

# INTERACTIVE BROKERS LLC SUPPLEMENTAL AGREEMENT & DISCLOSURES FOR TRADING ON AUSTRALIAN MARKETS

6 April 2018

## PART A

### 1. INTRODUCTION

- 1.1 This Supplemental Agreement is in three parts: This Part A sets out General Terms and Definitions that apply to all Customer dealings under this Supplement Agreement. Part B applies to Customer dealings in Financial Products on ASX and CHI-X. Part C applies to Customer dealings in Financial Products on ASX 24.
- 1.2 The terms set out in this Supplemental Agreement apply in conjunction with the Customer Agreement. Customer is deemed to have agreed and accepted the terms set out in this Customer Agreement when Customer submits an Order to Interactive Brokers LLC (ARBN 091191141; AFSL 245574) ("IB") to deal or arrange for dealings in Financial Products on Australian Markets.
- 1.3 To the extent of any inconsistency between any term of the Customer Agreement and the terms set out in this Supplemental Agreement, this Supplemental Agreement prevails to the extent such inconsistency only.

### 2. INTERPRETATION

- 2.1 In this Supplemental Agreement, the following terms have these specific meanings:

**Australian Markets** means ASX, ASX 24 and Chi-X.

**ASX** means ASX Limited, or the market operated by ASX Limited, as the context requires.

**ASX 24** means Australian Securities Exchange Limited, or the market operated by Australian Securities Exchange Limited, as the context requires.

**ASX 24 Market Integrity Rules** means the ASIC Market Integrity Rules (ASX 24 Market) 2010, as amended from time to time.

**ASX 24 Operating Rules** means the operating rules of ASX, as amended from time to time.

**ASX Clear (Futures)** means ASX Clear (Futures) Pty Ltd.

**Cash Market Clearing Participant** means BNP Paribas Securities Services (ABN 87 149 440 291; AFSL 402467; Level 6, 60 Castlereagh Street, SYDNEY NSW 2000).

**Cash Market Product** means a Cash Market Product as defined in the ASIC Market Integrity Rules (ASX Market) 2010 and ASIC Market Integrity Rules (Chi-X Australia Market) 2011.

**Chi-X** means Chi-X Australia Pty Ltd, or the market operated by Chi-X Australia Pty Ltd, as the context requires.

**Clearing Facility** means the clearing and settlement facility, within the meaning of section 761A of the Corporations Act, through which transactions in Cash Market Products or Derivative Products have been or will be cleared.

**Clearing Participant** means Interactive Brokers Australia Pty Ltd (ACN 166 929 568; AFSL 453554; a participant of ASX Clear and ASX Clear (Futures)).

**Clearing Rules** has the meaning given to that term in ASIC Market Integrity Rules (ASX Market) 2010.

**Commodity Future** means a futures contract over an underlying commodity.

**Corporations Act** means the Corporations Act 2001.

**Customer Agreement** means the agreement between IB and the Customer pursuant to which IB provides brokerage and other services as amended or supplemented.

**ETF** has the meaning given to that term in ASIC Market Integrity Rules (ASX Market) 2010 or ASIC Market Integrity Rules (Chi-X Australia Market) 2011 as the context requires

**Equity Market Product** has the meaning given to that term in ASIC Market Integrity Rules (Chi-X Australia Market) 2011.

**Executing Participant** means Interactive Brokers Australia Pty Ltd (ACN 166 929 568; AFSL 453554; a participant of ASX, ASX 24 and Chi-X).

**Financial Product** has the meaning given to that term in section 761A of the Corporations Act, and includes Cash Market Products, Derivative Products, Equity Market Products, ETF's, Investment Products and futures, as the context requires.

**Guarantor** in relation to a Warrant has the meaning given in the Market Operating rules of the ASX.

**Investment Product** has the meaning given to that term in the ASIC Market Integrity Rules (Chi-X Australia Market) 2011

**Market Operator** means either the ASX or Chi-X as the context requires.

**Market Operating Rules** has the meaning given to that term in ASIC Market Integrity Rules (ASX Market) 2010, ASIC Market Integrity Rules (ASX 24 Market) 2010 or ASIC Market Integrity Rules (Chi-X Australia Market) 2011, as the context requires.

**Market Integrity Rules** means the ASIC Market Integrity Rules (ASX Market) 2010, ASIC Market Integrity Rules (ASX 24 Market) 2010 or ASIC Market Integrity Rules (Chi-X Australia Market) 2011, as the case context requires.

**Market Participant** means a participant in the markets operated by ASX, ASX 24 or Chi-X, as the case may be, and admitted under the applicable Market Operating Rules.

**Option** means an Options Market Contract as defined in the ASIC Market Integrity Rules (ASX Market) 2010.

**Order** means an instruction received from time to time by IB for the sale or purchase of Financial Products.

**Retail Customer** has the meaning given to that term in section 761G of the Corporations Act.

**Warrant** has the meaning given to that term in the ASIC Market Integrity Rules (ASX Market) 2010 or ASIC Market Integrity Rules (Chi-X Australia Market) 2011 as the context requires.

**Warrant-Issuer** in relation to a Warrant, has the meaning given in the Market Operating Rules of the ASX.

2.2 Capitalised Terms used herein, that are not defined in this Supplemental Agreement, have the meaning given to them in either of the Market Integrity Rules or Market Operating Rules as the case may be.

3. **GENERAL CUSTOMER ACKNOWLEDGEMENTS:**

3.1 Customer acknowledges:

(a) Orders and transactions in Financial Products are subject and bound by the applicable Market Operating Rules and the procedures, customs, usages and practices of the applicable financial market, the relevant financial market operator and its affiliates, as the case may be, as amended from time to time.

(b) It has received, read and understood IB LLC's financial services guide. IB LLC's financial services guide contains important information about the services IB provides. IB's financial services guide may change from time to time. A copy of the current financial services guide can be obtained on IB LLC's website (<http://www.interactivebrokers.com> under "Forms and Disclosures") or on request.

4. **CUSTOMER TO PROVIDE INFORMATION:**

4.1 The Customer agrees that if requested, it will promptly provide all information and documentation (or cause information or documentation to be delivered) to IB concerning Customer's Orders or transactions in Financial Products. Customer acknowledges IB may provide such information to an operator of a Market, its Executing Participant, ASIC, or any other person which IB has an obligation to deliver such information or who has a right to request such information.

5. **MARGINS**

5.1 The Customer acknowledges that IB may, in accordance with the Corporations Act, pay or apply any margin received from the Customer, or other monies due to the Customer in respect of transactions under this Supplemental Agreement, to IB's Executing Participant to meet margin obligations incurred on the Customer's behalf in connection with those transactions.

## **PART B – ASX AND CHI-X TERMS**

### **6. EXECUTION AND CLEARING AND SETTLEMENT ARRANGEMENTS**

- 6.1 The Customer agrees that when it instructs IB to deal or arrange for a dealing in Financial Products traded on the ASX or Chi-X, as the case may be:
- (a) IB will arrange for its nominated Executing Participant, which is a Market Participant of ASX and Chi-X, to enter such orders on its behalf.
  - (b) Notwithstanding IB acts on your behalf, when the nominated Executing Participant executes orders on the ASX or Chi-X, it does so on behalf of IB and not as agent of the Customer.
- 6.2 The Customer acknowledges that all transactions in Cash Market Products or Warrants executed by Executing Participant on IB's behalf will be cleared by the Cash Market Clearing Participant on behalf of IB.
- 6.3 The Customer agrees it owes settlement obligations and any other obligations which are ancillary to such purposes for all dealings in Financial Products traded on either or both of ASX and Chi-X to IB, who will settle with the Executing Participant or the Clearing Participant as the case may be.

### **7. CUSTOMER ACKNOWLEDGEMENTS**

- 7.1 The Customer acknowledges and agrees that:
- (a) As IB is not a Market Participant of the ASX, the Customer's transactions in Cash Market Products on ASX are not covered by the National Guarantee Fund.
  - (a) In relation to Options or Warrants and if the Customer is a Retail Customer:
    - (i) the Customer has received and read a copy of each current explanatory booklet published by ASX in respect of Options and Warrants, which as at the date of this agreement is available by accessing the following sites:
      - (A) <http://www.asx.com.au/documents/resources/UnderstandingOptions.pdf>,
      - (B) <http://www.asx.com.au/documents/products/understandingwarrants.pdf>.
    - (ii) the Customer has received and read a copy of the product disclosure statement prepared by IB in respect of Options.
    - (iii) trading in Options and Warrants incurs a risk of loss as well as a potential for gain. The Customer has considered its objectives, financial situation and needs and has formed the opinion that trading in Options and Warrants is suitable for the Customer's purposes.
    - (iv) the Customer has read and understood the details of the contract specifications of the Options and Warrants, in which the Customer

has instructed IB to deal on its behalf, and the documents given to the Customer as set out in this Supplemental Agreement.

- (v) notwithstanding that the Executing Participant may act in accordance with IB's instructions, who in turn may act in accordance with the instructions of, or for the benefit of, the Customer, any contract arising from any order submitted to the ASX, is entered into by the Executing Participant as principal.
- (vi) IB (or the Executing Participant) may in certain circumstances permitted under the Market Operating Rules or the Corporations Act, take the opposite position in a transaction in the Options, either acting for another person or on its own account.
- (vii) Customer must pay to IB commissions, fees, taxes and charges in connection with dealings for the Customer in Options and Warrants at the rates determined by IB from time to time and as notified to the Customer in writing on IB's website.
- (viii) IB may record telephone conversations between the Customer and IB and if there is a dispute between the Customer and the IB, the Customer has the right to listen to any recording of those conversations.
- (ix) IB may refuse to enter into or arrange transactions in respect of Options or Warrants (or any other Financial Product) for the Customer, or limit transactions in such Financial Products it enters into for the Customer, and if that occurs, IB will notify the Customer of any refusal or limitation as soon as reasonably practicable.
- (x) IB is not required to act in accordance with the Customer's instructions and/or that the Executing Participant is not required to act in accordance with IB's instructions, where to do so would constitute a breach of the Market Integrity Rules, Market Operating Rules, the clearing rules or the Corporations Act.
- (xi) A Warrant has a limited life and cannot be traded after its expiry date.
- (xii) Warrants do not have standardised Terms of Issue and it is the responsibility of the Customer to become aware of the Terms of Issue of any Warrant in which the Customer chooses to invest.
- (xiii) Warrants may be subject to adjustments after their initial issue and it is the Customer's responsibility to become aware of any adjustments which may have been made to any Warrant in which the Customer chooses to invest.
- (xiv) That the admission to trading status of a Warrant does not imply that the ASX or the Securities Exchanges Guarantee Corporation Limited gives any guarantee or warranty as to the viability of the Warrant-Issuer or Guarantor.

- (xv) That a failure of the Warrant-Issuer or the Guarantor (if applicable) to fulfil their obligations does not give rise to a claim against ASX, the handling Market Participants (including the ASX Executing Participant), IB, or the Securities Exchanges Guarantee Corporation Limited.

**8. ADDITIONAL TERMS AND ACKNOWLEDGEMENTS APPLICABLE TO OPTIONS**

8.1 The Customer acknowledges and agrees that:

(a) It is either:

- (i) acting as principal; or
- (ii) acting as intermediary on another's behalf and are specifically authorised to enter into Derivative Contracts, by the terms of:
  - (A) an Australian financial services licence held by the Customer;
  - (B) a trust deed (if the Customer is a trustee); or
  - (C) an agency contract.

(b) The Customer must not breach, either alone or in concert with others, the position or exercise limits referred to in any applicable laws, explanatory booklet or of which IB otherwise notifies to the Customer.

**PART C – ASX 24 TERMS**

**9. EXECUTION ARRANGEMENTS**

9.1 The Customer acknowledges and agrees that when it instructs IB to place an Order in respect of Financial Products able to be traded on ASX 24:

- (a) IB will appoint its Executing Participant to place such Orders or execute such transactions on its behalf instead of placing those Orders or executing those transactions itself.
- (b) When the nominated Executing Participant places Orders or executes transactions on the ASX 24, it does so on behalf of IB and not as agent of the Customer.
- (c) The Clearing Participant will clear all transactions on ASX 24 on behalf of IB.

**10. REGISTRATION OF CONTRACTS WITH ASX CLEAR (FUTURES)**

Any benefit or right obtained by IB's Executing Participant upon registration of a transaction with ASX Clear (Futures) by way of assumption of liability of ASX Clear (Futures) under any transaction or any other legal result of such registration is personal to IB's Executing Participant and the benefit of such benefit or right does not pass to the Customer.

**11. IB'S LIABILITY**

In relation to all transactions conducted on ASX 24 by IB or its Executing Participant and all transactions registered, the Customer has no rights whether by way of subrogation or otherwise, against any person or corporation other than IB.

**12. EXCHANGE DATA**

12.1 The Customer acknowledge in relation to data made available by ASX 24, that:

- (a) data made available to the Customer by access to electronic order entry facilities is not the property of IB and remains the valuable property of ASX 24; and
- (b) The Customer are prohibited from publicly displaying, redistributing or re-transmitting the data in any way without having executed a Market Data Distribution Agreement or similar agreement with ASX 24.

**13. RIGHT TO REFUSE TO DEAL**

13.1 The Customer acknowledges that IB reserves the right to refuse to deal (including instruct its Executing Participant) on the Customer's behalf in relation to any transactions (other than closing out existing open positions held in IB's account on the Customer's behalf) or limit the number of open positions held on the Customer's behalf or both.

**14. CLIENT ACKNOWLEDGEMENT OF RECEIPT OF DISCLOSURES**

14.1 The Customer acknowledges and agrees it has received and read a copy of the product disclosure statement prepared by IB in respect of Futures.