



# Exchange Traded Options Client Agreement

Complete this form using BLACK INK and print well within the boxes in CAPITAL LETTERS

Please ensure you have completed all fields and signed this form. You can return it by:

Fax to: 61 3 8663 2799 or

Post to: GPO BOX 1630, Sydney NSW 2001

Email to: [support@trading.macquarie.com](mailto:support@trading.macquarie.com)

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## Client agreement

THIS AGREEMENT is made on  day of  20

BETWEEN Third Party Platform Pty Ltd ABN: 74 121 227 905 AFSL 314341 Participant of the ASX Group  
GPO BOX 1630, Sydney NSW 2001 ("TPP, or The Participant or we or us")

AND (full names)

of (address)

Account Number

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## Definitions and Interpretation

Unless separately defined, words used in this Agreement have the same meaning as defined in the general Terms and Conditions that apply to your Trading Account.

Words and expressions defined in the ASX Rules, ASX Clear Rules, ASX Settlement Rules, Corporations Act and the ASIC Rules appearing in this agreement have the same meaning as in the ASX Rules, ASX Clear Rules, ASX Settlement Rules, Corporations Act and the ASIC Rules

Approved Listing Market Operator means a Market Operator approved by ASX Clear as an Approved Market Operator

ASX Derivatives Products consist of Exchange Traded Options or other exchange traded derivatives (other than Warrants) for which ASX operates a market

ASX Rules or Rules means ASX Operating Rules, ASX Clear Operating Rules and ASX Settlement Operating Rules

Clearing Participant means an entity recognised by ASX Clear as a Clearing Participant

Collateral has the same meaning given to it in the ASX Clear Rules

and means property acceptable to ASX Clear secured by and person in favour of ASX Clear in respect of some or all of the obligations of a Participant of ASX Clear

Derivatives Transactions means transactions in Exchange Traded Options and other ASX Derivatives Products

Derivatives CCP Contract means a contract that arises as between TPP and ASX Clear under the ASX Clear Rules when a Derivatives Transaction is registered with ASX Clear

Market Operator means a person licensed to operate a financial market under the Corporations Act

Security means collateral accepted by the ASX Clear as margin cover

Sponsoring Participant has the same meaning as in the ASX Settlement Rules

# Direct Debit Request Service Agreement (DDR Service Agreement)

The participant and the client agree as follows:

## 1. Application of the Rules

The Client and TPP are bound by the ASX Rules, the ASIC Rules, Corporations Act and the relevant Approved Listing Market Operator's operating rules and the procedures, customs, usages and practices of ASX Clear, the Approved Listing Market Operator, and their related entities, as amended from time to time in so far as they apply to Derivatives Transactions traded on the ASX. The Client acknowledges that each Derivatives CCP Contract registered with ASX Clear is subject to the ASX Clear Rules.

The Client also agrees to be bound by TPP's Terms and Conditions of Trading except to the extent that those conditions and Rules are inconsistent with this agreement.

## 2. Client to Provide Information

The Client will take all reasonable steps to deliver information or documentation to us, or cause information or documentation to be delivered to us concerning Derivatives Transactions which are requested by a person having a right to request such information or documentation. We are authorised to produce the information or documentation to the person making the request.

You must provide the necessary identification information to us before the Derivatives Transaction is registered with ASX Clear on your behalf.

## 3. Explanatory Booklet and Product Disclosure Statement

The Client acknowledges that, in respect of ASX Derivatives Products:

- (a) you have received and read a copy of the current explanatory booklet published by the ASX;
- (b) you have read and understood TPP's ETO Product Disclosure Statement;

## 4. Risk and Financial Objectives

You acknowledge that:

- (a) you have received, read and understood the documents (if any) given to you under the ASX Clear Rules;
- (b) dealing in Derivatives Transactions incurs a risk of loss as well as potential profit;
- (c) we will not give any advice or recommendation in relation to your transactions and we act solely in the execution and clearing of Derivatives Transactions, and that you will use your own judgement, or will consult with your financial adviser, before placing an order in a ASX Derivatives Product; and (d) you have given consideration to your objectives, financial situation and needs and have formed the opinion that dealing in Derivatives Transactions is suitable for your purposes.

## 5. Authority

You acknowledge that you are either:

- (a) acting as principal; or
- (b) acting as an intermediary on another's behalf and are specifically authorised to enter into Derivatives Transactions, by the terms of:
  - (i) a license held by you;
  - (ii) a trust deed (if you are a trustee); or
  - (iii) an agency contract.

## 6. Nature of our Obligations and your Rights

- (a) Notwithstanding that we may act in accordance with the instructions of, or for your benefit, you acknowledge that any Derivatives Transaction arising from any order submitted to an Approved Listing Market Operator, is entered into by us as principal.
- (b) Upon registration of a Derivatives Transaction with ASX Clear in the name of TPP, you acknowledge that we incur obligations to ASX Clear as principal, even though the Derivatives Transaction may have been entered into on your instructions.
- (c) You acknowledge that any benefit or right obtained by us upon registration of a Derivatives Transaction with ASX Clear by novation of a contract under the ASX Clear Rules or any other legal result of registration is personal to us and the benefit of that benefit, right or legal result does not pass to you. You have no rights, whether by way of subrogation or otherwise, against the Approved Listing Market Operator or ASX Clear in relation to any dealings by us (or any other Participant or Market Participant) in Derivatives transactions and Derivatives CCP Contracts.
- (d) We are not required to act in accordance with your instructions, where to do so would constitute a breach of the ASX Rules, Corporations Act or the ASIC Rules.
- (e) You acknowledge that orders placed via the internet may be limited, at our discretion, to specified types of dealings as determined by us from time to time and notified to you in writing electronically or otherwise.

## 7. Dealing as Principal

You acknowledge that we may, in certain circumstances permitted under the Corporations Act and the ASX Rules or the operating rules of the Approved Listing Market Operator, take the opposite position in a transaction in a Derivatives Transaction, either acting for another client or on our own account.

## 8. TPP May Call for Funds or Security

- (a) You acknowledge that TPP may call for payment of money or the provision of other security which we consider, in our absolute discretion, appropriate in connection with the obligations incurred by us in respect of Derivatives CCP Contracts entered into for the account of the client.
- (b) You acknowledge that TPP requires Cleared Funds to be available where we are required to pay funds to ASX Clear in respect of those instructions, before we will accept instructions to trade in Derivatives Transactions. You also acknowledge that we require that Securities held by TPP as Sponsoring Participant for you, before we will accept instructions to trade in Derivatives Transactions which would require us to deliver those Securities as collateral to ASX Clear.
- (c) Where we have agreed to allow you to trade in Derivatives Transactions on the basis that the Margin Lender approved by us will settle the trade, we reserve the right, before we accept the buy or sell instructions, to contact the Margin Lender to seek their confirmation that they will settle the trade on the due date.
- (d) TPP is required to settle its margin obligations (if any) with ASX Clear by 10.30am Sydney time on each trading day. To ensure that we are able to meet those obligations, we may call for payment of money or the provision of other security which we consider, in our absolute discretion, appropriate in connection with the obligations incurred by us in respect of Derivatives CCP Contracts entered into for the account of the Client. The time by which the Client must pay any amount called or provide security is within 24 hours of the call for payment or provision of Security.
- (e) Where the exercise or assignment of an open Derivatives CCP Contract results in a Client selling the underlying Securities, the Client acknowledge we have the right to either:
  - (i) use Securities held under its control, to cover our liability to the market;
  - (ii) exercise any opposing Derivatives Transaction Contract to cover the sold equity position; or
  - (iii) request the Client to buy the underlying Securities, as soon as the sold equity position is advised by ASX Clear
- (f) Where the exercise or assignment of an open Derivative CCP Contract results in a Client buying the underlying Securities, you acknowledge TPP's right to either:
  - (i) use funds held in your Cash Account to cover our liability to the market;
  - (ii) exercise any opposing Derivatives Transaction to cover the bought equity position; or
  - (iii) request the Client to sell the Securities acquired, as soon as the bought equity position is advised by ASX Clear

## 9. Commissions and Fees

You must pay us commissions, fees, taxes and other charges in connection with dealings for you in Derivatives Transactions at the rates determined by us from time to time and notified to you in writing.

## 10. Validity of Orders

Unless otherwise agreed, you acknowledge that all instructions given to us by you or your duly authorised representative to buy, sell, take, write, grant or close a Derivatives Transaction, will be on a day only basis, and if totally or partially unexecuted will automatically lapse at the close of the normal trading day on the Business Day that they were given unless varied at our absolute discretion.

## 11. Treatment of Instructions to Buy or Sell Derivatives Contract

- (a) You acknowledge that where you give a buy instruction in a particular Derivatives Transaction series, and at the time of placing that instruction you hold an opposite short position for no less than the same number of Derivatives CCP Contracts in the same series, we will treat the buy instruction as a close out of that number of opposite Derivative CCP Contracts.
- (b) You acknowledge that where you give a sell instruction in a particular Derivatives Transaction series, and at the time of placing that instruction you hold an opposite long position for no less than the same number of Derivatives CCP Contracts in the same series, we will treat the sell instruction as a close out of that number of opposite Derivative CCP Contracts.

## 12. Exercise of Derivative Contract

Except under the circumstances outlined in clause 13 below, you acknowledge that you are obliged to notify us if you want a Derivatives CCP Contract to be exercised.

## 13. Auto Exercise of Derivative Contract

You acknowledge that any Derivatives CCP Contract entered into by you or on your behalf, which is in the money, as determined by ASX Clear, on the night of that Derivative CCP Contract's expiry, will be exercised, unless you or your authorised representative advises us otherwise by 4.30pm on the day of the Derivative CCP Contract's expiry.

## 14. Tape Recording of Conversations

You acknowledge that we may record telephone conversations between you and us with or without an audible tone warning device. If there is a dispute between you and us, you have a right to listen to any recording of the conversations. You acknowledge that any recording is our property and we reserve the right to charge you a cost recovery fee to access the recording.

## 15. Right to Refuse to Deal

You acknowledge that we may at any time refuse to deal in, or may limit dealings in ASX Derivatives Products for you or may limit the Derivatives Transactions we enter into for you. We will notify you of any refusal or limitation as soon as practicable. We are not required to act in accordance with your instructions where to do so would constitute a breach of the ASX Rules, ASIC Rules, ASX Clear Rules or the Corporations Act or would expose us to unnecessary risk, as judged by us in our absolute discretion. We will not be held liable for any loss or damages incurred by you, whether financial or opportunity, incurred by you as a result of us exercising our discretion in this regard.

## 16. Default

If:

- (a) you fail to pay, or provide security for, amounts payable to us or fail to perform any obligation arising pursuant to the exercise or settlement of a Derivatives CCP Contract;
- (b) a guarantee or other security provided by you to us is withdrawn or becomes ineffective and other replacement security acceptable to us is not provided; or
- (c) any other event occurs which we and you have agreed in the Client Agreement entitles us to take action under this clause, we may, in addition to any other rights which they may have against you, without giving prior notice to you, take any action, or refrain from taking action, which we consider reasonable in the circumstances in connection with Derivative Transactions entered into for your account (including, without limitation, Derivatives CCP Contracts arising from those contracts transacted) and, without limitation,

We may:

- (i) enter into one or more transactions to effect the close out of one or more Derivatives CCP Contracts in accordance with the ASX Clear Rules;
- (ii) exercise one or more Derivatives CCP Contracts in accordance with the ASX Rules and; or
- (iii) exercise any other rights conferred by the ASX Rules, the operating rules of the Approved Listing Market Operator, or the Client Agreement or perform any other obligations arising under the Rules, the operating rules of the Approved Listed Market Operator, or the Client Agreement in respect of those Derivative CCP Contracts, and you must account to us as if those actions were taken on your instructions and, without limitation, is liable for any deficiency and is entitled to any surplus, which may result.

## 17. Appointment of ASX Clear and Others as Agent

You irrevocably appoint severally ASX Clear, and every director, manager and assistant manager for the time being of ASX Clear, at the option of ASX Clear (as applicable) to do all acts and execute all documents on your behalf for the purpose of exercising the powers conferred on ASX Clear under ASX Clear Rule 15.

## 18. Termination of Agreement

Either you or we may terminate this Agreement by giving notice in writing to the other party. Termination will be effective upon receipt of the notice by the other party.

## 19. Effect of Termination

Termination does not affect the existing rights and obligations of you or us prior to termination. Upon termination of this Agreement, we will close out all Derivatives CCP Contracts held by us on your account, unless, in accordance with a direction from you, those contracts are transferred to another Participant in accordance with the ASX Clear Rules or the operating rules of the Approved Listing Market Operator.

## 20. Revised Terms Prescribed by ASX Clear

If ASX or ASX Clear prescribes amended minimum terms for a Client Agreement Derivatives Transactions for the purposes of the ASX Rules or ASX Clear Rules (the "New Terms"), to the extent of any inconsistency between these minimum terms and the New Terms, the New Terms will override the terms of the Client Agreement and apply as if you and us had entered into an agreement comprising the New Terms.

## 21. TPP to Provide Copies of Changes

We will provide a copy of the New Terms to you as soon as practicable after ASX or ASX Clear prescribes the New Terms.

## 22. Client Funds and Property

We must deal with any money and property paid or given to us in connection with Derivatives Transactions in accordance with the Corporations Act and the ASX Rules and ASX Clear Rules. You acknowledge that the Client's monies and the monies of other clients of TPP may be combined and deposited by us in a trust account or clients' segregated account. You acknowledge that all monies credited to the clients' segregated account maintained by us may be used by us to meet the default of any client of TPP.

## 23. Change of Participant

- (a) If you receive a Participant Change Notice from us and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Participant, you are under no obligation to agree to the change of Participant, and may choose to do any of the things set out below.

- (b) You may choose to terminate this Client Agreement in accordance with clause 18 or by giving instructions to us, indicating that you wish to transfer your Derivatives CCP Contracts to another Participant.
- (c) If you do not take any action to terminate this Client Agreement and do not give any other instructions to us which would indicate that you do not agree to the change of Participant then, on the Effective Date, this Client Agreement will have been taken to be novated to the new Participant and will be binding on all parties as if, on the Effective Date:
  - (i) the new Participant is a party to the Client Agreement in substitution for the Existing Participant;
  - (ii) any rights of TPP are transferred to the new Participant; and
  - (iii) we are released by you from any obligations arising on or after the Effective Date.
- (d) The novation will not take effect until you have received a notice from the new Participant confirming that the new Participant consents to acting as the Participant for you. The Effective Date may as a result be later than the date set out in the Participant Change Notice.
- (e) You will be taken to have consented to the events referred to above by the doing of any act which is consistent with the novation of the Client Agreement to the new Participant (for example by giving an instruction to the new Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.
- (f) The Client Agreement continues for the benefit of TPP in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation not binding or effective on the Effective Date, then the Client Agreement will continue for the benefit of TPP until such time as the novation is effective, and we will hold the benefit of the Client Agreement on trust for the new Participant.
- (g) Nothing in this clause will prevent the completion of Derivatives Transactions and Derivatives CCP Contracts by us where the obligation to complete those transactions arises before the Effective Date and the Client Agreement will continue to apply to the completion of those contracts, notwithstanding the novation of the Client Agreement to the new Participant under this clause.

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### Signatures

Executed as an Agreement

Please provide signatures of all persons authorised to operate the account.

Individual/Applicant 1 or Director of Company

Applicant 2/Director or Secretary of Company

Name

Name

Date

Date

**IMPORTANT NOTICE**

If you want to trade Exchange Traded Options (ETOs) through Macquarie Online Trading, you need to read and agree to the Product Disclosure Statement (PDS) and complete the Exchange Traded Options Client Agreement form. It sets out many of the basic terms relating to orders and positions and provides further information on risks and other important.

**Warning**

An ETO investment in, or through, Macquarie Online Trading involves financial and other risks. Before trading ETOs, you should:

- carefully read all of this PDS and the Exchange Traded Options Client Agreement form;
- seek professional legal, taxation and financial advice to determine whether an ETO investment in, or through, Macquarie Online Trading is appropriate to you; and
- carefully consider the potential benefits and risks involved in trading ETOs, or through, Macquarie Online Trading.

As well as considering the risks, you should also consider how an ETO investment in, or through, Macquarie Online Trading fits into your overall investment portfolio. By diversifying your investment portfolio, you can reduce your exposure to failure or under performance of any one investment, counterparty or asset class.

Superannuation Funds: Trustees of superannuation funds who want to trade ETOs using Macquarie Online Trading should be aware of their obligations to formulate and implement an appropriate investment strategy that has regard to the whole of the circumstances of their fund and act in the best interests of the members of their fund. To agree to this PDS, you must complete the Exchange Traded Options Client Agreement form and complete a[n][online] suitability questionnaire. If Third Party Platform Pty Ltd (TPP), in its sole discretion, accepts your application, TPP will provide the services described in this PDS in addition to any other Terms and Conditions to which you are a party.

**[Your liability]**

Your potential liability when investing in ETOs in, or through, Macquarie Online Trading is not limited to the balance deposited in your Macquarie Cash Management Account (CMA) or the value of the financial instruments held with TPP and we may ask you to pay amounts in excess of these amounts to cover any outstanding monies especially where you have a short position.]

Macquarie Online Trading is a service provided by Third Party Platform Pty Ltd ("TPP") ABN 74 121 227 905 AFSL No. 314341, at the request of Macquarie Bank Limited ABN 46 008 583 542 AFSL 237502 ("MBL"). TPP is a Participant of the ASX Group. Neither TPP nor MBL are representatives of each other. Some of the fees paid to TPP for the provision of its services will be remitted to MBL. TPP and MBL do not provide personal financial advice in relation to Macquarie Online Trading. This information has been prepared by TPP and contains purely factual information and/or general advice and does not take into account your objectives, financial situation or needs and, before acting on this information, you should consider whether it is appropriate to your situation.

FRM xxxxxx

## Exchange Traded Options Quiz

Please select the most appropriate response. Your responses below will be used as part of our assessment in enabling Exchange Traded Options on your account.

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1. The maximum profit from a bought call strategy is unlimited?

- True
- False

2. For a bought put option, the value of the put option will increase as the price of the underlying security increases?

- True
- False

3. An option seller (writer) is committed to meeting the obligations of the option contract from the time of selling (writing) until the option is closed out, including any obligations or liability created by the close out?

- True
- False

4. Third Party Platform Limited will automatically exercise your bought (taken) option contract, if your position is one cent (or one point for index options) in-the-money at the date of expiry?

- True
- False

5. Options trades, unlike equity trades, are settled on T+1?

- True
- False

6. Time decay benefits call option writers?

- True
- False

7. A bought call position benefits from?

- Time decay
- Falling volatility
- Falling interest rates
- Increasing share price

8. What downside protection does a sold (written) call option provide for a position in the underlying stock?

- Unlimited protection
- Depends on the exercise price
- No protection
- Limited protection to the value of the premium received for opening the position

9. When a covered call seller (writer) is assigned, the option seller (writer):

- Can close out their position by buying back the option
- Can buy the shares from the option buyer (taker)
- Must sell the shares for the exercise price, for going any further upside
- Can transfer the assignment to another party

## Exchange Traded Options Quiz

Please select the most appropriate response. Your responses below will be used as part of our assessment in enabling Exchange Traded Options on your account.

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10. As a covered call seller (writer), you may be exposed to the following risk/s:

- The opportunity cost of an increase in the underlying share price above the strike price of the sold (written) call
- Potential early exercise of the sold (written) call, if the call option is deep in-the-money, the underlying share is paying an upcoming dividend and the call option is American in expiry
- Capital loss on the underlying shares held in the covered call position
- Increasing volatility will make the call option more expensive to close out, prior to expiry or, to avoid early exercise
- All of the above