



International Capital Markets

eToro

Product Disclosure Statement
("PDS")

LICENCE NO: 335692

ISSUER: International Capital Markets Pty Ltd

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Introduction

The information in this PDS is subject to change from time to time and is up to date as at the 5th of October, 2009. Where new information is materially adverse information we will either issue a new PDS or a supplementary PDS outlining the updated information. Where the new information is not materially adverse information we will not issue a new PDS or supplementary PDS to you, but you will be able to find the updated information on our web site www.etoro.com.au, alternatively you can call us on 1300 600 644 to obtain a paper copy.

We do not provide you with personal financial product advice and this PDS does not constitute a recommendation or opinion that the products referred to in this PDS are appropriate to you.

The information and any general advice in contained in this PDS does not take into account your personal objectives, financial situation and needs. Prior to dealing in the financial products referred to in this PDS you should read this PDS in its entirety and be satisfied that any dealing that you undertake in relation to the products offered is appropriate in light of your objectives, financial situation and needs. You should also consider the risks associated with dealing in those products. We recommend that you consult your financial adviser or obtain independent advice before trading in the products referred to in this PDS.

This PDS is not an offer or invitation in relation to the products in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. The distribution of this PDS outside Australia may be restricted by the laws of places where it is distributed and therefore persons into whose possession this document comes should seek advice on and observe those restrictions. Failure to comply with relevant restrictions may violate those laws.

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1. Introduction

In accordance with the Corporations Act of 2001, a retail client must receive a Product Disclosure Statement ("PDS") from a financial services licensee prior to acquiring a financial product. This PDS is the document that sets out the significant features of a financial product, including its risks, benefits and costs. The purpose of this PDS is to provide you with sufficient information in order to make an informed decision in relation to the acquisition of our financial products. This document is our PDS for derivatives

and foreign exchange contracts. This PDS is available from our website www.etoro.com.au. Paper copies of this PDS will be sent by us to any person on request free of charge, to obtain a paper copy please contact us. Our contact details are outlined in this PDS.

This PDS seeks to explain our products to you in a clear, concise and effective manner. Given that derivatives and foreign exchange contracts are a complex area of financial markets, we recommend that you read the information on our website www.etoro.com.au to assist you in gaining a greater understanding of these products. When we use the terms 'ICM', 'we', 'us' or 'our' in this PDS the reference is to International Capital Markets Pty Limited (ABN 12 123 289 109, AFS License 335 692). International Capital Markets Pty Ltd is the issuer of the derivative and foreign exchange products outlined in this PDS. When we use the term "you" we mean you, the user of our products. When we refer to "client" we mean you or another user of our products.

This PDS is an important document and should be read in its entirety as it provides you with key information about our derivative and foreign exchange products.

Before dealing in the products referred to in this PDS you should give consideration to your objectives, financial situation and needs. We recommend that you take all reasonable steps to fully understand the possible outcomes of trades and strategies in relation to utilising our trading platform. You should also be aware of the risks involved and be satisfied that trading in our products is suitable for you in light of your financial situation and circumstances.

If you have any questions relating to this PDS, please do not hesitate to contact us. Our contact details are outlined in this PDS.

2. Who are International Capital Markets?

International Capital Markets provide an online trading platform, enabling clients to trade in derivatives and in foreign exchange contracts over the internet. International Capital Markets provide clients with direct access to our system enabling them to buy and sell spot foreign exchange contracts and commodities in real time 24 hours a day.

International Capital Markets is based in Sydney and was founded by an experienced group of financial services professionals with the intent of offering multi product online trading solutions to retail and wholesale investors.

3. Issuer Details

International Capital Markets Pty Limited (ABN 12 123 289 109, AFS License 335 692)

Name:	International Capital Markets Pty Ltd
Address:	Level 10, 2 Bligh Street, Sydney, NSW 2000
Toll Free:	1300 600 644
Telephone:	(02) 8014 4280
Fax:	(02) 8014 4281
Email:	info@icmarkets.com.au
Website:	www.icmarkets.com.au

4. What does this PDS cover?

This is a PDS for derivative and foreign exchange contracts provided by ICM. The products offered in accordance with this PDS are Over the Counter ("OTC") products. ICM offers derivatives over spot foreign exchange contracts and commodities.

Foreign exchange is the exchange of one currency for another at an agreed exchange rate. The exchange rate is the price of one currency in terms of another currency, such as the price of the Australian dollar in terms of the US dollar. For example, if the current exchange rate for the Australian dollar as against the US dollar is AUD/USD 0.7500, this means that one Australian dollar is equal to, or can be exchanged for 75 US cents.

We also offer trading on commodities including gold and silver. Commodities traded are on a spot basis in much the same way as foreign exchange contracts.

The products offered by ICM do not result in the physical delivery of the currency or commodity. There is no physical exchange of currencies or delivery of the underlying commodity. When positions are opened the amount required to enter into the contract is deducted from your Account balance. When positions are closed your account will be either credited or debited according to the profit or loss of the transaction. All positions are cash settled and occur on a spot basis.

We do not charge a swap rate for holding positions open overnight during the week. You will be charged a swap rate for holding a position over the weekend, swap rates are outlined on the trading platform. If you wish you hold a position open over the weekend you must select to do this on the order ticket when placing your trade. Your stop loss rate will be adjusted if you choose to hold your position over the weekend. If you do not nominate to hold your position over the weekend your position will be closed on the last trading day of the week.

Foreign Exchange

A foreign exchange transaction is a currency exchange transaction starting the day the transaction is opened until it is closed. The transaction will end should one of the following events occur:

- (i) Position is closed
- (ii) Stop loss or take profit order has been triggered

Commodities

Much like foreign exchange transactions commodities transactions start the day the transaction is opened until it is closed. The transaction will end should one of the following events occur:

- (iii) Position is closed
- (iv) Stop loss or take profit order has been triggered

We are the principal to every transaction agreed and entered into with a client. We make a market in our products and will regularly quote prices at which we are prepared to deal with the client as principal.

It is important that when trading in products offered by ICM you are aware of the risks and benefits (as outlined in this PDS). This PDS contains examples of how the products offered by ICM can be traded. The examples provided do not constitute general or personal financial product advice to any person reading this PDS. These examples are only provided for illustrative purposes to demonstrate how ICM's products work. The figures in the examples provided do not necessarily reflect ICM's or your own personal circumstances and do not restrict in any manner the way in which ICM may exercise its powers or discretions.

5. Uses of our Products

Situations in which foreign exchange may be useful include:

- Exporting, where the invoice is quoted in a foreign currency
- Importing, where the invoice is quoted in a foreign currency
- Foreign currency borrowing
- Foreign currency investing
- Repatriation of overseas profits or interest in foreign currencies back to Australia; and

- Other foreign currency payments

In each of the above situations, the person or the company is exposed to currency risk.

Currency risk arises from international travelling or business which may be adversely affected by fluctuations in exchange rates. We offer our clients the facility to buy or sell foreign exchange products to manage this risk.

Our foreign exchange products allow the person or company exposed to the currency risk to protect themselves against adverse currency swings, yet secure exchange rates when offered, protecting the profit margin made by a company during a business transaction relating to foreign currency trade or protecting the cost of a person's international holiday in the case of the international traveler.

Our products may also be used by speculators. Speculators take the view of a particular market or the markets in general and invest according to this belief in anticipation of making a profit.

6. How are our Products Traded?

We provide an online trading platform, enabling clients to trade in our products through a simple and easy to use interface. Our clients are provided direct access to our products over the internet.

To place a trade using our online trading platform:

1. You must first open an account by completing our account opening documentation and reading the financial services guide (FSG) and this product disclosure statement (PDS) available on our website.
2. Read, acknowledge and accept the Terms and Conditions available on our website.
3. Once you are registered, you will be able to login to your trading account using your Username and Password.
4. Once logged in, in order to place a trade, you first select a currency pair that you wish to trade. For example, you can choose the currency pair, EUR/USD.
5. Once you have chosen the currency pair you wish to trade, you select whether to buy or sell. The "Bid" price is the price at which you are able to buy the currency and the "Ask" price is the price at which you are able to sell a currency. The difference between the Bid and Ask represents the "spread".
6. You will then need to select your risk level amount (leverage) and the amount you wish to risk, in addition to a stop loss level, which represents the amount you are prepared to lose.
7. Once the trade has been executed, the particulars of that trade will appear on the trading platform.

When going through the steps of opening an account with ICM you acknowledge that you:

- Are aware that investing in our products carries a high level of risk and due to the potential volatility and fluctuations in foreign exchange markets you could sustain a total loss of the amount that you deposit with us to establish or maintain a contract;
- Have given consideration to your objectives, financial situation and needs and the significant risks of loss together with the prospects of profit associated with dealing in the derivative and foreign exchange products offered by us and have formed the opinion that dealing in those products is suitable for your purposes;
- Received a recommendation from us to consult your financial advisor or obtain other independent advice before trading in the products referred to in this PDS;
- Have obtained appropriate and sufficient advice concerning the terms of this PDS, the Terms and Conditions and the FSG;
- Have consented to ICM collecting, maintaining, using and disclosing personal information about you and provided by you for another person, and;
- Have received or downloaded this PDS, Terms and Conditions and the FSG and read and understood them.

7. How are our Foreign Exchange rates calculated?

We cannot predict future exchange rates and our rate quotations are not a forecast of where we believe the foreign exchange rate will be at a date in the future. The decision to transact at a particular rate will always be the client's decision.

The calculation of foreign exchange rates for products offered by us, at the time the contract is purchased or sold, will be based on our best estimate of market prices and the expected level of interest rates, implied volatility and other market conditions during the life of the contract and is based on an arithmetic calculation.

The prices we quote may differ from prices available in the primary or underlying markets where contracts are traded, this is due to the spread favoring us in the price calculation. We act as a market maker not a broker and earn income in the form of spreads that we apply to the foreign exchange and commodity rates we quote. The spread is the difference between the rate at which we buy and sell the financial instrument, and will depend on factors such as the size of the trade and prevailing market rates. Spreads may differ from transaction to transaction. The spread is incorporated into the rates quoted to you and is not an additional charge or fee payable by you.

Contract prices are determined by ICM with reference to interbank trading data received by us, subject to us having the right to make corrections to such data in the event of mis-priced or typographically incorrect data.

We do not provide a market amongst or between clients for investments or speculation. Each contract you enter into is an individual agreement made between us and you as a principal and is not transferable, negotiable or assignable to or with any third party.

ICM does not charge a swap rate for trades held overnight however if you nominate for your position to be held over the weekend a swap rate will be charged, this fee is different for each currency pair. The fees charged are outlined on our trading platform. The weekend swap rate is based on the interest rate differential between each currency plus a spread in favor of ICM.

8. Trading Examples

Below are some examples of spot foreign exchange and commodity trades.

Our online trading platform allows you to trade spot foreign exchange contracts on major currency pairs including AUD/USD, EUR/USD, EUR/JPY and GBP/AUD, in addition to commodities, notably GOLD (XAU/USD) and SILVER (XAG/USD). Positions renew automatically, every night at 22:00 (GMT time), no swap rate is charged for positions held open during the week.

Let's assume that you are of the opinion that the AUD will rise against the USD in a 1 week time frame and were willing to risk AUD\$1,000. You could enter into a spot foreign exchange position using the online trading platform, with a notional value of AUD\$100,000 (100 times leverage). For this example we will assume that you bought AUD\$100,000 at an exchange rate of 0.8300 with the intent of risking AUD\$1,000. The trading platform would automatically generate a stop loss order at 0.8220. This AUD\$1,000 is the maximum amount you could lose, nothing more. At the exchange rate of 0.8300 the difference is slightly within the maximum at risk AUD\$1,000. You also have the option of setting a take profit order at the time of placing your trade. Keep in mind you are looking for the AUD to appreciate against the USD.

Let's look at what happens when the position is closed, at various exchange rates:

1. Let's assume that in one week's time the exchange rate is 0.8150. In this case your position would have been closed at your pre-defined stop loss of 0.8220. The result is that you have lost

AUD\$1,000, which was the amount you were initially willing to risk. It is worth pointing out that without the stop loss your loss would have been AUD\$1,850.

2. Let's assume that in one week's time the exchange rate is at 0.8460. In this case you would have made a profit of approximately AUD\$1,900. The amount is the difference between AUD\$100,000 @ 0.8300 (USD\$83,000) and AUD\$100,000 @ 0.8460 (USD\$84,600). The difference equals USD\$1,600 which converted back into AUD at a rate of 0.8460 equals AUD\$1,900.

9. Margin Requirements

Initial margin is the initial deposit (an upfront payment) of funds required by us as security for your position. Typically the initial margin varies from 0.25% to 20% of the face value of the contract and is expressed on the platform as the risk level or leverage amount, which ranges from 5 to 400 times leverage, this amount varies depending on the contract. ICM has the right to vary the leverage offered to clients at its sole discretion.

Positions are a mark to market by us in real time to account for any market movements. If your position moves against you and you have insufficient funds in your account to meet the margin amount you may "top up" your account in order to keep your position open. The additional margin required is known as variation margin. Should you be unable to deposit additional margin into your account your position will be closed out by us at your stop loss level.

It is your obligation to monitor your positions at all times and deposit additional funds to maintain the margin required for your position. We treat your positions on a per transaction basis should you have several open positions, margin is required for each open position and not netted across the group of open positions. This means that the unrealised profits on one position cannot be used to offset the unrealised losses on another position.

You will only be allowed to trade and maintain open positions on the basis of cleared funds being provided to meet your margin obligations. It is important to note that you are responsible for managing your account.

We reserve the right to limit the size of your open positions, whether on a net or gross basis under any appropriate circumstances as determined by us. We also reserve the right to refuse any request made by you to place an order to open a new position at any time at our discretion without having to provide you with any notice.

10. Costs of Foreign Exchange Products

We will not charge you any fees or commissions for you to trade in our products. We act as a market maker, and make our earnings from the spreads that are embedded in the rates we quote on our trading platform.

You will be required to pay initial margin in addition to additional margin to maintain your open positions in the event of adverse market movements. Such payments are not costs but are cleared funds required by ICM to cover our risk and act as security for your obligations.

Margin amounts are payable into our client trust account and are held, used and withdrawn in accordance with the Corporations Act 2001 requirements and our agreed Terms and Conditions. All interest that may accrue on the client trust account is kept by us.

ICM does not charge a swap rate for trades held overnight however if you nominate for your position to be held over the weekend a swap rate will be charged, this fee is different for each currency pair. The fees charged are outlined on our trading platform. The weekend swap rate is based on the interest rate differential between each currency plus a spread in favor of ICM.

11. Terms and Conditions

Our Terms and Conditions govern the contractual relationship between us and the client. These must be acknowledged and accepted via our website before you can trade with us. The Terms and Conditions set out the basis on which future transactions will take place and the obligations of both ICM and the client when accessing the facilities provided on the trading platform. Entering into the Terms and Conditions does not itself constitute a trade or in any way oblige you to enter into future transactions.

We may at our discretion amend or vary the Terms and Conditions or withdraw in whole or in part any account provided by ICM to you.

Our products are offered solely on the basis of the information and representations contained in this PDS, any supplementary PDS, ICM's Terms and Conditions as amended from time to time, the Financial Services Guide (FSG), any supplementary FSG and any other information or representation however provided and conveyed to you.

12. Significant Benefits of our Products

Foreign exchange products are an important risk management tool for individuals and companies who manage foreign currency exposures. The significant benefits of using the foreign exchange products offered as a risk management tool are to protect your exchange rate exposure and provide cash flow certainty.

Protect an Exchange Rate Exposure

ICM provides an online trading platform, enabling clients to trade derivatives and foreign exchange contracts over the internet. This facility provides clients with direct access to our online system enabling them to buy and sell currency and commodity rates in order to protect themselves against adverse market movements.

ICM also offers stop loss orders allowing our clients to manage volatility and to protect themselves against adverse market swings yet secure enhanced market rates when offered. Clients are able to eliminate downside risk by using stop loss orders. Clients are also able to use take profit orders allowing them to benefit from favorable upside market movements.

Provide Cash Flow Certainty

By agreeing to a rate now you are able to determine the exact cost of that currency at a future point in time, thereby giving certainty over the flow of funds. Any profits or losses you make trading our products would be offset against the higher or lower price you physically have to pay for the foreign currency at a future point in time.

Speculation

In addition to using our products as a risk management tool, clients can benefit by speculating on changing exchange or currency rate movements. You may take a view of a particular market or the markets in general and therefore invest in our products according to this belief in anticipation of a price movement.

Trade in Small Amounts

Our trading platform allows you to trade in small amounts. You can start using our platform with a deposit of as little as AUD\$50. When trading in a product offered by us you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk.

Access to the Foreign Exchange Markets at any time

When using our online platform you are able to access a highly advanced system which is active and being updated 24 hours a day. You are able control your accounts and positions 24 hours a day.

Depositing Money into your Account

We allow you to deposit funds into your account online through a number of means including your credit card, allowing you to make a deposit at any time, regardless of banking hours. We use the latest technology to provide a security shield for your credit card and privacy.

Competitive Spreads and no Commissions

We do not charge commissions for the trades you enter into. We act as a market maker, not as a broker. We are remunerated through the spread built into the rates quoted on the trading platform.

Real Time Streaming Quotes

Our trading platform uses the latest technology in order to offer you real time prices. You can check your account balance and positions in real time, 24 hours a day and place a trades based on real-time information.

Full Control over your Account and Positions

Our platform allows you to control your costs and risks. We use the latest technologies in order to ensure your stop loss orders are filled. We are committed to the principle that you never lose more than what you are prepared to lose.

Tailor-Made Conditions for Frequent Traders

The spreads in our trading platform assume deals of small, up to medium amounts. If you are a frequent user of our trading platform and wish to trade with medium up to large amounts, you can contact us by mail or telephone enabling us to provide you with tailor-made trading conditions.

13. Significant Risks Explained

Trading in the derivative and foreign exchange products offered by ICM involves risks. It is important that you carefully consider whether trading our products is appropriate for you in light of your investment objectives, financial situation and needs.

Derivatives Risks Generally

The risk of losses trading in derivatives contracts can be substantial. You should carefully consider whether our products are appropriate for you in light of your personal financial circumstances and needs. In deciding whether or not you will become involved in trading derivatives, you should be aware and consider the following matters:

- (i) You may sustain a total loss of the amount that you deposit with ICM to establish or maintain a position. However, in most circumstances your losses will be limited to the amount you are prepared to risk.
- (ii) If the market moves against your position, you may be required to immediately deposit additional funds as additional margin in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds ICM will close your position when the mark to market value of your positions reach zero.
- (iii) Under certain market conditions, it could become difficult or impossible for you to manage the risk of open positions by entering into opposite positions in another contract or close existing positions.
- (iv) Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying foreign currency market.
- (v) The derivative and foreign exchange products offered by us involve risk. However, the placing of contingent orders such as a stop loss order will limit your loss. A stop-loss order shall be executed either at the exact exchange rate declared by the client or at the exact amount of loss, in dollar terms, declared by the client. A transaction of this nature shall be executed as soon as the exchange rate quoted by ICM, including ICM's spread, is either identical to the order given by the client, or indicates an identical amount of loss, in dollar terms, declared by the client.
- (vi) The high degree of leverage that is obtainable in trading the products offered by ICM because of the small margin requirements can work against you as well as for you. The use of leverage can lead to large losses as well as large gains. Leverage means that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favor, however, this could

also mean substantial losses if the fluctuations move against you. Trading in the products offered by us could result in the total loss of the amount you deposited with us.

Market Volatility

Foreign exchange and commodity markets are subject to many influences which may result in rapid price fluctuations and reflect unforeseen events or changes in conditions. Due to such volatility, no transaction available via our trading platform can be considered risk free.

Given the potential levels of volatility in financial markets, it is therefore recommended that you closely monitor your positions with us at all times. Due to such volatility, in addition to the spread that ICM adds to all calculations and quotes, no product offered by us may be considered as a safe trade.

We offer clients ways of managing volatility and eliminating downside risk through the use of stop loss orders where we will enter into an opposite position to your existing position with you if the exchange rate reaches a particular level specified by you in advance.

Market Risk

You should be aware that if you acquire a foreign exchange product offered by us for trading or speculative purposes, where you do not have a currency risk you need to protect yourself from, you will be fully exposed to price movements between the currencies. The risk of loss will be further increased where you borrow to acquire the product as the total loss which may be incurred will be the loss on the foreign exchange product together with the amount you borrowed.

Counterparty Risk

Given you are dealing with ICM as counterparty to every transaction, you will have an exposure to us in relation to each transaction. In all cases, you are reliant on our ability to meet our obligations to you in accordance with the terms of each transaction. We may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to our exposure to clients.

Market Information

We may make available to you a broad range of financial information that is generated internally or obtained from agents, vendors or partners ("Third Party Providers"). This includes, but is not limited to, financial market data, quotes, news, analyst opinions, research reports and graphs or data (Market Information").

Market Information provided by us via email or through our website is not intended as advice and we do not endorse or approve the Market Information we provide. We make it available to you only as a service for your own convenience. We and our Third Party Providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results as a result of your use or reliance on this Information.

Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither us nor the Third Party Providers are obligated to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any time without notice.

Systems Risks

We rely on a number of technology solutions to provide our online trading platform to you. A disruption to our trading platform may mean you are unable to trade the products offered by us when desired and you may suffer a loss as a result. Alternatively, an existing transaction may be aborted as a result of technology failure, an example of disruption includes the "crash" of our computer based trading system.

If we determine in our absolute discretion that you have entered into a transaction that takes advantage of an internet connectivity delay, price feed error that has caused the prices on our trading platform not to accurately reflect market rates or we determine that transactions individually or together reasonably appear to rely on price latency arbitrage opportunities, we may revoke those transactions without further

liability to you and we may make any necessary or prudent corrections or adjustments to your account that we deem appropriate in our absolute discretion.

Use and Access to our Website

You are responsible for providing and maintaining the means by which to access our website and trading platform. These may include without limitation, a personal computer, modem and telephone or other access system available to you.

While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent you from accessing our website. If you are unable to access the internet and thus, our trading platform, it may mean you are unable to trade in the products offered by us when desired and you may suffer a loss as a result.

Furthermore, in unforeseen and extreme situations, we reserve the right to suspend the operation of our trading platform or any part or sections of it. In such an event, we may, at our sole discretion (with or without notice), close out your open positions at prices we consider fair and reasonable at such a time.

We may also impose volume limits on client accounts, at our sole discretion.

Client Monies

Prior to entering into a transaction you must have first deposited the margin required for that transaction, or have the margin required available in your trading account.

Funds deposited into your trading account are held in our client trust account. Funds held in the client trust account are segregated from ICM's money and held in accordance with the Corporations Act 2001. You waive the right to any interest earned on funds deposited with us. Individual client accounts are not separated from each other but are instead pooled in one trust account.

The client acknowledges that money deposited in our client trust account is treated as follows:

- Individual client accounts are not separated from each other;
- All client funds are co-mingled into the one trust account;
- The client money provisions may not insulate any individual client's funds from a default in our client trust account. Such a default may arise from any clients' trading;
- Assets in the client trust account belonging to non-defaulting clients are potentially at risk, even though they did not cause the default.
- ICM is entitled to withdraw, deduct or apply any amounts payable to ICM under the Terms of this PDS or the Terms and Conditions or the FGS or the Corporations Act 2001, which may include depositing moneys with our counterparties for the purpose of hedging client's transactions.
- Our insolvency or default may lead to your positions being liquidated or closed out without your consent. While in such circumstances any deposits lodged with us would be totally protected as they are held on trust, any unrealised profits may not be fully recovered and you would rank as an unsecured creditor of ours in relation to such unrealised profits.

Holding your money in one or more trust accounts may not afford you absolute protection. The purpose of trust accounts is to separate Clients' funds from our funds, however all Client funds are pooled together within a trust account and so an individual Client's balance may not be protected if there is a default by another Client that causes a loss to the overall trust account balance. In order to minimise this risk, we may use its own company funds to cover any Client balance shortfall that may be caused by a Client default in the short term.

If there is a deficit in a trust account and in the event that we becomes insolvent before it makes up the deficit in the trust account, then you will be an unsecured creditor of International Capital Markets Pty Ltd in relation to the balance of any moneys owing to you from the trust account. If you become an unsecured creditor, you will need to lodge a proof of debt with the liquidator for the amount owing to you. The

liquidator then assesses all proofs of debt to determine which creditors are able to share in our assets and to what extent, depending on the amounts owing to them and any priority they may have to be paid.

We may pay your money out of a trust account and use it as collateral for the purpose of fulfilling our obligations to our market counterparties under our hedging arrangements. This occurs where, for our own benefit, we enter into hedging arrangements with market counterparties to protect us from any losses we may incur as a result of positions entered into with Clients. This means that your money will no longer be held in a trust account, may be deposited in an account with one of our market counterparties and may be at risk of being partly or wholly lost in the event of a counterparty default or a default of International Capital Markets Pty Ltd under our hedging arrangements. You have no interest in or claim over our contracts (if any) with any other person or in the accounts into which we deposit Client money paid out of the trust accounts. By submitting an Application Form to us and becoming a Client of ours, in accordance with the terms and conditions you are taken to direct us in writing and to acknowledge and agree to us using your money in the manner described above, for our own purposes from time to time.

Regulatory Risk

There is a risk that we may be unable to operate as a result of a regulatory impediment such as ICM ceasing to hold an Australian financial services licence or because Australian Securities and Investments Commission (ASIC) has imposed a stop order on the PDS issued by ICM or ICM ceasing to exist.

Margin Risks

If your losses from an open position are equal to or higher than the initial outlay of margin used to fund your account, we may close you out of all positions. We are not obliged to contact you or give you notice prior to closing your positions.

Market volatility or market losses that result in a decline in the market value of your investments may require you to deposit more funds into your account with us or close out your positions prior to the total loss becoming greater than the balance of your account.

In cases where you are speculating, we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

Superannuation Funds

It should be noted that complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities, which are contained in the Superannuation Industry Supervision Act 1993. The regulations made under that Act and circulars issued by past and present regulators of superannuation funds including the Insurance and Superannuation Commission, the Australian Prudential Supervisory Authority and the Australian Taxation Office.

Without being exhaustive some of the issues that should be considered by Trustees of complying Superannuation Funds include:

- Prohibitions on borrowing and charging assets and whether dealing in derivative and foreign exchange products would breach those borrowing and charging prohibitions;
- The purpose of dealing in derivatives and foreign exchange products in the context of a complying superannuation funds whole investment strategy as well as the fiduciary duties and other obligations owed by Trustees of those funds;
- The necessity for Trustees of complying Superannuation Funds to be familiar with the risk involved in dealing in derivative and foreign exchange products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products;
- The consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to hold complying status.

Other

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in the products offered by us.

14. Client Monies

Trust Account(s)

All money deposited into your trading account by you or a by person acting on your behalf, or which is received by us on your behalf, will be held on trust for you by us, and deposited in one or more trust accounts established and maintained by us with our nominated bank and held and dealt with in accordance with the Corporations Act, the Corporations Regulations and the Terms and Conditions. This money does not constitute a loan to us.

How we manage our Trust Account(s)

It is important to note that holding your money in one or more trust accounts may not afford you absolute protection. The purpose of trust accounts is to separate Clients' funds from our funds. All Client funds are pooled together within a trust account and so an individual Client's balance may not be protected if there is a default by another client that causes a loss to the overall trust account balance. In order to minimise this risk, we may use our own company funds to cover any Client balance shortfall that may be caused by a Client default in the short term (but we will pursue the shortfall from the defaulting Client). If there is a deficit in a trust account and in the unlikely event that we become insolvent before we make up the deficit in the trust account, then you will be an unsecured creditor of us in relation to the balance of any moneys owing to you from the trust account.

If you become an unsecured creditor of ours, you will need to lodge a proof of debt with the liquidator for the amount owing to you. The liquidator will then assess all proofs of debt to determine which creditors are able to share in our assets and to what extent, depending on the amounts owing to them and any priority they may have to be paid.

When money can be paid out of a trust account

Under the Corporations Act and the Corporations Regulations, we may pay money out of a trust account in the following circumstances:

- to make a payment to, or in accordance with the written directions of, a person entitled to the money (under Corporations Regulation. 7.8.02(1)(a));
- to pay brokerage and other charges properly incurred by us;
- to pay to ourselves money to which we are entitled;
- to meet obligations incurred by us in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in our products by us, including dealings on behalf of our other Clients; and
- to pay interest or finance charges due to us.

When you have directed us in writing to do so, we may pay your money out of a trust account for such purposes and in such a manner as you and International Capital Markets Pty Ltd agree. Under the terms of the Agreement, you are taken, for the purposes of Corporations Regulation. 7.8.02(1)(a), to provide a written direction and authorisation for us to withdraw your money from the trust account and use it as collateral for the purpose of fulfilling our obligations to our market counterparties under our hedging arrangements. This occurs where, for our own benefit, we enter into hedging arrangements with market counterparties to protect us from any losses we may incur under the positions we have entered into with our Clients. This means that your money will no longer be held in a trust account, the funds may be deposited in an account with one of our market counterparties and may be at risk of being partly or wholly

lost, including in the event of a counterparty default or a default of International Capital Markets Pty Ltd under our hedging arrangements.

By submitting an Application Form to us and becoming a Client of ours, you acknowledge and agree that under the Agreement all amounts you deposit with us may be used as described above by us for our own purposes from time to time.

Unclaimed monies

In the event that we hold over \$100 of Client money in a trust account which has not been operated for at least six years, and we have made reasonable efforts to identify and locate the owner of the money, but are unable to ensure that the money will be paid to the owner, then we will treat this money as unclaimed money and deal with it in accordance with the *Unclaimed Money Act 1995 (NSW)* (Unclaimed Money Act).

Under the Unclaimed Money Act we must:

- deal with unclaimed money in accordance with sections 10 and 11 of the Unclaimed Money Act, which require that where we are in possession of unclaimed money, we must lodge a return in respect of, and pay to the Chief Commissioner of State Revenue - Office of State Revenue, the amount equal to the unclaimed money held by that enterprise as at 30 June in each year by 31 October or such longer period as the Chief Commissioner may in a particular case allow; and
- establish procedures to identify and deal with unclaimed money as required by the Unclaimed Money Act.

Interest on Client monies

We retain all additional interest earned on Client money held in trust accounts with a bank, approved deposit-taking institution and/or exchange clearing house. Additional interest refers to interest earned after Clients have received their interest entitlement. The rate of interest earned on the money in these accounts is determined by the provider of the deposit facility.

Under the Corporations Regulations, any interest or other earnings on:

- Client money which we have withdrawn from a trust account and invested; and
- the proceeds of realising such an investment, must be dealt with in accordance with our and the Client's written agreement. By submitting an Application Form and becoming a Client of ours, under the terms of the Agreement you and International Capital Markets Pty Ltd are, for the purposes of the Corporations Regulations, taken to have entered into a written agreement with our to permit us to retain such interest or other earnings for our own benefit.

Realisation of investments

Unless otherwise agreed in writing with a Client, upon realising an investment of Client money, the initial capital invested must either be invested in another investment permitted by the Corporations Act and Corporations Regulations or deposited by us into a trust account operated in accordance with the Corporations Act and Corporations Regulations.

If the amount received upon realising an investment of Client moneys is less than the initial capital invested, we must pay an amount equal to the difference into a trust account for the benefit of the Client, except where any such difference is the result of amounts paid out of the investment to us and/or any associate of ours in accordance with the terms and conditions.

Payments to or from third parties

We do not accept payments from or make payments to any third parties. In accordance with Australian anti-money laundering regulations, where necessary we report any suspect transactions to AUSTRAC.

What happens if we lose our Australian financial services licence or become insolvent?

Under the Corporations Act and the Corporations Regulations, if we lose our Australian financial services licence, become insolvent, merge with another licensee or cease to carry on some or all of the activities authorised by its licence, Client money held by us and the investment of Client money, will be dealt with as follows:

- (i) money in a trust account is held on trust for the persons entitled to it, and is payable in the order set out below;
- (ii) if money in a trust account is invested, the investment is likewise held on trust for each person entitled to money in the account; and
- (iii) money in a trust account is to be paid in the following order:
 - money that has been paid into an account in error;
 - payment to each person who is entitled to be paid money from the account;
 - if the money in the account is not sufficient to be paid in accordance with the above paragraphs, the money in the account must be paid in proportion to the amount of each person's entitlement; and
- (iv) if there is money remaining in the account after payments made in accordance with the above paragraphs, that remaining money is payable to us.

These rules override anything to the contrary in the Australian Bankruptcy Act 1966, in company law or in the Agreement.

In addition, our insolvency or default may lead to your positions being liquidated or closed out without your consent. While in such circumstances any of our Clients' monies held in a trust account would be protected as they are held on trust, any unrealised profits may not be fully recovered and you would rank as our unsecured creditor in relation to such unrealised profits. In Addition, any money paid out of a trust account will also be at risk of being partly or wholly lost if we were to become insolvent.

15. Dispute Resolution

ICM has both internal dispute resolution procedures in place with the aim to resolve any complaints or concerns you may have, swiftly and fairly. Any complaints or concerns should be directed to the complaints officer by telephone or letter at the address and telephone numbers provided in this PDS or by email to compliance@icmarkets.com.au. We will investigate your complaint promptly. We will endeavor to resolve your complaint quickly and fairly. Our dispute resolution process is available on our website www.icmarkets.com.au.

We will acknowledge the receipt of written complaints within 5 business days, and aim to resolve and respond to complaints within 30 business days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

Should you be dissatisfied with the outcome of our investigation, you have the right to complain to the Financial Ombudsman Service Ltd, an approved external dispute resolution scheme, of which ICM is a member. You may also make a complaint via the ASIC free call Info line on 1300 300 630.

Financial Ombudsman Service Ltd
Mail: GPO Box 3 Melbourne, VIC 3001.
Tel: 1300 78 08 08,

Fax: (03) 9613 6399
Website: www.fos.org.au
Email: info@fos.org.au

16. Taxation Implications

Trading in the derivative and foreign exchange products offered by us has the potential for generating substantial profits and the potential for generating substantial losses. The taxation implications of any such profits or losses may be significant depending on the personal circumstances of the individual client. We do not provide tax advice and recommend that you seek your own professional tax advice.

Changes in taxation laws including changes in rulings, guidelines, determinations and rules as implemented or interpreted by the Australian Taxation Office from time to time may have an effect on your tax position including the categorization of transactions involving the products offered to you by us. Your overall taxation position may also be effected by your residency status for Australian Taxation Law purposes.

17. Privacy

When you open an account and transact with us you will be providing us with your personal information (including full name, address and contact details), we require this information to administer your trading account and provide you with the products and services we offer. We will maintain records of all transactions and activities with respect to your dealings concerning our products including margin calls made.

Where necessary, we also collect information on individuals such as company directors and officers (where the company is our customer), as well as customers agents and persons dealing with us on a "one-off" basis.

The law may also require us to collect personal information, e.g. Commonwealth legislation requires us to identify persons who open or operate accounts. We may take steps to verify the information collected, e.g. a birth certificate provided as identification may be verified with records held by the Registry of Births, Deaths and Marriages to protect against impersonation, or we may verify with an employer that employment and remuneration information provided in an application for credit is accurate.

We may also record telephone conversations between you and persons working for us. Such recordings or transcripts from such recordings may be used to resolve any dispute between you and us and may also be destroyed at our discretion.

We will collect and hold information about you when you use our website or online trading platform for transactions or dealings with us or to access your account. We reserve the right to use cookies on our website to collect statistical information or to allow you access to your account online.

That information we collect complies with the Corporations Act 2001, the Privacy Act, Australian Taxation Law and other laws and regulations. You can access the personal information that we hold about you, subject to some exceptions allowed by law. We will give you reasons if we deny you access to this information.

If requested we may be required to provide your personal information to ASIC, the Australian Taxation Office, and other regulatory and government bodies from time to time in Australia and overseas.

We may also disclose your personal information to:

- FOS, courts, arbitrators and other dispute resolution bodies;
- Anyone you have authorised to act on your behalf such as your financial advisor, broker, solicitor or accountant;
- Related parties for the purpose of marketing products and services to you;
- Other financial product providers to which your investment might be transferred; and

- Organisations to which we outsource certain functions.

We may use your information for:

- Marketing our products and services to you; and
- Developing an understanding of the products and services you may be interested in obtaining from us.

If you do not provide us with all the information we need, we may be unable to provide you with our products, allow you to set up an account with us or provide you with any other service we offer.

If you have concerns about the completeness or accuracy of the information we have about you or would like to access or amend your information simply contact us. You should promptly notify us of any changes to the personal information that we hold about you.

If the information we receive from you is not true and correct then we reserve the right to restrict or suspend access to your account or cancel any trades previously made by you.

18. Anti Money Laundering and Terrorist Financing

You acknowledge that ICM is required to comply with Anti Money Laundering laws in Australia and in other countries. Money Laundering includes any dealing with the proceeds of, or assets used in criminal activity (wherever committed) and any dealing with funds or assets of, or the provision of finance to, any person or entity involved or suspected of involvement in terrorism or any terrorist act which may prohibit us from entering or concluding transactions involving certain persons or entities. You agree that we may, and will incur no liability from any action taken to comply with such laws or regulations.

You agree that we may delay, block or refuse to make a payment if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, ICM will incur no liability to you if we do so.

You agree to provide all information to us which we reasonably require to comply with any law in Australia or any other country. You agree that we may disclose information which you provide to us where required by any law in Australia or any other country.

You declare and undertake to us that the payment of monies in accordance with your instructions by us will not breach any law in Australia or in any other country.

19. Cooling-off Arrangements

There are no cooling-off arrangements applicable to the products offered by us.

20. Other Available Information

Further information about ICM may be obtained by visiting our website www.icmarkets.com.au or by contacting us directly.

21. How to Contact us

Toll Free:	1300 600 644
Telephone:	(02) 8014 4280
Fax:	(02) 8014 4281
Email:	info@icmarkets.com.au
Website:	www.icmarkets.com.au
Mail:	Level 10, 2 Bligh Street, Sydney, NSW, 2000
In Person:	Visit our offices in Sydney at Level 10, 2 Bligh Street, Sydney, NSW, 2000

Terms and Conditions

These are the entire terms and conditions that apply to the use of our website www.eoto.com.au and any services provided hereto. Use of this website and/or the services provided hereto (the "Services") are all subject to these terms and conditions (hence forth, the "Agreement"). If you have objections to the terms and conditions stipulated hereto, do not use our Services in any way. Please feel free to contact our customer support team at support@etoro.com.au for any clarifications before you continue to use this website.

Customer Agreement

This Agreement is made between yourself and International Capital Markets Pty Ltd (hence forth, "You", and "Us" or "We" or "ICM"). This Agreement describes to you in full detail the terms and conditions which you must accept without restrictions or objections before using our Services. Before you use our Services and before you become a customer of ICM, you must fully understand and agree to all the terms and conditions expressly explained and/or implied hereto by reference. Notwithstanding anything to the contrary, by continuing to use our Services you are implying that you have read this Agreement and have unconditionally accepted without reservation the terms and conditions in their entirety.

The Agreement was published on and last updated on the 5th of October, 2009.

1. Services, Registration and Accounts

1.1 Scope of Services

This Agreement covers the entire scope of Services provided by ICM including, but not limited to, the use of our Website, the use of our trading Services, data collection and storage practices, downloadable material from our Website, financial information published on our website (either by us or by any affiliated party), electronic content, real time information about the exchange rate of some currencies, tools for executing transactions in the foreign exchange market on the internet, by phone or fax and any other features, content or services that we may add in the future. This Agreement covers any form of communication between us and you including email, telephone, fax and more.

1.2 Registration

At any given time, starting from the date of your registration with us we may ask you to provide personally identifiable information. If you choose to provide us with the information and register with us as our customer you are confirming to us that any information provided is true, accurate, updated and complete information about yourself. Additionally, you agree that you will not impersonate any person or entity, misrepresent any affiliation with another person, entity or association, use false headers or otherwise conceal your identity from ICM for any purpose. If you are registering as or for a business entity, you hereby declare that you have the authority to bind that entity to this Agreement. We apply strict security procedures and undertake to treat the information that you provide us with care in accordance with our Privacy Policy. Please note that when you register with us you will choose a user name and password that will personally identify you each time you log on to our system. Your username and password should be kept confidential at all times. It is your sole responsibility to safeguard this information. If the security of your username and password is breached or if you suspect that they are being wrongfully used please contact us immediately at support@etoro.com.au.

1.3 Eligibility

It is a pre-condition that our Services are only used and contracts are only formed by those who are permitted to enter legally binding agreements. Therefore, if there is any reason why you would not be able to enter a legally binding agreement with us, for whatever reason - do not use our Services. Such reasons could include, but are not limited persons that have not yet reached the age of 18 or are defined as minors that have not yet reached legal age. Due to our internal policies, we only permit people with sufficient experience, knowledge and understanding in financial investment, who possess the personal ability of identifying good investments and distinguishing bad investments,

and who fully understand the risks associated with financial investments, independently from any information that they may have read on our website, to use our Services. If you do not possess such knowledge independently, do not use our website. Notwithstanding any of the above, the above mentioned eligibility restrictions shall only apply in cases where the Services involve the use of real money. The above restrictions shall not apply to use of any practice application not associated with real money transactions.

1.4 Identification

We are obligated by law to confirm and verify the identity of each person who registers on our system and opens an account with use. Therefore, you will be prompted to provide us with the following information when you register with us: (1) name, (2) address, (3) date of birth, and any other personally identifiable information that we may ask for from time to time such as a copy of your Passport (and/or your driver's license) or other identifying documents. Limited License

1.5 Representations and Warranties

1.5.1 You represent, warrant, covenant and agree that:

- You are at least 18 years old, or the age of legal consent for engaging in financial investment activities under the laws of any jurisdiction that applies to you.
- You are of sound mind and you are capable of taking responsibility for your own actions.
- All the details that you have submitted to us or any details given to us when opening an account and making a deposit are true, accurate, complete and match the name on the payment card and/or payment accounts in which you intend to deposit or receive monies from your account.
- You have verified and determined that your use of the Service does not violate any laws or regulations of any jurisdiction that applies to you.
- From time to time you may be requested to provide us with certain documents to verify the details of the credit card used by you to deposit monies to your account. Subject to our satisfaction from the above documentation checks, you may or may not be permitted to deposit further monies by recurring credit card.
- The penalty for providing untrue, inaccurate, misleading or otherwise incomplete information is your immediate breach of this Agreement. As such, we reserve the right to terminate your account promptly and to prevent you from using our Service.

1.5.2 We shall not be responsible for any of the following situations:

- Unauthorized real money transactions.
- Unauthorized real money transactions conducted by unauthorized minors.
- Physical Verification that you possess the proper knowledge and/or experience to use our Services. We will not be responsible in any way (including for damages and losses caused by the use of our Services) if you use this website without the proper knowledge.
- US residents may not use this website; however, they may register and Practice in the Demo system.

1.6 Limited License

Subject to the above registration and eligibility requirements, we hereby grant you a personal license (a "License") that is non-transferable, non-exclusive, limited to the terms of this Agreement and fully revocable to use our Service (including the use of our website and any associated downloadable software) subject to the terms of this Agreement. You will also be subject to the End User License Agreement by Tradonomi Limited (the software provider) that is associated with downloading any software from our website.

1.7 Deposits and Withdrawals

- **IMPORTANT NOTE - ICM DOES NOT ACCEPT ANY TRADING FROM CUSTOMERS IN THE USA.**
- ICM reserves the right to impose deposit limits and deposit fees in its system.
- ICM reserves the right to impose withdrawal limits and deposit fees in its system.

- Credit card deposits may be, according to credit card companies' regulations, returned to same credit card when a withdrawal is performed.
- Upon submitting a withdrawal request you may be required to submit documentation as required by our AML regulations.
- According to AML procedures any withdrawal request will be paid to the same individual that has submitted the deposit.

2. Communications and Account Management

2.1 Methods of Communications

All Information that you provide to us via our website and/or by email, fax or telephone shall be considered non-confidential and non-proprietary information. Such information is not limited to personal information submitted to us and also includes any queries, idea's, comments or any other communicative material that you engage with us. As such, we maintain the right to use any such communication with us as we see fit. We do not undertake to review and monitor all communications with us however if we choose to review and/or monitor any such communications we are entitled to use such communications in any way we see fit. We reserve the right to record any calls made by you to the customer service department may be recorded.

2.2 Dormant Accounts

In the event that your Account is not accessed for a period of at least six months we will regard your account to be dormant. We will count six months from the date that you last logged into your account. If your account becomes dormant we will apply a monthly fee equal to 10% of the funds in the account on the date that it became dormant and deduct it from the funds held in your account commencing from the last day of the sixth month in which the account becomes dormant and on the last day of every month, until the balance of the account has reached zero. In the event that you log on to your account during a ten-month period during which the administration fee is being applied, the Company will cease to deduct the fee but shall not be obligated to return to you any monies deducted from the account at such time.

3. Client Money

3.1 Trust Account(s)

Any money received from you will be deposited and held by us on trust in a separate trust account established, maintained and operated in accordance with the Governing Legislation. We will not be liable for the solvency, act or omissions of any bank holding money under this Term. This money does not constitute a loan to us.

3.2 You agree to the following:

- In the event that there has been no movement on your account for a period of six years after the date you become entitled to a transfer of your money held in such account (notwithstanding any payments or receipts of interest or similar items) and we are unable to trace you despite having taken reasonable steps to do so, such money shall be treated by us as unclaimed money and dealt with in accordance with the provisions of the Unclaimed Moneys Act 1962 (NSW).
- You acknowledge that we will be under no obligation to pay interest on balances on your account (and any fees we may take from such interest) and that you are therefore waiving and foregoing any entitlement to interest (and fees if any) under the Governing Legislation or otherwise. You hereby acknowledge that we will not pay you any interest on your account and that any interest will accrue to us and (insofar as you are able and/or required to do so) you assign and convey to us the beneficial entitlement to such interest.
- We retain all additional interest earned on client money held in trust accounts with a bank, approved deposit-taking institution and/or exchange clearing house. Additional interest refers to interest earned after clients have received any entitlement. The rate of interest earned on the money in these accounts is determined by the provider of the deposit facility. Under the Corporations Regulations, any interest or other earnings on:

- client money which we have withdrawn from a trust account and invested; and
- the proceeds of realising such an investment, must be dealt with in accordance with International Capital Markets Pty Ltd and the Client's written agreement. By submitting an Application Form and becoming a client of International Capital Markets Pty Ltd, under the terms of this Agreement the client and International Capital Markets Pty Ltd are taken to have entered into a written agreement with us to permit us to retain such interest or other earnings for our own benefit.
- Clients' money is pooled together within a trust account and so an individual client's balance may not be protected if there is a default by another client which causes a loss to the overall trust account. Under the Corporations Act and the Corporations Regulations, we may pay money out of a trust account in the following circumstances:
 - to make a payment to, or in accordance with the written directions of, a person entitled to the money;
 - to pay brokerage and other charges properly incurred by us;
 - to pay to ourselves money to which we are entitled;
 - to meet obligations incurred by us in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings of your transactions by us, including dealings on behalf of our other Clients; and
 - to pay interest or finance charges due to us.
- Under Corporations Regulation. 7.8.02(1)(a), when a client has directed us in writing to do so, we may pay the client's money out of a trust account for such purposes and in such manner as the Client and International Capital Markets Pty Ltd agree. Under the terms of this Agreement, the client is taken, for the purposes of the Corporations Regulation, to provide a written direction and authorisation to us to withdraw the client's money from a trust account and use it as collateral for the purpose of fulfilling our obligations to our market counterparties under our hedging arrangements. This occurs where, for our own benefit, we enter into hedging arrangements with market counterparties to protect us from any losses we may incur under the positions we have entered into with Clients. This means that the client's money will no longer be held in a trust account, may be deposited in an account with one of our market counterparties and may be at risk of being partly or wholly lost in the event of a counterparty default under our hedging arrangements. By submitting an Application Form to us and becoming a client of ours, the client acknowledges and agrees that under this Agreement all amounts the client deposits with us may be used as described above by us for our own purposes from time to time.
- The client acknowledges that it has no interest in or claim over our contracts (if any) with any other person or in the accounts into which we lodge or pay the funds which were withdrawn from a trust account. The client acknowledges that the balance of the client's money may not be protected if there is a default in the dealings with counterparties or in the overall trust account balance.
- Unless otherwise agreed in writing with a Client, upon realising an investment of client money, the initial capital invested must either be invested in another investment permitted by the Corporations Act and Corporations Regulations or deposited by us into a trust account operated in accordance with the Corporations Act and Corporations Regulations. If the amount received upon realising an investment of client moneys is less than the initial capital invested, we must pay an amount equal to the difference into a trust account for the benefit of the Client, except where any such difference is the result of amounts paid out of the investment to us and/or any associate of ours in accordance with the terms and conditions.

4. Risk and Liability

4.1 Risk Statement

You understand that you are using our services at your own risk. It for this reason that we condition the use of our services to those who can actually bear the loss of any money invested and who properly understand the associated risks that are inherent to the Forex market. It is also important to have relevant experience when entering financial contracts and transactions. As you know, the

Forex market is a dynamic arena and foreign currency prices are often highly unpredictable and volatile. As such, any investment on our website can never be considered a safe investment rather only an investment with risk of loss inherently associated with it. Furthermore, our own spread is added to existing calculations and online quotes which makes a trade on our website even more volatile. We make sure that the maximum risk associated for any user shall not exceed the actual amount of money paid to us and deposited in your account.

4.2 Use of Posted Market Information

We do not provide our customers with any financial advice, tips or recommendations. Notwithstanding, we make available to our customers financial information that is provided to us by our affiliates, agents, vendors and/or partners. The information that we make available to you are analytical tools (such as market data, exchange rates, news, headlines and graphs). We do not endorse or maintain any control over the financial information that we make available to you. Furthermore, we do not guarantee the accuracy, timeliness, completeness or correctness of the information, nor do we warrant any results from your reliance on such information. You understand that we are not obligated to provide the above mentioned tools and information and we can remove these informational tools from our website at any time. Furthermore, we are not obligated to update the information displayed on our website at any time and we will not be liable for the termination, interruption, delay or inaccuracy of any Market Information. The financial information we post on our website is provide by third parties for the benefit or our users as such you undertake not to enable deep linking or any other form of redistribution or reuse of the information, to any non-authorized users.

4.3 Accountability for Each Financial Transaction

By using our Service, you agree to be fully, independently and personally liable for each transaction and/or credit card transaction made on our System through you account. As such, you must make sure that you are the only person with access to your account at all times. You must make sure that no minors have access to your account. If you do not settle a transaction performed through your account you shall be liable to us and must indemnify us in the amount necessary to cover the entire cost, whether indirect or direct, of the transaction. In the unlikely event that a contract is entered to acquire or sell currency at a price that does not reflect the market price (such as an event where a technical error such as a bug or defect has caused a malfunction that has affected the price of the transaction), we reserve our right to terminate and cancel any such transaction. We will notify you of our decision to cancel the transaction and explain our reasons to you. On the other hand, you are required to inform us of any such malfunction should you experience such a malfunction whilst trading on our system.

4.4 Restrictions on Financial Transactions

You understand that financial regulations, financial codes, financial ethics and contractual requirements vary worldwide. As such, you understand that ultimately it is your responsibility to make sure that you comply with any and all local regulations, directives, restrictions and laws in your local place of residence before using our Services. We strictly state that we do not permit the use of our Services by users from jurisdiction in which the use of our Services is not permitted. This Agreement is not offering or soliciting the use of our Services to any one located in a jurisdiction in which the specific use is not authorized or otherwise permitted by local laws.

Please note that ICM shall apply its own spread to all transactions and trades made by using our Services which can increase the cost of the transactions and trades accordingly.

By using our Services, you declare that all the funds that you use and invest on our Service do not originate in any way from drug trafficking, abduction, terrorist activity or any other criminal activity that is unlawful or could be considered unlawful by any authority. In the event that we become suspicious that you may be engaging in or have engaged in fraudulent, unlawful or improper activity, including, without limitation, money laundering activities, or conduct otherwise in violation of this Agreement, your access to the Service may be terminated immediately and/or your account blocked. If your account is terminated or blocked in such circumstances, the Company is under no

obligation to refund any funds that may be in your account. In addition to terminating your access to the Service and/or blocking your account, we reserve the right to prevent you from accessing any of our other websites or servers, or accessing any other services offered by us. We shall be entitled to inform relevant authorities, other online service providers and banks, credit card companies, electronic payment providers or other financial institutions of your identity and of any suspected unlawful, fraudulent or improper activity and you will cooperate fully with us to investigate any such activity.

4.5 Taxation

You hereby acknowledge and understand that we do not collect any taxes for any government authority in any form or manner and you further understand that it is your own responsibility to calculate and pay all applicable taxes applicable in your country of residence arising as a result of your trading activity on our Services. Notwithstanding the above and without derogating in any way from your sole, exclusive and personal obligation to pay taxes in your local jurisdiction, you unequivocally agree that we may deduct any taxes due under applicable law and regulations that may arise from the results of your investment on our system. All amounts extracted from your account are "gross amounts", from which we may deduct any such taxes if necessary and under law. In such an event, you shall have no claim towards the Company with regard to any such deductions.

4.6 Disclosures

4.6.1 It is important that you be fully aware of the following points:

- Where being unable to collect such fee(s), Company reserves the right to close part, or all, of Customer's open positions, in order to facilitate such charge. Notwithstanding, Customer shall be liable for promptly paying such fee(s) to Company even if Customer has had full loss of all margins deposited by him.
- ICM does not guarantee any order. Placing stops, regardless of the entry or closing designation, does not guarantee the trade will be filled at the order price. All Entry Stops and Stops will be filled, upon activation, at the first/best available market price that may or may not match the requested order price.
- While trading on our visual electronic trading system, you might encounter system errors that are resulted from hardware and/or software failures. The result of any system failure may be that your order is either not executed according to your instructions, executing with account balance errors and discrepancies or not executed at all. ICM will not be liable for the resulting errors in account balances. ICM reserves the right to make the necessary corrections or adjustments on the account involved.
- The high level of leverage effect possible in conducting foreign currency transactions stems from the fact that it is only necessary to pay relatively modest margins or guarantees in relation to the scope of the contract.
- The result of the above is that even a slight fluctuation of the market could mean substantial gains when these fluctuations are in your favor, but that could also mean considerable losses if the fluctuations are to your detriment.
- No system exists that could assure you that transactions on the foreign currency market should bring you great benefits, nor is it possible to guarantee, that your transactions will yield favorable results.
- Even though the foreign currency markets are liquid as compared with other financial and exchange markets, the market conditions might at times render the execution of an order or of a limit order at a stipulated price impossible.
- The amount you could lose in a transaction carrying limited risk will never be more appreciable than that which you can lose in transactions having no pre-determined limit on loss.
- Nevertheless, even though the extent of the losses could be subjected to an agreed upon limit, the risk of incurring losses could be higher, and that loss could occur in a relatively short period of time.
- Since deposit of an additional guarantee is not obligatory in this case, ICM reserves the right to close the outstanding balances without the customer's consent.

- The risk information presented here does not reflect all of the risks as well as other important aspects intrinsic to the Forex market. Therefore, before starting to trade, you should learn the specifics of trading on Forex markets in detail.
- Unless determined otherwise by customer, all trades will automatically close out in eToro real money mode when market closes at the end of the week. Closing rates will be posted during the weekend in the trading log section in eToro lobby. All real money accounts will be open during the weekend and all traders are welcome to view their trading account info ICM reserves the right not to offset contracts carried over the weekend shortly after markets are open. ICM will allow offsetting contracts carried over the weekend when market liquidity conditions are reasonable.

4.7 INDEMNIFICATION AND LIMITATION OF LIABILITY

UNDER THE TERMS OF THIS AGREEMENT YOU HEREBY UNDERTAKE TO INDEMNIFY US, OUR DIRECTORS, OFFICERS EMPLOYEE'S, AGENTS AND AUTHORIZED REPRESENTATIVES TO INDEMNIFY AND HOLD US HARMLESS AGAINST ANY DAMAGES, LIABILITY, COST OR EXPENSE INCURRED BY US AS A RESULT OF THE BREACH OF THIS AGREEMENT OR AS A RESULT OF YOUR BREACH OF ANY LAWS AND REGULATIONS THAT MAY GOVERN THE TERMS OF THIS AGREEMENT. WE, OUR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND AUTHORIZED REPRESENTATIVES, SHALL IN NO WAY BE LIABLE FOR ANY LOST PROFITS, INCIDENTAL, CONSEQUENTIAL AND/OR SPECIAL DAMAGES THAT MAY ARISE AS A RESULT OF YOUR USE OF OUR SERVICES OR OUR SOFTWARE. IN ANY EVENT, AND NOTWITHSTANDING, THE MAXIMUM LIABILITY THAT YOU MAY CLAIM FROM US FOR ANY REASON SHALL BE NO MORE THAN THE ACTUAL SUM OF MONEY THAT YOU DEPOSITED IN YOUR ACCOUNT FOR THE PURPOSE OF TRADING THAT MAY HAVE BEEN THE BASIS FOR ANY ACCUMULATED LIABILITY THAT YOU INCUR.

5. Technical Features and Requirements

5.1 Technical Requirements to Use Our Services

You must provide and maintain adequate technical means on which you install our software and access our Services. These technical means must include at least a personal computer, internet access by any means and telephone or other access line. Access to the internet is an essential feature and you shall be solely responsible for any fees necessary in order to connect to the internet. Furthermore, as you are using your personal computer in order to access our Services you are strictly and solely liable for the integrity and proper storage of any data associated with our Services. By using our Services, you represent and warrant to us that you have installed and implemented appropriate means of protection relating to the security and integrity of your computer and that you have taken appropriate action to protect your system from computer viruses or other similar harmful or inappropriate materials, devices, information or data.

We will not be liable to you in the event that your computer system fails, damages, destroys and/or formats your records and data. Furthermore, if you incur delays and any other form of data integrity problems that are a result of your hardware configuration or mismanagement, we shall not be liable. You further undertake to protect us from any wrongful transmissions of computer virus or other similarly harmful or inappropriate material or device to our system from your personal computer.

5.2 Technical Problems and Difficulties

As a provider of technology, we remind you that in some circumstances the use of the internet can at times be unreliable and at times you may experience trouble connecting, although it is now common practice that generally the use of the internet is now regarded to be very reliable. Notwithstanding, and recognizing the above, you hereby undertake that we will not be liable, and you will not hold or seek to hold us or any of our officers, employees agents or service providers liable, for any technical problems, system failures and malfunctions, communication line failures, equipment or software failures or malfunctions, system access issues, system capacity issues, high internet traffic demand, security breaches and unauthorized access, and other similar computer

problems and defects. We do not represent, warrant, guarantee or claim that you will be able to access or use our Service at all times and from any location. Neither do we represent, warrant, claim or guarantee that our Services will be uninterrupted and error-free at all times. Furthermore, we make no warranties for merchantability or fitness for a particular purpose.

5.3 Disconnection Policy

If you are suddenly disconnected from our Services whilst actively trading online, we will keep your positions open until you can reestablish your connection or trading ceases.

5.4 Maintenance Shut Downs

We maintain our continuing right to shut down our operations and close our service to our customers at any time. We may do so at any given time, without notice. If we do so, we maintain the right to close all open transactions (regardless of any ongoing positions and profit margins) and to conclude the transactions at fair and market value quotes so that our customers will not have any ongoing claims from us. Furthermore, at any given time, at our sole discretion, we reserve the right to impose volume limits on customer accounts. Contract payouts shall be determined by ICM by reference to the daily values reported on this Website relevant to the interbank trading data received by the Company for Forex quotes, subject to the provision that ICM shall have the right to make corrections to such data in the event of mispriced or typographically incorrect data.

5.5 Links to Other Websites

At times, we may provide links from our website to other websites that we have no control over for your convenience. By doing so, we are not endorsing, approving or sponsoring any website to which we are linking and as such will not be liable for any content or policies followed thereto. As we do not have any control over the content and practices of these websites we urge our customers and users to read and fully understand the terms and conditions and other policies of these websites before using them.

5.6 Circumvention & Reverse Engineering

You shall not unlawfully access or attempt to gain access, reverse engineer or otherwise circumvent any security measures that we have applied to our system. If, at our sole discretion, you are in breach of this clause, we may terminate your access to the Service immediately and/or have your account blocked, and the Company may inform Interested Third Parties of your breach of this clause. We have, and will continue to develop any tools necessary to identify fraudulent or unlawful use of our Service.

5.7 Artificial Intelligence Software

It is absolutely prohibited to use any software, at our sole discretion, which purpose is to apply any kind of artificial intelligence analysis to our system relating to the use of our Service. In the event that we determine, at our own discretion, that artificial intelligence software has been used we reserve our right to take action as we see fit, including completely blocking access to the Service, terminating the user account and seizing all funds held in the associated user account.

5.8 Instant Messaging

Our Services include a chat/instant messaging option that enables users to interact amongst themselves whilst online and using our Services. We reserve the right to review and monitor the chat/instant messaging option in relation to our Service and to keep a record of all statements made on the chat/instant messaging option. In the event that you choose to use the chat/instant messaging option on our Service you undertake to be bound by the following rules:

- It is prohibited to make any abusive, defamatory harassing and/or insulting statements to other Users.
- It is prohibited to make statements that advertise or promote any other online entities.
- It is prohibited to make statements that contain sexually explicit content and/or any grossly offensive, including expressions of bigotry, racism, hatred or profanity.

If you violate the above we shall have the right to terminate your account and registration on our Services. If your account and registration are terminated due to the above misuse of the chat feature we will refund any funds which may be in your account.

5.9 Abusive trading technique

Internet, connectivity delays and price feed errors sometimes create a situation where the prices displayed on the ICM online facility do not actually reflect the market rates. The concept of arbitrage and "scalping", or taking advantage of these internet delays, cannot exist in an OTC market where the client is buying or selling directly from the market maker. ICM does not permit the practice of arbitrage on the ICM online facility. Transactions that rely on price latency arbitrage opportunities may be revoked. ICM reserves the right to make necessary corrections or adjustments on the account involved. Accounts that rely on arbitrage strategies may at ICM sole discretion be subject to ICM intervention and ICM approval of any orders. Any dispute arising from such quoting or execution errors will be resolved by ICM in ICM sole and absolute discretion. In the event that we determine, at our own discretion, that abusing trading technique has been used we reserve our right to take action as we see fit, including completely blocking access to the Service, terminating the user account and seizing all funds held in the associated user account.

6. Miscellaneous

6.1 Force Majeure

We will not be liable to you under any circumstances for any damage or losses that you incur due to circumstances beyond our control legally referred to as Force Majeure including, but not limited to, pursuant to any action taken by any government or regulatory body, legal authority, technical delays, technological malfunction, loss of data and records or destruction of hardware. We will not be liable to you for any such extraordinary events known as Force Majeure which may occur that we could not foresee or otherwise prevent.

6.2 Intellectual Property Protection

All our intellectual property assets ("IP") including but limited to all copyrights, trademarks, patents, service marks, trade names, software code, icons, logos, characters, layouts, trade secrets, buttons, color scheme and graphics are our sole and exclusive IP and are all protected by local and international intellectual property laws and treaties including all copyright laws and regulations. Under no circumstances shall you remove any copyright notification from any of our IP or unlawfully use our downloadable software. The use of our Services does not grant you any rights other than those granted to you by revocable License in any way. We own all the images displayed on our website and software. You may not use these images in any way other than the manner which we provide them. Should you wish to use any of our images for any other purpose you must obtain prior written consent from us in advance. Nothing contained on the Web site shall be construed as granting, by implication or otherwise, any license or right to use any trademark without our written permission or such third party that may own the trademarks.

6.3 Governing Law & Jurisdiction

This Agreement shall be governed by the laws of New South Wales notwithstanding any principles of conflicts of law. By using our Services you agree to recognize all electronic and magnetic data and documentation as admissible evidence when settling a dispute regarding any trades and investments. This Agreement shall be construed under the exclusive jurisdiction of the courts located in New South Wales.

6.4 Marketing promotions and Bonuses

General Bonus Policy - In the interest of fair trading, traders that have received bonuses from ICM must buy or sell at least (10) Ten mini lots in real-money mode for each unit of \$25 bonus granted by ICM before the bonus funds can be withdrawn. Each mini lot accounts for 10,000 currency units you choose to buy or sell. For example, a \$25 trade at X400 means that you have traded 10,000 currency units ($25 \times 400 = 10,000$).

All bonuses are available for withdrawal once all trading requirements are followed in full.

For Example:

If you receive a bonus of \$25 your trading requirement is 10 mini lots which equals 100,000 currency units.

Keep in mind that the number of currency units you're buying or selling per trade is determined by the amount of your trade X the leverage. So for example if you're making a trade for the amount of \$25 with a leverage of 1:400, $25 \times 400 = 10,000$ so you're buying or selling one mini lot.

By accepting any bonus from ICM you deem to accept all of the terms & conditions of Bonus Policy above.

All promotions, bonuses or special promotions that we offer or will offer in the future are subject to specific promotional terms and conditions. All complimentary bonus money credited to your account must be strictly used under the specific promotion's terms and conditions. At all times, we reserve the right to retract and/or cancel any such promotion, bonus or special offer. If we suspect that a user has abused or attempted to abuse a bonus and/or other promotion or otherwise acted with a lack of good faith towards us, then we reserve the right, at our sole discretion, to deny, withhold or withdraw from that user the bonus or promotion and if necessary to cancel any terms & conditions with respect to that user, either temporarily or permanently, or terminate that user's access to the service and/or block that user's account.

Any eligibility for a bonus will grant the bonus to be credited only once per account, person, household and/or any environment where computers are shared.

6.5 Termination of this Agreement

We reserve the right to terminate this Agreement and your account and registration (including your username and password) immediately without notice in the following cases:

- If for any reason we decide to discontinue to provide the Service;
- If we believe that you have breached any of the terms of this Agreement;
- If your use of the Service has been in any way improper or breaches the spirit of this Agreement; or
- For any other reason we see fit.

If this Agreement is terminated for any reason due to suspected misconduct by the user, ICM reserves the right to withhold any funds in the account until the matter is resolved. Any decision made by ICM regarding the matter will be final.

You may terminate this Agreement and your account and registration (including your username and password) at any time by sending an email to support@icmarkets.com.au such termination to take effect upon the Company terminating your account and registration (including username and password), which shall occur within 7 calendar days after receipt of your email on our servers, provided that you shall remain responsible for any activity on your account between sending us an email and the termination of your account by us.

6.6 Severability

If any part of this Agreement is unlawful, void or determined to be unenforceable, that part will be deemed severable and will not affect the validity and enforceability of any remaining provisions.

6.7 Modifications to This Agreement

We reserve the right to amend, revise, modify, and/or change this Agreement at any time.