business Days after the Trade Date.
- b. On the Settlement Date each party must pay to the other party the amount of currency specified as being payable by it to the other party in the relevant Confirmation.

### 2. Deliverable Forward Foreign Exchange Transactions

This paragraph only applies to Deliverable Forward Foreign Exchange Transactions.

- a. Definitions
  - i. **Additional Risk Deposit** means the percentage of the currency payable by the Client on the Settlement Date, as determined by OMF Australia acting reasonably, that a Client must deposit into its Client Account from time to time upon request by OMF Australia.
  - ii. **Initial Risk Deposit** means the percentage of the currency payable by the Client, as determined by OMF Australia acting reasonably, that must be deposited by the Client into its Client Account before OMF Australia will enter into a Deliverable Forward Foreign Exchange Transaction with the Client. Generally the Initial Risk Deposit will be between 3 – 5% of the currency payable by the Client on the Settlement Date.
- b. A Deliverable Forward Foreign Exchange Transaction is a Transaction with a Settlement Date that is more than two Business Days after the Trade Date.
- c. The Client must be prepared to fund their Client Account with the Initial Risk Deposit within 48 hours of an Order for a Forward Foreign Exchange Transaction being entered into with OMF Australia.
- d. Throughout the term of a Deliverable Forward Foreign Exchange Transaction, OMF Australia, acting reasonably, may require the Client to make one or more Additional Risk Deposits.
- e. OMF Australia may advise the Client of Additional Risk Deposits required by telephone, SMS message or email. The Client must ensure that they are contactable by OMF Australia during Business Hours on the contact details provided to OMF Australia in the OMF Australia Client Application Form or as otherwise advised to OMF Australia by the Client from time to time. OMF Australia's inability to contact a Client during Business Hours does not affect the validity of the Additional Risk Deposit request or the Client's obligation to satisfy the request.
- f. Unless otherwise stipulated by OMF Australia, the Client must satisfy any Additional Risk Deposit by depositing cleared funds to their Client Account within 48 hours of the request being made by OMF Australia.
- g. OMF Australia may make requests for an Additional Risk Deposit more frequently than daily and the Client must satisfy each request for an Additional Risk Deposit.
- h. OMF Australia will not consider that a request for an Additional Risk Deposit has been satisfied until cleared funds have been transferred into the Client Account.
- i. It is the sole responsibility of the Client to maintain sufficient funds in their Client Account to cover all open positions at all times.

- j. If the Client fails to satisfy a request for an Additional Risk Deposit, OMF Australia may (without prejudice to any other rights or powers under this Master Agreement) acting reasonably, immediately terminate all or some of the Client's open Transactions, whether or not those Transactions caused the request for the Additional Risk Deposit.
- k. The Client must indemnify OMF Australia against any losses incurred by OMF Australia as a result of OMF Australia terminating a Transaction following a request for an Additional Risk Deposit not being met by the Client. Any such losses will be borne by the Client and will be payable immediately upon written notice by OMF Australia.
- l. On the Settlement Date each party must pay to the other party the amount of currency specified as being payable by it to the other party in the relevant Confirmation.

### 3. Option Transactions

This paragraph only applies to Option Transactions.

- a. Definitions
  - i. **Buyer** means the person named in the Confirmation as the buyer of the Option Transaction.
  - ii. **Call** means an Option Transaction that gives the Buyer the right to buy the base currency (and sell the terms currency) on the Expiration Date.
  - iii. **Call Currency Amount** means the amount of the Call currency to be paid by a party in respect of an exercised Option Transaction.
  - iv. **Expiration Date** means the date specified in the Confirmation and is the date on which the Option Transaction may be exercised by the Buyer
  - v. **Expiration Time** means the time specified in a Confirmation and is the latest time by which a Buyer of an Option Transaction may exercise the Option Transaction on the Expiration Date.
  - vi. **Initial Margin** means the percentage of the Put Currency Amount (if the Client is the Seller of a Put) or Call Currency Amount (if the Client is the Seller of a Call) as determined by OMF Australia acting reasonably, that must be deposited by the Client into its Client Account before OMF Australia will allow the Client to be the Seller of an Option Transaction. Generally the Initial Margin will be between 5 – 10% of the Put Currency Amount or Call Currency Amount.
  - vii. **Premium** means the amount specified in the Confirmation and is the amount paid by the Buyer of the Option Transaction to the Seller of the Option Transaction on the Premium Payment Date.
  - viii. **Premium Payment Date** means the date specified in the Confirmation and is the date on which the Buyer of the Option Transaction must pay the Premium to the Seller of the Option Transaction.
  - ix. **Put** means an Option Transaction that gives the Buyer of the Option Transaction the right to sell the base currency (buy the terms currency) on the Expiration Date
  - x. **Put Currency Amount** means the amount of the Put currency to be paid by a party in respect of an exercised Option Transaction.
  - xi. **Seller** means the person named in a Confirmation as the seller of the Option Transaction.
  - xii. **Strike Price** means the price specified in a Confirmation as the exchange rate at which an Option Transaction may be exercised by the Buyer of the Option Transaction on the Expiration Date.
  - xiii. **Variation Margin** means the percentage of the Put Currency Amount (if the Client is the Seller of a Put) or Call Currency Amount (if the Client is the Seller of a Call) as determined by OMF Australia acting reasonably, that a Client must deposit into its Client Account from time to time upon request by OMF Australia.

- b. An Option Transaction is a Transaction under which the Buyer pays a Premium to the Seller in order to obtain the right, but not the obligation, to enter into a Transaction at the Strike Price on the Expiration Date
- c. The Buyer of the Option Transaction must pay the Premium to the Seller of Option Transaction on the Premium Payment Date.
- d. If the Client is the Seller of an Option Transaction,
  - i. Before OMF Australia will accept an Order, the balance of the Client Account must be at least equal to the funds required to satisfy the Initial Margin.
  - ii. Throughout the term of Option Transaction, OMF Australia, acting reasonably, may require the Client to make one or more Variation Margins.
  - iii. OMF Australia may advise the Client of Variation Margins required by telephone, SMS message or email. The Client must ensure that they are contactable by OMF Australia during Business Hours on the contact details provided to OMF Australia in the OMF Australia Client Application Form or as otherwise advised to OMF Australia by the Client from time to time. OMF Australia's inability to contact a Client during Business Hours does not affect the validity of the Variation Margin request or the Client's obligation to satisfy the request.
  - iv. Unless otherwise stipulated by OMF Australia, the Client must satisfy any Variation Margin by depositing cleared funds to their Client Account within 48 hours of the request being made by OMF Australia.
  - v. OMF Australia may make requests for a Variation Margin more frequently than daily and the Client must satisfy each request for a Variation Margin.
  - vi. OMF Australia will not consider that a request for a Variation Margin has been satisfied until cleared funds have been transferred into the Client Account.
  - vii. It is the sole responsibility of the Client to maintain sufficient funds in their Client Account to cover all open positions at all times.
  - viii. If the Client fails to satisfy a request for a Variation Margin, OMF Australia may (without prejudice to any other rights or powers under this Master Agreement) acting reasonably, immediately terminate all or some of the Client's open Transactions, whether or not those Transactions caused the request for the Variation Margin.
  - ix. The Client must indemnify OMF Australia against any losses incurred by OMF Australia as a result of OMF Australia terminating a Transaction following a request for a Margin not being met by the Client. Any such losses will be borne by the Client and will be payable immediately upon written notice by OMF Australia.
- e. If prior to the Expiration Time on the Expiration Date, the Buyer notifies the Seller that the Buyer wants to exercise the Option Transaction, then, on the Settlement Date;
  - i. If the Option Transaction is a bought Put
    - A. the Buyer must pay the Put Currency Amount in the Put Currency to the Seller; and
    - B. the Seller must pay the Call Currency Amount in the Call Currency to the Buyer; or
  - ii. If the Option Transaction is a bought Call
    - A. the Buyer must pay the Call Currency Amount in the Call Currency to the Seller; and
    - B. the Seller must pay the Put Currency Amount in the Put Currency to the Buyer



## 4. Margin FX Transactions

This paragraph only applies to Margin FX Transactions

- a. Definitions
  - i. **Closed Out** means cancelling a Margin FX Transaction by entering into an equal and opposite Margin FX Transaction for the same currencies.
  - ii. **Contract Date** means the date the Margin FX Transaction is entered into.
  - iii. **Difference** means the difference between the Opening Value and the Later Value at any point in time and is calculated by subtracting the Later Value at that time from the Opening Value.
  - iv. **Holding Charge** is the amount which reflects the funding cost (or benefit) of not settling the two currencies at the end of each trading day and reflects the interest rate differential between the two currencies making up the Margin FX Transaction. The Client will receive the amount of the Holding Charge as interest if the interest rates of the 'bought' currency is higher than the 'sold' currency and the Client must pay the Holding Charge in the form of interest if the interest rates of the 'sold' currency are higher than the 'bought' currency.
  - v. **Initial Client Account Balance** means the available cleared funds in your Client Account that is not otherwise required to meet any other obligations for open Transactions or fees.
  - vi. **Initial Margin** means the percentage of the base currency that is required to be deposited into your Client Account for each Margin FX Transaction that you wish to enter into. Generally, if you trade on-line via our Trading Platform, the Initial Margin will be 1% of the amount of the base currency of the Margin FX Transaction and if you trade by making telephone orders through our dealing desk, the Initial Margin will be 3% of the amount of the base currency of the Margin FX Transaction
  - vii. **Later Value** means the notional value of the terms currency on any day that the Margin FX Contract remains open and is calculated by multiplying the base currency by the exchange rate at the later point in time.
  - viii. **Margin Call** is a request by OMF Australia for you to pay a Variation Margin.
  - ix. **Opening Value** means notional value of the terms currency on the Contract Date and is calculated by multiplying the base currency by the quoted exchange rate on the Contract Date.
  - x. **Variation Margin** means the additional (or lesser) amount required to be held in your Client Account to cover changes in the market price of the underlying currencies through the period in which the Margin FX Transaction remains open.
- b. **A Margin FX Transaction** is a leveraged derivative where no physical settlement of currencies occur and the difference in the two currencies are cash settled on the Settlement Date. An Initial Margin and Variation Margins are paid and/or received based on the value of the underlying currencies.
- c. You must ensure that the Initial Client Account Balance is at least AUD10,000 or equivalent foreign currency amount before placing the first order for a Margin FX Transaction. OMF Australia will only enter into a Margin FX Transaction if your free equity is at least AUD 10,000.
- d. You must ensure that the amount of the Initial Margin is in your Client Account on the day the Margin FX Transaction is entered into.
- e. The Initial Margin is held as security against adverse price moves in the market and represents the minimum initial amount of money that OMF Australia will collect from all clients.
- f. On the Contract Date, OMF Australia will determine the Opening Value of the Margin FX Transaction.

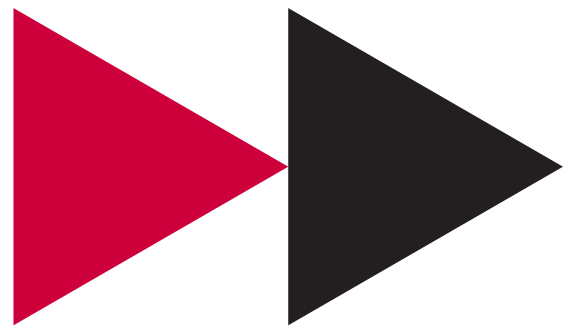
- g. For each day that the Margin FX Transaction is open, OMF Australia will calculate the profit / loss on the Margin FX Transaction by:
  - i. determining the Later Value;
  - ii. determine the Difference; and
  - iii. converting the Difference to AUD at the prevailing market spot rate.
- h. If on any day that your Margin FX Transaction remains open, the Difference is a positive number (ie market has moved in your favour), the Variation Margin is added to the equity in your Client Account.
- i. However, if on any day that your Margin FX Transaction remains open, the Difference is a negative number (ie the market has moved against you):
  - i. If your Margin FX position is on OMF cTrader, your Margin FX Contract will automatically be closed out; or; or
  - ii. If your Margin FX Transaction was traded through the OMF Australia dealing desk, you will receive a Margin Call and you must deposit the amount of the Variation Margin in your Client Account in cleared funds within 48 hours.
- j. OMF Australia may advise the Client of a Margin Call by telephone, SMS message or email. The Client must ensure that they are contactable by OMF Australia during Business Hours on the contact details provided to OMF Australia in the OMF Australia Client Application Form or as otherwise advised to OMF Australia by the Client from time to time. OMF Australia's inability to contact a Client during Business Hours does not affect the validity of the Margin Call request or the Client's obligation to satisfy the request.
- k. OMF Australia will generally calculate Variation Margins at the beginning of each Business Day, however, OMF Australia may calculate Variation Margins and make Margin Calls at any time during Business Hours and the Client must satisfy each Margin Call. OMF Australia, acting reasonably, may calculate the Variation Margin and make a Margin Call more frequently than once daily.
- l. OMF Australia will not consider that a request for a Margin Call has been satisfied until cleared funds have been transferred into the Client Account.
- m. It is the sole responsibility of the Client to maintain sufficient funds in their Client Account to meet all Margin Calls at all times.
- n. If the Client fails to satisfy a request for a Margin Call, OMF Australia may (without prejudice to any other rights or powers under this Master Agreement) acting reasonably, immediately close out the Margin FX Transaction.
- o. Client must indemnify OMF Australia against any losses incurred by OMF Australia as a result of OMF Australia closing out a Margin FX Transaction following a Margin Call not being met by the Client. Any such losses will be borne by the Client and will be payable immediately upon written notice by OMF Australia.
- p. Margin FX Transactions remain open until they are Closed Out.
- q. If a Margin FX Transaction remains open overnight, a Holding Charge will be added or deducted from the Client's Account for each day the Margin FX Contract remains open. If the amount of the Holding Charge is deducted from the Client account, the Client must pay all amounts required to return the Client Account to a credit balance within 48 hours.

## Schedule 3 – Online Trading

This Schedule 3 contains provisions which, in addition to the other Terms, govern the use of any online or other electronic trading facilities

- a. We provide Online Trading facilities allowing you to efficiently deal in Transaction on an execution only basis, which means that we will not advise you regarding the merits of a particular Transaction and will merely carry out your instruction.
- b. To use OMF Australia's Online Trading Facilities, you must establish an Online Trading Account and you acknowledge positions in an Online Trading Account may automatically be closed if the equity in your Online Trading Account has been reduced due to the unrealised losses on the open positions, and you may not be given any warning or receive any Margin Calls prior to the position(s) being closed;
- c. You must do the following in respect of your Logon ID:
  - i. keep your Logon ID secure;
  - ii. not allow someone to observe you entering your Logon ID;
  - iii. except in the case of a business, for which limited exceptions apply, not disclose or allow your Logon ID to become known to anyone else; and
  - iv. not write down your Logon ID, record or store it anywhere in written or electronic form, including in a file on your computer or in any password saving facility or on your mobile device.
- d. You must never leave your computer, phone or mobile device unattended while you remain logged in to Online Trading.
- e. You are responsible for the confidentiality and use of your Logon ID. If you become aware of any loss or theft or unauthorised use of your Logon ID, you must notify us immediately and change your password. Your Logon ID may be cancelled at any time without notice, but we will notify you as soon as practicable after cancellation if this happens.
- f. Anyone accessing Online Trading by using your Logon ID will be able to effect transactions on your Account. We will have no obligation to verify any instruction received from you, your Attorney, your Company Agent or your Authorised Representative, or appearing to be sent by you or another person authorised to operate your Account via Online Trading. You will be responsible for all information sent to us using your Logon ID. You will be liable to us for any Financial Products executed by means of your Logon ID, even if such use is unauthorised or wrongful.
- g. Where you use Online Trading for business purposes:
  - i. You must ensure that your Logon ID is kept secure and are only used by those authorised in writing to do so for the purpose of your business. Whilst you may share your Logon ID with persons authorised to use it for the purpose of your business, you do so at your sole risk, and you are solely responsible for any use or misuse of your Logon ID by such persons. You must notify us and change your password immediately after you remove any persons authorised to sign on your Account accessible by Online Trading.
  - ii. You must monitor your instructions via Online Trading regularly.
  - iii. You must initiate appropriate internal controls to minimise the risks of fraud.
- h. We may stop, suspend or alter access to Online Trading facilities, or access may otherwise become unavailable, without notice.
- i. You agree that third party providers of services to OMF Australia, who are involved in delivering Online Trading facilities, may store Trade and Account information for future reference in the event of disputes.

- j. You are responsible for using or having equipment that is compatible with Online Trading facilities. Any conditions of use, including charges associated with your use of that equipment, are your responsibility. You are responsible for remedying any forms of malicious software that are on that equipment before using that equipment for Online Trading.
- k. We will not be liable to you for any losses, expenses, costs, damages or liabilities due to any failure, hindrance or delay in performing our obligations under this Agreement where such failure, hindrance or delay arises directly or indirectly from circumstances beyond our reasonable control. Such events include but are not be limited to technical difficulties such as telecommunication failures or disruptions, nonavailability of any Trading System due to downtime, unforeseen maintenance, civil unrest, terrorism, war, natural disasters, strikes, lock-outs, fire or other disturbance at our premises (notwithstanding that we are a party to the conflict and including cases where only part of our functions are affected by such events), or other cause beyond our control, or from any resultant failure to execute, process or report deals and Transactions or similar errors whether or not the error is due to factors under our control.



**OMF**Markets

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