Product Disclosure Statement and Term of Business

Union Standard International Group Pty Ltd

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1. Our Contact Details

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2. Key information

Union Standard International Group (***USG, us, we, our***) ACN 117 658 349 is the issuer of the products described in this Product Disclosure Statement (PDS). Should you have any queries about this document, please do not hesitate to contact us. Our contact details are at the start of this PDS.

This PDS explains everything you need to know about the products we can offer you. It is designed to: provide you with the information you need to determine whether the products we offer are appropriate for you needs;

- explain the terms and conditions, rights and obligations associated with our products; and
- help you to compare products.

Warning: Trading in margin contracts (including CFDs) involves the potential for profit as well as the risk of loss which may not exceed the amount of your initial investment and is not suitable for all investors. Movements in the price of the margin contract's underlying asset (e.g. foreign exchange rates or commodity prices) are influenced by a variety of unpredictable factors of global origin. Violent movements in the price of the underlying asset may occur in the market as a result of which you may be unable to settle adverse trades. We are unable to guarantee a maximum loss that you may suffer from your trading.

ASIC is the government regulator that issued our licence and that monitors financial markets in Australia. It has set minimum benchmark standards that it expects businesses like us to comply with. We have set out our compliance with these benchmarks throughout this PDS.

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All transactions that you enter into are subject to our "Terms of Business". Our Terms of Business contain terms and conditions that govern our relationship with you. You can obtain a free copy of the document by contacting us using the details at the start of this PDS. They are also attached to the back of this PDS.

3. What are we authorized to do?

We are authorized to give you financial product advice in relation to derivatives and foreign exchange contracts. We are also authorized to deal in relation to those same products. We will provide you with advice which is general in nature only. Whenever we give general advice (eg. through our website, or in this PDS), we don't take into account your financial situation, personal objectives or needs. Before using the products referred to in this PDS you should read it carefully, and then consider your objectives, financial situation and needs and take all reasonable steps to fully understand the possible outcomes of trades and strategies that can be employed using our trading platforms. We recommend you seek independent financial advice to ensure that a particular product is suited to your financial situation and requirements. We are also authorized to "make a market" for foreign exchange and derivatives contracts. This allows us to quote market prices to you, including buy and sell prices.

We offer margin trading services via our trading platform. There are two broad types of product that you can trade with us: Margin Foreign Exchange (FX); and CFDs. Those two types of products are explained in more detail below.

4. Margin FX Contracts

4.1. Margin FX trading contracts are agreements between you and us which allow you to make a gain or loss, depending on the movement of underlying currencies. The Contract derives its value from underlying currencies (usually referred to as a ***currency pair)*** which is never delivered to you, and you do not have a legal right to, or ownership of. Rather, your rights are attached to the contract itself. The money you will receive will depend on whether the currency you choose moves in your favour. If it does, then you will make a gain and your account will be credited. If it does not, then you will make a loss and your account will be debited. The contracts only require a deposit which is much smaller than the contract size (this is why the contract is "margined" or "leveraged").

This is how our Margin FX Trading service works:

Step 1: First, you must set up a trading account with us.

ASIC Benchmark – Client Qualification

Trading in CFDs is not suitable for many investors because of the significant risks involved. Because of this, we include minimum qualification criteria in our account opening form, which prospective clients like you must satisfy before we will open an account for you. We look at factors including your understanding of the products listed in this PDS, income and your previous experience before agreeing to open an account for you. If you do not satisfy the qualification criteria then you are not able to open an account with us.

For any client that signs up with USG, USG has the right to refuse account openings, limit the amount of deposits, or limit the maximum lot of a single transaction.

We also assess wholesale client or retail client status from time to time. If you satisfy the criteria to be classified as a wholesale client, we may classify you as such. We are under no obligation to inform you if we classify you as a wholesale client.

Step 2: You then need to deposit an Initial Margin of a Base Currency into your newly established USG account before you start trading. You will be required to deposit an Initial Margin which is a percentage of the notional contract amount (typically between 0.5% and 1%). Our online platform will tell you what amount you need to deposit. Because our platform typically requires trades to be placed in USD, you will need to convert your Australian dollars or other currencies into the required foreign currency through your bank and deposit the money into your USG trading account. The bank will charge you for this service. Alternatively, USG may convert your AUD funds by first quoting you a spot price pursuant to its Terms of Business. If you choose to accept USG's quoted prices, then the transfer will usually take place immediately, upon receipt of your cleared funds. The new currency will be delivered to your USG account and you will be able to see your balance by logging on to the online platform.

Example

USG may request Bill to deposit USD1,000 for a USD contract with a notional amount of USD100,000. In this example, USD1,000 is Bill's Initial Margin.

ASIC Benchmark – Opening Collateral

USG does not meet this benchmark because it accepts credit card payments for more than $1,000 as initial funding in order to provide flexible payment options to clients. ASIC's benchmark suggests that a limit of $1,000 be accepted for opening payments made by credit card. Further information can be found in section 6.3 of the Terms of Business.

We do not accept physical cash. Please be aware that using a credit card to fund your account may pose the risk of double leverage from the combined effect of utilising a credit facility to fund a leveraged trading account. A fee or charge may apply for certain payment types and further information about these can be found on our website at www.usgfx.com.

Customers may deposit funds through electronic or telegraphic transfer, by cheque or by credit card. Unless agreed otherwise by us, payments will be required in U.S. dollars. All funds must be cleared funds in our bank account before they will be counted towards the balance on your account.

Customers should note that, other than in highly exceptional circumstances, we will only accept payments into an account from the account holder and not from any third party.

Step 3: You are now ready to trade. When you log in to the USG online platform, you will see prices which reflect different currencies. Currencies are traded in pairs.

Example

An example of a currency pair is EUR/USD. EUR/USD 1.24656 means that one euro is exchanged for 1.24656 US dollars. The currency on the left of a pair is the Base Currency.

You can buy or sell a Margin FX Contract. If you buy or sell as your first transaction, you are opening your position. When you buy, you buy at the "offer" price, and when you sell, you sell at the "bid" price.

Example

If the EUR/USD currency pair is quoted to Kerry at 1.24656/ 1.24674, then this is showing the bid/offer price. To buy (offer), Kerry would pay 1.24674 x contract size. To sell (bid), Kerry would receive 1.24656 x contract size. The difference between the two prices is 0.00018 which, in this example, is the "spread".

Each contract's size can be any amount equal to or greater than 100,000 of a particular trading currency.

Remember: what you are actually buying is a contract – not the currency itself. In the event that our online trading platform is unable to process trades, you can trade with us over the phone where our dealer will provide you with the Spot Rate of exchange.

Step 4: You then choose when to sell or buy in order to close your position. You close your position by taking an opposite position to what you did under Step 3 above, with the intention of making a profit when the currencies move in the intended direction.

Step 5: The profit or loss resulting from the trade will be credited or debited to your account. USG has trading rules (including “Forced Liquidation” which is explained at section 4.2 of this PDS, and an Initial Margin requirement which is explained above) to help you limit any losses. The trading rules also help reduce (but not avoid) the risk that you will lose more than your deposited funds (see the section titled “significant risks” at section 11).

USG usually offers settlement of trades on a T+2 basis. This is a global standard which refers to the trade date, plus two Business Days. What constitutes a Business Day depends on what currency you are trading. See “Business Day” in the glossary for more information. This means that your account will be credited or debited within 2 Business Days after you close your position.

Example

Bill thinks that the EUR will appreciate against the USD in the near future. He sees that the prices quoted on the EUR/USD currency pair by USG is 1.24656/ 1.24674. The “offer” price is the buy price, so he buys a contract of EUR/USD, at our standard lot size, which is 100,000. He wants to sell it later at a higher price.

Opening the position	
Buy 100,000 EUR/USD at offer price:	1 x 100,000 x 1.24674= $124,674 USD (contract size)
The contract is leveraged on a 1:200 ratio. Margin requirement	124,674 x 0.005 = $623.37 USD (Margin requirement)
Rollover Interest	
When a position is held open overnight, you may be paid or debited interest. In this	Buy 1 lot of EUR/USD and hold a position overnight, the rollover interest rate is 1 lot x

example, because Bill is long EUR, he will be paid interest, the swap rate is 1.81pips (only an example).	1.81 pips x 1 day = $1.81 USD.
Closing the position	
The next day the price of EUR/USD has appreciated by 100 pips to 1.25656 (bid) / 1.25674 (offer). The trade has moved in Bill's favour and he decides to take his profit and close the position by selling at the bid price.	1 x 1.25656 x 100,000 = $125,656 USD
His gross profit is the difference between the opening position and the closing trade.	125,656 - 124,674 = $982.00 USD
His net profit is the gross profit less the costs.	982 +1.81 = $983.81 USD

Summary: In the above example, Bill had to have free margin of $623.37 to cover his margin requirement to execute this trade, and he has made a total gain of $983.81. In the example above, if the EUR had dropped by 100 points instead of increasing, Bill would have made a loss of $1,019.81.

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The Costs in Using our products" below. Rates and prices are for illustrative purposes only.

4.2 Forced Liquidation

The Margin Level in your account represents the level of equity held in your account divided by the margin required by your trade(s). It is expressed as a percentage. For example, if you have equity in your account of $1,000 and a trade which requires a margin of $500, your Margin Level is 200%. If you have equity in your account of $1,000 and a trade which requires a margin of $1,001, your Margin Level is 99.9%.

If the Margin Level in your account drops below a predetermined level set by us (e.g. Lower than 25%) or if we exercise our discretion, then we are entitled to close out your position at the prevailing market rate without notice to you. We could do this in order to minimise trading risk and deduct the resulting realised loss from your remaining funds held by USG.

Example

Bill has made an initial deposit of USD 2,000. He thinks that the EUR will depreciate against the USD in the near future. He sees that the price on the EUR/USD currency pair quoted by USG is 1.24656 / 1.24674. The "bid" price is the sell price, so he sells a contract of EUR/USD, at our standard lot size, which is 100,000. He wants to buy it later at a lower price, in order to close his position.

Account Initial Deposit	Initial deposit=USD 2,000
Opening the position	
Sell 200,000 (2 Lots) EUR/USD at bid price:	2 x 100,000 x 1.24656 = $249,312 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	$249,312 x 0.005 = $1246.56 USD (Margin requirement)
Margin Level	Equity= $2,000 Margin= $1246.56 USD Free margin: $2,000- $1246.56 = $753.44 USD Margin Level $2,000 / $1246.56 = 160.44%
Rollover Interest	
When a position is held open overnight, you are paid or debited interest. In this example, because Bill is short EUR, he is required to pay interest, the swap rate is -2.46 pips.	2 lot x -2.46 pips x 1 day = $-4.92 USD
Closing the position	
The next day the price of EUR/USD has increased swiftly by 84.2 pips which is against what Bill had expected to 1.25498 (bid) / 1.25516 (offer). The trade has moved against Bill and USG forces the closing of his position to protect him from further loss.	At this time, there are -84.2 pips of losses in Bill's account. 1 pip of EUR/USD is $10 USD on a standard lot. Therefore, losses equal $1684. The equity of Bill's account is $2,000 - $4.92 - $1684 = $311.08. The Margin Level, $311.08/ $1246.56 = 24.95%, is lower than 25%. The Forced Liquidation is triggered.
His total loss is the gross loss minus the costs. The spread was built in to the price.	Trading Loss $249,312 -$250,996= $ -1684 Interest paid= -4.92 Total Loss $-1684 -4.92 = $-1688.92

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The Costs in Using Our Products" below. Rates and prices are for illustrative purposes only.

In addition to Forced Liquidation, we may Margin Call your position while a trade is open. See section 6 below titled “Margin Calls” for more detail.

5. CFDs

A Contract for Difference ("CFD") is a leveraged financial instrument that changes in value by reference to fluctuations in the price of an underlying thing such as the price of gold, silver or an index (such as the S&P500/UK 100 Index). We refer to those underlying things as “instruments”.

When trading CFDs, you and USG agree to exchange the difference in value of the CFD between when the CFD is opened and when it is closed. You will either be entitled to be paid an amount of money (if the value of the CFD has moved in your favour) or will be required to pay an amount of money (if the value of the CFD has moved against you).

You can keep a CFD trade open for as long as you are able to meet your margin requirements (including a minimum Margin Level). CFD transactions are closed by you taking an offsetting, opposite position.

CFD trading operates in the same manner as foreign exchange trading, except the underlying instruments are different, and include precious metals: for example, Loco London Gold (LLG) or Loco London Silver (LLS), both of which have prices quoted in US currency; and indices, such as the S&P500 /UK 100 Index. The prices of indices are quoted in local currency.

When using our services, you can only trade on the quoted Spot Rate for the relevant CFD contracts. The examples below show a profit making gold and indices CFD trade, and a losing Gold and indices CFD trade. Although there are no examples showing CFD trades relating to other underlying instruments, the mechanics are the same, except the quoted prices relate to the prices of the other underlying instruments, not gold.

In the same way as described in section 4, above, we do not deliver the physical underlying assets to you, and you have no legal right to them. Rather, settlement is made by cash based on the difference between the buy and sell rates of the contracts.

Gold CFDs

Example

Kerry believes that the price of gold is undervalued and she decides to enter into a CFD in respect of gold in the expectation that the gold price will rise. Our online platform is showing the price of gold (XAU/USD) as being USD 1,621.85 (bid) / 1,622.35 (offer). Our standard lot size is 100 ounces. Kerry buys 1 lot.

Opening the position	

Kerry "buys" a CFD in respect of 100 ounces of gold at the offer price:	1 x 1,622.35 x 100 = $162,235 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	162,235 x 0.005 = $811.18 USD (Margin requirement)
Rollover Interest	
When a position is held open overnight, you are paid or debited interest. In this example, because Kerry is long Gold, she is required to pay interest, the swap rate is -0.79 pips.	1 lot x -0.79 x 1 day = $ -0.79 USD
Closing the position	
The next day the price of Gold has increased by $10 USD to 1,631.85(bid) / 1,632.35 (offer). The trade has moved in Kerry's favour and she decides to close her position.	1 x 1,631.85 x 100 = $163,185
Her total gross gain is the sell price less the buy price.	$163,185 - $162,235 = $950.00 USD
Her total net gain is the gross gain less the costs.	$950 - $0.79 = $949.21 USD

Summary: In the above example, Kerry had to have free margin of more than $811.18 to cover her Margin requirement to execute this trade, and made a profit of $949.21. If the price had not increased by USD 10 dollars but had instead dropped by 10 dollars she would have sustained a loss of $1,050.97.

Note: More detailed explanations of the costs involved in our transactions are set out under the heading "The Costs in Using Our products" below. Rates and prices are for illustrative purposes only.

Indices CFDs

Example

Bill sees that the prices of NAQ100 indices are quoted at $2642/$2643 by USG. Bill thinks that they are going to rise so Bill decides to 'buy' one lot, which is 10 NAQ100 index contracts as a CFD at $2643, the offer price.

Opening the position	
Bill "buys" a CFD in respect of 10 NAQ100 at the offer price:	1 x 2643 x 10 = $26,430 USD

The contract is leveraged on a 1:200 ratio. Margin Requirement	26,430 x 0.005 = $132.15 USD
Rollover Interest	Please refer to other examples.
Closing the position	
The next day the price of NAQ100 has increased 10 USD to 2652/2653. The trade has moved in Bill's favour and he decides to close his position.	1 x 2652 x 10 = $26,520
His total gross gain is the sell price less the buy price.	$26,520 - $26,430 = $80.00 USD

Summary:
In the above example, Bill had to have an initial deposit of US$132.15 to cover his Margin requirement to execute this trade, and made a profit of $90.00. In this example, if the price had not increased by 10 pips but had instead dropped by 10 pips, Bill would have sustained a loss of $110.00

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The Costs in Using Our products" below. Rates and prices are for illustrative purposes only.

Forced Liquidation requirements
If the Margin Level in your account drops below a predetermined level set by USG or if USG exercises its absolute discretion, then USG is entitled to close out your CFD position at the prevailing market rate without notice to you. USG could do this in order to minimise trading risk and deduct the resulting realised loss from your remaining funds held by USG.
Refer to the example of Forced Liquidation in the section 3.2 of this PDS titled "Forced Liquidation". See also section 14 of this PDS titled "How much money do you need to trade".

In addition to Forced Liquidation, we may Margin Call your position while a trade is open. See section 6 below titled "Margin Calls" for more detail.

6. Margin Calls and Forced Liquidation

ASIC Benchmark – Margin Calls
This section sets out our policy on Margin Calls and when we force the liquidation of an Open Position.

When the Margin Level for a Margin FX or CFD transaction is lower than 50%, the Margin Call is triggered. The trading platform will show a Margin Call alert. When the Margin Level falls below 25%, open orders will be liquidated (Forced Liquidation).

6.1 Margin FX example

The following example involves Bill, who has deposited US$1,000 with USG. He anticipates that the EUR will depreciate against the USD in the near future. After the first day, his position deteriorates and a Margin Call is triggered. The following day, his position deteriorates further and USG forces his position to be liquidated.

Account Initial Deposit Bill deposits $1,000 USD with USG.	Initial Deposit=$1,000USD
Opening the position	
He sells a contract of EUR/USD, at our standard lot size, which is 100,000.	1 x 100,000 x 1.24656 = $124,656 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	124,656 x 0.005 = $623.28 USD (Margin requirement)
The Margin Level is the equity divided by the margin.	Equity: $1,000 Margin = $623.28 USD Margin Level: $1,000/$623.268 = 157.55%
Rollover Interest	
Bill holds his position overnight. In this example, the swap (short position) for EUR/USD is 2.46 pips. This is charged against the funds that Bill has deposited with USG.	1 lot x -2.46 pips x 1 day = $-2.46 USD
The next day: Margin Call	
The next day, the price of EUR/USD has increased by 69.3 points to 1.25349 (bid) / 1.25367 (offer). The trade has moved against Bill, and the Margin Level is lower than 50%. At this time the trading platform will show a Margin Call alert.	Equity $1000 - $2.46 - (0.00693 x 100,000) = $997.54 - $693 = $304.54 USD Margin remains $623.28 USD Margin Level $304.54 / $623.28 = 48.86% (lower than 50%)
Rollover Interest	
Bill has not responded to the Margin Call. The position is held open overnight. The swap (short position) for EUR/USD remains at 2.46 pips, for which Bill is charged.	1 lot x -2.46 pips x 1 day = $-2.46 USD
The third day: Forced Liquidation	

The following day, the price of EUR/USD has increased by a further 15.3 points to 1.25502 (bid) / 1.25520 (offer). USG forces the closing of his position to protect him from further loss.	Equity 304.54- 2.46 - (0.00153 x 100,000) = 302.08 – 153 = $149.08USD Margin remains $623.28 Margin Level = $149.08/ $623.28 = 23.91% (below 25%, so Forced Liquidation is triggered)
Bill's total loss is the gross loss minus the costs.	Trading Loss = 124,656 – 125,502 = $-846 USD Interest Loss = -2.46 x 2 = $-4.92 USD Total Loss = $-846 - $4.92 = $-850.92 USD

Summary: In the above example, Bill had to have free margin of more than $623.28 to cover his Margin requirement to maintain this trade. USG forced a liquidation of Bill's position because a Margin Call was triggered and Bill did not respond by depositing the necessary amount of funds into his account with USG. He has made a total loss of $850.92USD.

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The Costs in Using Our Products" below. Rates and prices are for illustrative purposes only.

6.2 CFDs example

Bill has deposited $1,000 USD with USG. He thinks that the US30 index will depreciate in the near future. He sees that the prices quoted on the US30 index by USG is 12460/12466. The "bid" price is the sell price, so he sells a contract of US30 index, at our standard lot size, which is 10 contracts. He wants to buy it later at a lower price, in order to close his position.

Account Initial Deposit	Initial Deposit=$1,000USD
Opening the position	
Sell 1 lot US 30 index at bid price:	1 x 124,60 x 10= $186900 USD
The contract is leveraged on a 1:200 ratio. Margin requirement	186,900 x 0.005 = $934.5 USD (Margin requirement)
Margin Calls	
When the price of US30 index has increased swiftly by 54 pips to 12514 (bid) / 12520 (offer).	The equity of bill's account is US$1,000 - 540 (floating loss)=$460.00

The trade has moved against Bill, and the Margin Level is lower than 50%. At this time the trading platform will shows Margin Call alert	Margin Level = US$460/934.5=49.22%
Closing the position	
When the price of US30 has increased swiftly by 23 points to 12537 (bid) / 12543 (offer). The trade has moved against Bill. USG forces the closing of his position to protect him from further loss.	Bill has lost 77 pips. 1 pip of US 30 is $10 USD, meaning that he has lost $770. Therefore, the equity of Bill's account is $1,000 - $- $770 = $230 USD. Margin Level $230 / $934.5 = 24.61%. Because this is lower than 25%, the Forced Liquidation is triggered.
Bill's total loss is the gross loss minus the costs.	Trading Loss= (12460– 12537) x 10=$770 USD

Summary: In the above example, Bill had to have available equity of more than $623 to cover his Margin requirement to maintain this trade. USG forced a liquidation of Bill's position because a Margin Call was triggered and Bill did not respond by depositing the necessary amount of funds into his account with USG, the loss is increase and lead to Margin Level lower than 25%, He has made a total loss of $770 USD.

Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The Costs in Using Our products" below. Rates and prices are for illustrative purposes only.

Example

Kerry has deposited $1,000 USD with USG. She believes that the price of gold is undervalued and she decides to enter into a CFD in respect of gold in the expectation that the gold price will rise. Our Online Platform is showing the price of gold (XAU/USD) as being USD 1,621.85 (bid) / 1,622.35 (offer). Our standard lot size is 100 ounces. Kerry buys 1 lot.

<u>Account Initial Deposit</u>	<u>Initial Deposit=$1,000USD</u>
<u>Opening the position</u>	
Kerry buys a CFD in respect of 100 ounces of gold at the offer price:	1 x 1,622.35 x 100 = $162,235 USD
The contract is leveraged on a 1:200 ratio.	162,235 x 0.005 = $811.18 USD

Margin requirement	(Margin requirement)
Margin Calls	
The margin is $811.18USD. The Margin Level is the equity divided by the margin.	Equity = $1,000 Margin = $811.18 USD Margin Level = $1,000 / $811.18 = 123.20
Closing the position	
When the price of gold has dropped by 799 pips to 1629.84 (bid)/ 1630.34 (offer.) The trade has moved against Kerry. USG forces the closing of her position at 1630.34 to protect her from further loss.	Therefore, the equity of Kerry's account is $1,000 - $799= $201 USD. The Margin Level $201/811.18 = 24.77% is lower than 25%. The Forced Liquidation is triggered.
Kerry's total loss is the gross loss minus the costs.	Trading Loss = (1630.34 -1622.35) x 100 = $799 USD

Summary:
In the above example, Kerry required available equity of $811.18 to cover her Margin requirement to maintain this trade. USG forced a liquidation of Kerry's position because a Margin Call was triggered and Kerry did not respond by depositing the necessary amount of funds into her account with USG. In the above example, Kerry has made a total loss of $799 USD.
Note: More detailed explanations of the costs involved with our transactions are set out under the heading "The Costs in Using Our products" below. Rates and prices are for illustrative purposes only.

7. Managing Risks by Using Stop Loss and Take Profit

As noted on the first page of this PDS, trading in Margin FX and CFDs involves the risk of losing substantially more than your initial investment.

We offer features on our trading platforms that help you take profit and manage trading risks. The features include:

- a stop order
- a trailing stop
- a take-profit order; and
- a limit order

We may, at our absolute discretion, accept an Order from you. An Order is an offer to open or close a Transaction in certain circumstances. Examples of such Orders are:

(a) **A Stop Order:** A Stop Order is generally placed to provide some risk protection, for example in the event of your transaction moving into loss, and can be used to close a transaction. Each Stop Order has a specific stop level, set by you (but subject to our agreement). Your Stop Order will be triggered if our bid price (in the case of an Order to sell) or our offer price (in the case of an Order to buy) moves against you to a point that is at or beyond the level specified by you. Once a Stop Order is triggered we will, in accordance with Term 7.2 and subject to Term 7.3, close a Transaction at a level that is, where possible, the same or similar to your stop level.

(b) **A Trailing Stop:** A Trailing Stop is similar to a Stop Order. A trailing Stop allows you to set a floating stop level that automatically moves when our quote moves in your favour. A Trailing Stop is triggered and executed in the same way as a Stop Order. If you wish to use Trailing Stops, you must first activate this function via our electronic trading Service. By choosing to activate our Trailing Stop function, you acknowledge that Trailing Stops are an automated tool that must be used with caution and supervision by you.

You can set up a Trailing Stop in USG MT4 platform. Please refer to the instructions provided in USG MT4 platform. We do not guarantee to operate our Trailing stop system on a continuous basis so there may be instances in which your stop level might not in fact move with our current quote for the relevant Instrument.

(c) **A Take Profit Order:** A Take Profit Order is generally placed to provide some profit protection, for example in the event of your Transaction moving into profit, and can be used to close a transaction. Each Take Profit Order has a specific take profit level, set by you (but subject to our agreement). Your Take Profit Order will be triggered if our bid price (in the case of an Order to sell) or our offer price (in the case of an Order to buy) moves in your favour to a point that is at or beyond the level specified by you. Once a Take Profit Order is triggered we will close a transaction at a level that is, where possible, the same or similar to your take profit level.

(d) **A Limit Order**: A Limit Order can be used to either open or close a transaction. Each Limit Order has a specified limit, set by you. Your Limit Order will be triggered if our bid price (in the case of an Order to sell) or our offer price (in the case of an order to buy) is at your specified limit.

If your Order or Stop Order is triggered (as set out above) we will seek to open/close the transaction to which your Order relates. In the case of a Stop Order, we will seek to close a transaction at a level that is the same (but may be worse than) your stop level; and in the case of a Limit Order, we will seek to open/close a Transaction at a level that is the same or similar to your limit. You acknowledge and agree that the time and level at which Orders are executed will be determined by us, acting reasonably. In this regard we will seek to execute your Order within a reasonable time of your Order being triggered. Because there may be manual element to our processing of Orders and because it is possible for a single sudden event to trigger a large number of Orders, you acknowledge and agree that what constitutes a "reasonable time" may vary according to the size of your Order, the level of activity in the underlying market, and the number of Orders that have been triggered at the time your Order is triggered.

8. Conversion of currency

Your trading account with USG is normally denominated in a "Base Currency" which is in USD. In order to trade, you may need to convert existing funds into USD or another base currency. For example, you can only buy or sell a Gold or Silver CFD with us using USD. If you deposit AUD into your account and USD is required, you will be required to convert it to USD before trading one of those CFD products.

You can use your own bank to convert your currency into USD, if you wish.

Alternatively, we can convert your funds by first quoting you a Spot Rate pursuant to our usual terms and conditions which form part of this PDS and are attached below under the heading "Terms of Business". You can also obtain a free copy of the Terms of Business by contacting us using the details at the start of this PDS. If you choose to accept USG's quoted prices, then the transaction will usually take place immediately, upon receipt of your cleared funds. The new currency will be delivered to your USG account.

USG will also convert the realized trading profit or loss in your account into USD or another base currency at the closing price of the relevant currency immediately proceeding to the trade day.

9 Trading Facilities

We are able to provide foreign exchange and CFD trading facilities through our online trading platform. Dealers in our trading room will also accept orders in the event of the online trading platform being unable to take orders.

When you use our trading platform, you may "plug in" other third party applications. The use of those applications can carry significant risk (see section 11 of this PDS titled "Significant risks"). We do not take responsibility and will not indemnify you from any loss incurred in connection with third party plugins that you choose to use, regardless of whether or not we know about them or approve them. Some third party plugins are approved by us, and you may incur extra fees for using them. They are explained in our FSG - see section 12 of this PDS titled "The costs in using our products", which refers you to our FSG. You can request a copy for free.

10 Significant benefits

The significant benefits of using our services are:

- **Hedging**

  You can place a leveraged foreign exchange trade to protect your exposure to the price movements in an underlying currency or bullion price.

  > **Example:**
  > If Bill is based in Australia but has an obligation to pay USD at some time in the future, and Bill is concerned that the Australian dollar will weaken, he could sell an AUD/USD position so that he will possibly make a gain to offset his other losses, in the event that the AUD weakens.

- **Speculation**

  In addition to using our trading facilities as a hedging tool, you can benefit by using the quoted underlying currency or instrument prices offered by us to speculate on changing price movements. Speculators seek to make a profit by attempting to predict market moves and buying a contract that derives its value from the movement of an underlying currency or instrument for which they have no practical use. The detailed examples in this PDS illustrate trades where a client is entering into a speculative trade, based upon a belief that the market will move in a particular direction.

- **Broad access to the foreign exchange markets**

  When using our online trading platforms you gain access to and trade on, systems which are updated 24 hours a day, 5 days a week.

  USG is open at 11pm on Sunday, London time (GMT) and closed at 11pm on Friday, London time.

  If for some reason our systems are unavailable, you can contact us by telephone using the details at the top of this PDS.

- **Real time streaming quotes**

  Our online trading platforms provide real time quotes. You may check your accounts and positions in real time and you may enter into trades based on real-time information.

- **Control over your account and positions**

  When using our trading facilities we allow you to place stop loss limits on your trades. This means that if the market moves against you we will attempt to close out your position in accordance with your stop loss order. However, please refer to the risk disclosures below, which highlights the risk to you that in a volatile market we may not be able to close out your position until after the stop loss limit is exceeded. If this occurs you may lose more than you anticipated.

11 Significant risks

There are a number of risks in trading Margin FX and CFDs. These risks may lead to unfavourable financial outcomes for you. Monitoring of any risks associated with our trading facilities is your responsibility. You should seek independent legal, financial and taxation advice prior to commencing trading activities and should not use our services unless you fully understand the products, and the benefits and risks associated with them. Some of the risks associated with using our foreign exchange and CFDs include:

- **Unforeseen Circumstances**

  If we are unable to perform our obligations to you due to reasons beyond our control then we may suspend our obligations to you. For example, during periods of significant market disturbance it may be impractical or impossible to trade in relevant financial markets. We will inform you if any of these events occur.

- **Market volatility:**

  The markets of the underlying assets to which USG's products relate are subject to many influences which may result in rapid fluctuations. Because of this market volatility, there is no foreign exchange or CFD transaction or stop loss which is available via our Online Platform that can be considered "risk free".

  Given the potential levels of volatility in the markets for the underlying assets (including foreign exchange), it is recommended that you closely monitor your transactions at all times. You can manage some of the downside risk by the use of stop loss orders. If you use a stop loss order we will enter into a position opposite to your existing position if the exchange or instrument rate reaches a level specified by you in advance. However, in a volatile market, there may be a substantial time lag between order placement and execution. This can mean that the entry or exit price may be significantly lower or higher than the price at which the sell (or buy) order (including a stop loss order) was placed. This is known as "gapping", and USG does not guarantee that the stop loss order will be successful in limiting your downside risk, which may be greater than you initially anticipated.

- **Leverage risk**

  Trading Margin FX and CFDs involves a high degree of leverage. You can outlay a relatively small margin which secures a significantly larger exposure to an underlying currency or bullion. The use of products like this magnifies the size of your trade, so your potential gain and your potential loss is magnified. You should closely monitor all of your Open Positions. If the market moves against you and your initial Margin Deposit is diminished, we may automatically close out your position by entering into an equal and opposite position once pre-set limits are triggered (refer to the example of Forced Liquidation). Any remaining balance will be returned to you.

- **Counterparty risk**

  Given you are dealing with us as a 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 under the terms of each transaction. This risk is sometimes described as counterparty risk.

  The products in this PDS are not protected by a licensed exchange, also known as a central counterparty. Instead, the products are called over-the-counter derivatives. This means that you contact directly with us, and you are subject to our credit risk.

  We may choose to limit our exposure to our clients by entering into transactions with hedging counterparties as principal in the wholesale market.

  ASIC Benchmark – Counterparty Risk

  We have a policy which includes carefully selecting hedging counterparties. One factor in selecting them is whether the hedging counterparty is of sufficient financial standing. We can provide a written hedging policy to clients and prospective clients upon request. You can request a copy of these statements via email. This policy is updated regularly.

  We have a written policy to maintain adequate financial resources, which set out how we monitor compliance with our financial requirements, as well as how we conduct stress testing to ensure we hold sufficient liquid funds to withstand significant adverse market movements.

- **Systems Risks**

  We rely on technology to provide our trading facilities to you. A disruption to the facility may mean you are unable to trade when you want to. Alternatively, an existing transaction may be aborted as a result of a technology failure. An example of disruption includes the “crash” of the computer systems used to operate the online facility. We manage this risk by having state-of-the-art IT systems and backup measures.

- **Latency risk**

  Internet, connectivity delays and price feed errors sometimes create a situation where the prices displayed on our trading screen do not accurately reflect market rates.

- **Fees and charges**

It is possible that you enter into a trade with us and the underlying currency or commodity moves in your intended direction, but you still end up with less than you started after closing your position. This can happen because of the combined effect of the spread between bid and offer prices, and the negative rollover interest which could apply on consecutive days that a contract is held open.

- **Use and Access to our Website**

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

  While the internet is 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 online facility, it may mean you are unable to enter into asset transactions when desired and you may suffer a loss as a result.

- **Using third party plugins**

  Third party plugins can be risky. They are often called “expert advisers” or “mirror trading plugins”. They may enable your account to mirror trades made by third party asset managers. They may claim to exploit price latency across platforms or markets. They may promise exceptional returns. Our platforms may allow you to plug in third party applications to help you trade. Some charge you fees, and others do not. Some are approved by us, and others are not. Regardless of our approval, we are not responsible for, and will not indemnify you from, reliance on any statements made by their makers or promoters, or any loss incurred in connection with third party plugins that you use.

  Key risks about third party plugins are:

  - You can lose control of your trades and suffer financial loss.
  - The software may stop working and you are stuck with Open Positions and you suffer financial loss.
  - You can lose more money than your initial deposit.
  - They may result in you being margin called (see section 6 of this PDS titled “Margin Calls”) and your positions may be liquidated.
  - Some are offered by fraudulent or illegal / underground entities in remote parts of the world.
  - Some create or are otherwise effected by price latency which may result in significant losses on your account due to inaccurate pricing.

  If promoters of these plugins make promises that are too good to be true, then you should avoid them. **You should never provide your account user name or password to a third party – to do so would be a breach of the Terms of Business. You are wholly responsible for**

managing the risks (including the risk of loss) associated with using third party plugins.

- **Suspension or trading halt of the underlying currency or instrument**
  Our products relate only to major currencies and CFDs, so the likelihood of these currencies and commodities being suspended or halted is remote.

> **ASIC Benchmark – Suspended or halted underlying assets**
> In the event of an underlying currency or commodity being suspended, we have a discretion to re-price open positions, close out positions, or change the margin requirements on a position.

12 The costs in using our products

Please refer to our current FSG for a description of how USG, its employees and related parties are paid, and for information about the spread, conversion costs, administrative charges, rollover interest and commission that may be payable in relation to the products described in this PDS. You can find this information in the current FSG which is available on our website. You can download or obtain a free hard copy of the FSG by contacting us using the details at the start of this PDS.

13 How do the online trading platforms work?

See the heading "Margin FX Contracts" above for a detailed explanation and example of how our trading platform works. To make a trade using our online trading platforms:

- You must first register with us by filling out the registration form either provided to you at the same time as this PDS, or located at https://www.usgfx.com/Customer/RegAccount/RegAccountStep1. A pre-condition to successful registration is an acknowledgement by you that you have read this PDS, the FSG and that you have read and agreed to be bound by the USG Terms of Business. Another pre-condition is that you meet our client qualification criteria, which is explained in section 4、5 of this PDS in more detail. There may also be other terms and conditions that you will need to agree to, if you are outside of Australia.
- Once you are registered, you will be able to login online to your user account using your username and password.
- First, you download MT4 software. Our MT4 tutorial can be found on our website: https://www.usgfx.com/InsidePage/index/120101?culture=en-US.
- Then, you deposit funds.
- Once logged in, a number of windows will pop up in the platform. In order to place a trade, you first select a foreign exchange currency pair, a bullion price, an index or other instrument, if

available, from the trade window. For example, you can choose the currency pair of EUR/USD. Once you have selected an underlying asset, you need to select the amount you wish to invest by buying/selling the intended number of contracts.

- Once you have chosen your currency pair/underlying asset, you determine, amongst other things, whether to buy or sell and the size of your trade.
- Once the trade has been executed, the particulars of that trade will be displayed to you via the trading platform. You may then generate all kinds of reports from our trading platform. However trading statements will only be available in full in the client area of the platform. You can transfer money into or out of your account, subject to our Terms of Business, which is set out at the end of this PDS.

14 How much money do you need to trade?

Before you can trade, you need to deposit with us an Initial Margin.

USG may vary the Initial Margin it requires at its own discretion. The Initial Margin will vary depending on the type of trade you wish to enter into and the underlying asset the trade relates to.

- Initial Margin is typically 0.5% of the contract amount in the case of Margin FX. However, we will tell you what Initial Margin is required before you trade.

  Example: You need to deposit USD 500 for a contract with a notional value of USD/JPY is USD100,000).

- There is no specific Initial Margin for CFDs. We will tell you what Initial Margin is required before you trade.

  Example: USG specifies a margin of 0.5% for a Gold CFD. You need to deposit USD 881 for a lot of contract with a notional value of GOLD of USD 176,200.

15 How do we handle your money?

The funds in your account will be held in a designated account. Funds deposited by our clients are segregated from our money and held in a designated account in accordance with Australian law.

ASIC Benchmark – Client Money

This section explains our client money policy, including how we deal with your money and when we make withdrawals from your account. It also mentions the counterparty risk associated with the use of your money.

By using our services, you relinquish the right to any interest on funds deposited in our designated Client Accounts (also known as trust accounts). Individual Client Accounts are not separated from each other but are pooled together. The money is held on trust for you until you withdraw the money, use the money to place a trade, or otherwise provide us with a legal right to that money because of, for example, outstanding fees owed to us or in such other circumstances as referred to in the Terms of Business, attached to this PDS.

> **Example**
> If you close a position and incur a loss, your account balance will be debited within 1 hour of closing that position.

> **Example**
> If you hold a position overnight (i.e. holding a position from 23:00 London time onwards), and you are charged rollover interest, then that money is deducted from your account balance within 1 hour.

To the extent permitted by law, we may immediately transfer any amount of your account balance to a related party (like our wholesale liquidity provider) once you open a Contract, and it will not be held in a designated Client Account. This may occur, for instance, if you are a wholesale client (other than a sophisticated investor). Since wholesale and retail client money may be comingled in the same designated client account, this may cause a deficit in the designated client account. This means your money would not be fully protected by the designated client account, and you would rank as an unsecured creditor if we, or our related entities or wholesale liquidity providers, were to become insolvent.

Accordingly, there is also a counterparty risk that you may lose some or all of your money if there is a deficiency in the designated segregated account. See the section above titled "Significant Risks" for more information concerning counterparty risk.

Under the ASIC Client Money Reporting Rules, we are required to comply with various record-keeping, reconciliation and reporting obligations in relation to the retail and sophisticated client money held in the client money trust. Under these rules, we must:

- Keep records of retail and sophisticated client money received and retain such records for 7 years;
- Perform a daily and monthly reconciliation of the retail and sophisticated client money on our accounts with the actual retail and sophisticated client money held in the client money trust;
- Notify ASIC within 5 business days if we identify a breach of the ASIC Client Money Reporting Rules or if a discrepancy is identified by the reconciliation;
- Lodge with ASIC an annual director's declaration and an external auditor's report on our compliance with the ASIC Client Money Reporting Rules within 4 months of the end of our financial year; and

- Establish, implement and maintain policies and procedures designed to ensure our compliance with the ASIC Client Money Reporting Rules.

16 Terms and Conditions

16.1 Description

Our Terms of Business, are set out at the bottom of this PDS and must be read and agreed to before a contract is entered into. If you are outside Australia, there may be other terms and conditions you will be required to sign or acknowledge.

When you use our services you will be bound to our Terms of Business as amended from time to time, along with any other terms you are required to sign or acknowledge (for example, if you are outside of Australia). However, in the event of inconsistency, the terms in the legal documents described below will rank according to the following priority, to the extent of any inconsistency:

- This PDS
- Terms and of Business
- Account Opening Form

The information in this PDS is subject to change from time to time and is up to date as at the date stated at the start of this PDS.

Information in this PDS that is not materially adverse to users of our products is subject to change and may be updated via our company website (see contact details on page 1). You can access that information by visiting the website, or telephoning us and asking for an electronic or paper copy. You can also access the website which may contain, from time to time, other information about our products.

There is no cooling off period for any product offered by USG.

You must provide all information to us which we reasonably require of you to comply with any law in Australia or any other country. In particular, you must provide adequate identification before you can use our products or services. We may delay, block or refuse to enter, adjust or complete a transaction if we believe on reasonable grounds that making the payment may breach any law in Australia or any other country, and we will incur no liability for doing so. We may disclose any information that you provide to a relevant authority where required by any law in Australia or any other country.

We reserve the right to suspend the operation of our website and online facility or any part or sections of them. 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.

We may impose volume limits on Client Accounts, at our sole discretion.

16.2 Trading as principal

We will enter into all CFDs with you as principal, not as an agent. We will treat you as our client for all purposes and you will be directly responsible for performing your obligations under each CFD or Margin FX contract.

Unless you have disclosed to us that you are acting in trustee capacity or on behalf of another party, you warrant that you are acting on your own behalf when obtaining services from us.
When you use our services, you are promising that you will not breach any law in Australia or any other country.

17 Providing instructions by telephone

We only offer telephone services if our Online Platform is unavailable for some reason. When providing instructions by telephone, you will need to provide us with adequate identification information.

18 Tax implications

Margin FX and CFDs can create tax implications. Generally, if you make a gain attributable to an exchange rate or price fluctuation then that part of the gain is included in your assessable income. Conversely, if you make a loss attributable to an exchange rate or price fluctuation then that part of the loss is deducted from your assessable income. However, the taxation laws are complex and vary depending on your personal circumstance and the purpose of your trading. Accordingly, you should discuss any taxation questions you may have with your tax adviser before using our products or services.

19 What are our different roles?

USG is the product issuer. This means that we issue the products described in this document, and do not act on behalf of anyone else.

USG is also the service provider. Our website (and at times, our representatives) can give you general advice and help you use the trading services.

20 What should you do if you have a complaint?

In the event you have a complaint about us, you can contact us and discuss your complaint. If you are overseas, USG may refer you to an overseas dispute resolution body, which gives you rights in addition to your rights in Australia.

We will try and resolve your complaint quickly, fairly and within prescribed time frames.

If the complaint cannot be resolved to your satisfaction you have the right to refer the matter to the Australian Financial Complaints Authority (AFCA)which is an external complaints service, of which USG is a member: 12385

You can contact AFCA on 1800 931 678or in writing at GPO Box 3, Melbourne, Victoria 3001, Australia. You can also contact AFCA through their website: www.afca.org.au.

21 Glossary

- **AUD** refers to the Australian dollar
- **Base Currency** refers to the currency in which your trading account is denominated, and also refers to the currency on the left of a quoted trading pair. Any profit or loss on a trade is converted into the Base Currency. See Step 3 of Section 4 of this PDS for an example.
- **Business Day** refers to a day on which commercial banks are open for business (including dealings in foreign exchange) in the two host countries of the relevant currency pair, or in the case of CFDs, in the country the underlying instrument or index is traded.
- **EUR** refers to the euro – the official currency of the European Union.
- **Forced Liquidation** is described in Section 4 of this PDS.
- **FSG** refers to the Financial Services Guide issued by us.
- **FX** means Foreign Exchange
- **Initial Margin** is the initial deposit required by you before you can trade with us. See Step 2 in Section 4 of this PDS.
- **Leverage** means using a relatively small deposit which is used to secure a significantly larger exposure to an underlying currency or bullion.
- **Loco London Gold and Silver** refers to the place at which gold is physically held and to which a particular price applies. Loco London gold means not only that the gold is held in London but also that the price quoted is for delivery there.
- **London time** means UTC+0:00 unless daylight savings are in place in which case it means UTC+1:00.
- **Margin Level** refers to the equity or balance of funds in your account. It is expressed as a percentage, referring to the level of equity held in your account relative to the margin required by your trade(s).
- **PDS** means Product Disclosure Statement
- **Pip** means 1/100th of one percent, or one basis point. This is the smallest possible price change in an exchange rate.
- **Representative** includes a director or employee of USG, and a director or employee any company related to USG, as well as any other entity that is appointed as an authorised representative of USG.
- **Spot Rate** refers to the price that a currency pair or commodity is quoted at, for an immediate "on the spot" transaction. All prices quoted by us are quoted using the Spot Rate.
- **Terms of Business** refers to the terms and conditions that you are required to agree to before you can use the products described in this PDS. They are attached at the end of this PDS, and are

incorporated by reference into the PDS. You can obtain another free copy of this document by contacting us using the details at the start of this PDS.

- **T+2** refers to a rule that most funds settle 2 Business Days after the trade day.
- **USD** refers to the United States dollar.
- **UTC** means coordinated universal time.

Terms of Business

Definitions

Whenever used in this Agreement, unless inconsistent with the subject matter or context, the following words shall have the following meanings:

- **Acceptance** has the meaning given in clause 6.2.4. of this Agreement.
- **Agreement** means these Terms of Business together with all other documents which are referred to in this Terms of Business.
- **Australian Client Money Rules** means pt 7.8 of the Corporations Act, the Corporations Regulations made under that part and the ASIC Client Money Reporting Rules 2017 as amended from time to time made under s 981J(1) of the Corporations Act.
- **Authorised User** has the meaning given in clause 6.1.1. of this Agreement.
- **CFD** means a Contract For Difference, which is a type of Contract.
- **Client Account** means the Client's USG account which operates under the terms of this Agreement and allows the Client and the nominated Authorised Users to enter into currency transactions or CFD transactions with USG.
- **Credit Limit** means the limit on the total amount of credit that USG will provide to the Client.
- **Client** means the Client named in the Account Opening Form, together with its officers, directors, employees and agents.
- **Contract** means a transaction in which the Client agrees to purchase or sell a currency, CFD or other derivative from or to USG or enter into any other transaction with USG for the provision of USG's services under the applicable Trade Contract Terms.
- **Day** means a day on which commercial banks are open for business (including dealings in foreign exchange) in the place specified by USG for that purpose.
- **Disturbance Notice** has the meaning stated in clause 9.2.(1) of this Agreement.
- **Force Majeure Event** means events or causes including, but not limited to, the following: an act of God, unavoidable accident of navigation, war (whether declared or not), sabotage, riot, insurrection, civil commotion, national emergency (whether in fact or law), martial law, fire, flood, cyclone, earthquake, landslide, explosion, power or water shortage, failure of a transmission or communication network, epidemic, quarantine, strike or other labour difficulty or expropriation, restriction, prohibition, law, regulation, decree or other legally enforceable order of a government agency, breakage or accident, change of International, State or Commonwealth law or regulation or any damage of USG's machinery or systems, unless occurring as a result of an act, omission, default or negligence of the Client or USG.
- **General Financial Product Advice** or **General Advice** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Instructions** has the meaning given in clause 6.2.2 of this Agreement.
- **Intellectual Property** means the trade marks, designs, patents and copyrights of the parties to this

agreement.

- **Internet** means the interconnected system of networks that connects computers, tablets and electronic handheld devices around the world, and includes any online trading platform provided by USG.
- **Instructions** is defined in clause 6.2.2 of this Agreement.
- **Law** means the statutes, regulations and general law of the Commonwealth of Australia, and of New South Wales, Australia, and includes the *Corporations Act 2001* and *Corporations Regulations 2001* as varied from time to time.
- **LIBOR/LIBID** means the London Interbank Offered Rate and the London Interbank Bid Rate.
- **Margin Call** means notification, made by USG at its sole discretion require the Client to pay an amount, solely determined by USG, in addition to the Margin Deposit, to increase the Margin Level.
- **Margin Deposit** has the meaning stated in clause 6.8.1 of this Agreement.
- **Margin Level** refers to the equity or balance of funds in your account. It is expressed as a percentage, referring to the level of equity held in your account divided by the margin required by your trade(s).
- **Monies** has the meaning stated in clause 10.1 of this Agreement
- **Notice** has the meaning stated in clause 12 of this Agreement.
- **Online Platform** has the meaning stated in clause 7 of this Agreement.
- **Open Position** is where a client has entered into a transaction with USG, yet an opposing transaction against which has not been entered.
- **Personal Financial Product Advice** or **Personal Advice** means Personal Advice as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Personal Information** is as defined in the *Privacy Act 1988 (Cth)* as varied from time to time.
- **Product Disclosure Statement** or **PDS** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Quoting Error** has the meaning stated in clause 6.13.1 of this Agreement;
- **Registered Office** means the registered office of USG as notified to the Australian Securities and Investments Commission.
- **Representatives** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Related Entity** is as defined in the *Corporations Act 2001 (Cth)* as varied from time to time.
- **Senior Officer –** means an "officer" as defined in the *Corporations Act 2001 (Cth)* of USG and/or the Client Company, and in the case of USG, includes an employee, director or consultant nominated by USG as the Complaints Officer.
- **Trade Contract Terms** has the meaning stated in clause 6.2.3. of this Agreement.
- **USG** means Union Standard International Group Pty Ltd (ACN 117 658 349).
- **USG Website** means the USG website located at www.usgfx.com or elsewhere as nominated by USG from time to time.
- **Value Date** means either the Day selected by the Client and agreed by USG for the settlement of a Contract or if there is no such Day, then the second Day after the execution of a Contract by the

Client.

1. This Agreement

1.1. This is a master agreement and sets out the terms and conditions that apply to any future contracts between the Client and USG, relating to the provision of Advice to the Client and/or the execution of Contracts relating to foreign exchange and CFD transactions.

1.2. This Agreement includes the USG account opening form, and Product Disclosure Statement that may have been exchanged and/or executed between the Parties. However, in the event of any inconsistency between this Agreement and other contracts, documents or verbal representations between the Client and USG, the PDS shall prevail to the extent of the inconsistency. To the extent of any inconsistency between this Agreement and the account opening form, this Agreement shall prevail.

1.3. In the event of any inconsistency between the English language version of each of the documents described in clause 1.2 above and their translated equivalent in any other language, the English language version shall prevail, to the extent of any inconsistency.

2. Our services and risks

2.1 · USG provides Financial Product Advice and execution-only foreign currency, CFD and derivatives trading services. If USG provides General Financial Product Advice to the Client then the Client acknowledges that the advice is general in nature and does not consider the personal objectives, circumstances or needs of the Client. The Client must consider its own objectives, circumstances or needs, as well as the relevant PDS, before making a decision to use USG's services.

2.2 · Only in extremely rare circumstances will USG provide Personal Financial Product Advice to the Client.

2.3 · If the Client does not fully understand the risks associated with USG's services, then they should not use USG's services.

3. Client representations and warranties

3.1 The Client warrants that in the case of an individual or more than one individual, they are of full age and capacity and in the case of a firm or corporation, it is duly constituted and incorporated and possesses the requisite power to enter into this Agreement and all contracts made or to be made, and in any case, this Agreement and such contracts are and will constitute legally binding and enforceable obligations of the Client.

3.2 If the Client enters into this Agreement in its capacity as trustee of a trust, the Client makes the following representations and undertakings and agree that each such representation and warranty is deemed repeated each time you open or close a Transaction by reference to the circumstances prevailing at such time, that:

3.2.1 the relevant trust instrument is valid and complies with all applicable laws as defined in clause 5.2 of this Agreement;

3.2.2 the Client is properly appointed as trustee of the trust;

3.2.3 the Client has a right of indemnity from the trust assets in respect of this Agreement and the transactions contemplated by it;

3.2.4 the Client will comply with its duties as trustee of the trust;

3.2.5 the Client will not do anything which may result in the loss of its right of indemnity from the trust assets;

3.2.6 if the Client is replaced or joined as trustee, the Client will make sure the new trustee becomes bound to USG's satisfaction by this Agreement and any other Agreement relating to a transaction contemplated by this Agreement to which the Client is expressed to be a party, or by a document which is identical in effect;

3.2.7 the Client will not resettle, set aside or distribute any of the assets of the trust without USG's written consent unless compelled to do so by the trust instrument;

3.2.8 the Client will not amend or vary the trust instrument without USG's written consent; and

3.2.9 if the Client is not the sole trustee of the trust it is a requirement that each and every trustee agrees in writing to be bound by the terms of this Agreement and by any transactions entered into in connection with this Agreement.

3.3 The Client represents and warrants to USG that each such representation and warranty is deemed repeated each time you open or close a contract by reference to the circumstances prevailing at such time, that:

3.3.1 Execution and delivery by the Client of this Agreement, and performance of all of the Client's obligations contemplated under this Agreement, does not violate any Law applicable to the Client.

3.3.2 All information provided by the Client to USG is true, correct and complete, and the Client will notify USG promptly of any changes to such information.

3.3.3 All information provided by the Client to USG is true in all material respects as at the date of this Agreement or, if later, when the information is provided. Neither that information nor the Client's conduct or the conduct of anyone acting on its behalf in relation to the transactions contemplated by this Agreement, was or is misleading, by omission or otherwise.

3.3.4 The Client shall make ongoing disclosure to USG of any matters that may affect the operation of this Agreement or of the ability of the Client to pay Margin Calls or to remain solvent.

3.4 The Client acknowledges that USG will enter into the transactions contemplated by this Agreement in reliance on the representations and warranties made by the Client.

3.5 If the Client is comprised of two or more legal persons then a reference to a right or obligation of the Client under this Agreement or under a transaction contemplated by this Agreement confers that right or imposes that obligation, as the case may be, jointly and severally on those persons.

3.6 The Client shall notify USG if its account is to be funded with superannuation funds as this may have an impact on their classification as a wholesale client or a retail client.

4 Confidentiality

4.1 Privacy Statement

Personal Information collected by USG is treated as confidential and is protected by the *Privacy Act (Cth) 1988.* USG will only collect Personal Information which is necessary to perform the services contemplated by this Agreement. The USG Privacy Policy detailing our handling of Personal Information is available upon request.

4.2 Confidentiality of Client Information

4.2.1 USG will use reasonable precautions to maintain the confidentiality of information USG receives from the Client and material and/or data the Client provides, creates, inputs or develops in connection with the Client’s use of the USG services. Nonetheless, because such information, material and/or data may be provided through the Internet or by facsimile transmission, the Client hereby acknowledges and agrees that USG cannot assure that such information, material and/or data will continue to be confidential.

4.2.2 The Client accepts the risk of a third party receiving confidential information concerning the Client and specifically releases and indemnifies USG from any claim arising out of a third party intercepting, accessing, monitoring or receiving any communication from a Client intended to be provided to USG or from USG intended to be provided to the Client.

4.2.3 The Client acknowledges and agrees that USG may, subject to clause 4.2.4, disclose the Client's name and other personal and financial information about the Client, and any relevant details of an Authorised User, to its employees, Representatives, officers, agents, and affiliates, as well as to a governmental entity or self-regulatory authority, an Internet service provider or any other third party agent or service provider for any purpose related to offering, providing, administering or maintaining the USG Services, or to comply with applicable Laws.

4.2.4 USG will treat the Client's Personal Information in accordance with its Privacy Policy, which the Client may obtain by contacting USG or on the USG Website.

4.3 Anti-Money Laundering

In appropriate cases all communications and information concerning the Client held by USG, may be disclosed to and reviewed by law enforcement agencies and regulatory authorities. In addition, the Client agrees to comply with all applicable anti-money laundering and counter terrorism financing laws, including, but not limited to, the requirement to obtain or provide satisfactory evidence of the identity of any person whom the Client may represent in any transaction entered into with USG.

5 General

5.1 Indemnity and Survival

5.1.1 The Client shall indemnify and hold USG harmless from any and all liabilities, claims, costs, expenses and damages of any nature, including, but not limited to, reasonable legal fees and any fees and expenses incurred in connection with litigation, arbitration or other external dispute resolution methods, arising out of or relating to the Client or an Authorised User's negligence, mistake or willful misconduct, the violation of any Law by the Client, or the breach by the Client of any provision of this Agreement.

5.1.2 The Client also agrees to promptly pay USG for all damages, costs and expenses, including reasonable legal fees and expenses, incurred by USG in the enforcement of any of the provisions of this Agreement. The Client's obligations under this Clause shall survive the termination of this Agreement.

5.2 Compliance with Law

This Agreement shall be governed by and construed in accordance with the laws of New, South Wales, Australia. The parties agree to irrevocably submit to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.3 Intellectual Property

At no time shall either party enter into commitments for or in the name of the other party or use their Intellectual Property for any purpose whatsoever. Except as specifically provided for in this Agreement, neither party will: (a) use the other party's name or Intellectual Property without the prior written approval of the other party; or (b) represent itself as being affiliated with, or authorised to act for, the other party.

5.4 Assignment

Any rights or obligations that the Client may have pursuant to this Agreement shall not be assigned, transferred, sold, or otherwise conveyed, except with the prior written consent of USG. USG may, however, transfer any rights or obligations it may have pursuant to this Agreement to another party without the consent of the Client. Such an assignment shall only take place if a reasonable person would not expect it to cause detriment to a typical client of USG. The Client will execute any documents (including a deed of novation) reasonably required by USG to effect such a transfer. If the Client does not agree to USG assigning its rights, the Client may terminate this agreement. However, termination in this case does not affect any obligations owed by the Client, or rights of USG with regard to any open Contracts held by the Client.

5.5 Amending this Agreement

5.5.1 The terms of this Agreement and any transactions under it, may be amended by USG at any time. USG will provide Notice to the Client of any such amendment. The Client agrees to be bound by the terms of such an amendment on the earlier of: (a) ten Days after USG has posted Notice of the amendment on the USG Website; or (b) on the date of the Client entering any trade contract after the amendment. Any other amendments must be agreed to in writing between USG and the Client. If the Client does not consent to the amendment the Client can terminate the Agreement and the amendment will not apply retrospectively. Termination in this case does not affect any obligations owed by the Client, or rights of USG with regard to any open Contracts held by the Client.

5.5.2 Clause 5.5(1) does not apply to an existing Contract, if the Client would be disadvantaged by the amendment.

6. Operation of Client Account

6.1. List of Authorised Users

6.1.1. The Client shall provide USG with a list of people authorised to access USG's services and/or enter into Contracts on the Client's behalf (each an "**Authorised User**"). The Client shall immediately notify USG when any new person becomes an Authorised User or when any existing Authorised User is no longer entitled to be an Authorised User. Upon receiving Notice, the change in Authorised User is effective immediately. However, the notice shall not affect any Contracts already executed.

6.1.2. The Client hereby indemnifies and agrees to hold USG harmless in respect of any loss incurred by an Authorised User entering into any Contract or other transaction contemplated under this Agreement. Any appointment of an Authorised User made pursuant to the clause 6.1.1. shall remain in full force and effect as an appointment in writing required by the Agreement unless and until Notice of cancellation of appointment and/or replacement has been delivered to USG's registered office.

6.1.3. Until the Client has provided a Notice to USG to the contrary, USG may continue to assume that all existing Authorised Users have authority to execute legally binding transactions with USG. All Instructions given and accepted by an Authorised User will be deemed to be Instructions authorised by the Client and shall be binding upon the Client.

6.2. Formation of Each Contract

6.2.1. When the Client, or an Authorised User, contacts USG by either telephone or via the Internet, USG may, but is not obligated to, ask for or clarify the following information where applicable:

- the Client's account number;
- further Client identification details;
- the Contract type (eg. foreign exchange, margin foreign exchange or CFD);
- whether the Contract is to buy or sell;
- the number of Contracts; and
- for Contract orders, the order type, the order price and the order expiry date.

6.2.2. Collectively, though not exhaustively, the information referred to in clause 6.2.1. or any portion thereof, constitutes the **Instructions**.

6.2.3. USG will immediately provide the client with, either verbally or via the Internet, prices at which the relevant currency or CFD can be purchased or sold. These are the **Trade Contract Terms.**

6.2.4. If the Client, or an Authorised User, then indicates by either telephone or by clicking the relevant button on the Online Platform that they accept the Trade Contract Terms (**Acceptance**), then USG shall have a discretionary right to create a Contract. If USG exercises this right then a Contract is formed between the Client and USG. When a Contract is created the parties shall become bound by the content of the relevant Trade Contract Terms and this Agreement. If USG declines to exercise the right to create a Contract, USG shall not be obliged to give a reason, however, USG shall promptly notify the Client that USG has not created a Contract with the Client.

6.3. Method and Timing of Payment

6.3.1. The Client must not deposit physical cash into USG's accounts under any circumstances. USG has an absolute discretion as to whether the Client may pay by cheque.

6.3.2. Any sums that the Client owes to USG must be paid in one of the following:

a. by online bank transfer;
b. by same day bank transfer;
c. by cheque (with the consent of USG);

d. by international TT transfer; or

e. by payment through a credit card or electronic gateway provider approved by USG from time to time.

6.3.3 Any payment to USG in any currency will be at the prevailing market conversion rate at the time the Contract is entered into as explained within USG's PDS and FSG.

6.3.4 The Client must have sufficient cleared funds deposited in USG's designated account before USG will execute any Contracts. USG will indicate to the Client the sum required as the Margin Deposit for each Contract.

6.3.5 USG may impose other fees and charges for using its services, by providing Notice to the Client. If the Client does not consent to the charges, it can terminate the Agreement and the charges will not apply to new Contracts. If the Client terminates the Agreement under this clause, all existing Contracts will survive the termination of this Agreement.

6.3.6 USG is not responsible for any fees or charges imposed by third party banks or other counterparties, which are incurred by the Client in connection with the use of USG's services.

6.4. Credit Limits

6.4.1 The Client understands that:

- USG may grant certain Clients a Credit Limit. A Credit Limit is a pre-agreed amount of USD or other agreed currency that can be offset against a negative mark to market value on an Open Position, or an amount applicable to unsettled trading losses to some or all Contracts (either individually or in aggregate or both);
- if the negative mark to market of an Open Position is approaching or has exceeded the Client's Credit Limit, USG reserves the right to Margin Call the Client in an amount entirely at USG's discretion;
- USG is not obliged to provide credit to the Client; and
- any Credit Limit set by USG may be reduced or withdrawn at any time by giving Notice to the Client.

6.4.2. The Client acknowledges that if USG acts on an Instruction which would result in a Credit Limit being exceeded:

- USG is not obliged to advise the Client that the Credit Limit will be exceeded;
- the Client will continue to be liable to USG for all amounts including those above the Credit Limit; and
- USG is not obliged to act upon any subsequent Instruction where a Credit Limit might be exceeded.

6.5. Authorisation Limits

6.5.1. The Client may inform USG of an authorisation limit applicable to some or all Contracts either in general or for particular Authorised Users.

6.5.2. Any authorisation limit provided by the Client to USG may be withdrawn by the Client at any time by giving Notice to USG.

6.5.3. USG may, at its own discretion, impose an authorisation limit on the Client and/or one or more Authorised Users at any time, by providing Notice before the imposition of the limit.

6.6. Interest Charges on Open Position

6.6.1. In any Open Position held by the Client, USG will from time to time add an amount to the Client Account for interest earned, or subtract an amount from the Client's account for interest incurred from the Value Date until the position is liquidated, in the following manner:

I. For buying of one currency against the sale of another currency and the currency bought has a higher interest rate than the currency sold, the amount of interest arising therefrom shall be added to the Client Account.

II. For selling of one currency against the purchase of another currency and the currency sold has a higher interest rate than the currency bought, the amount of interest arising therefrom shall be subtracted from the Client Account.

III. For CFD contracts, any interest entitlement or liability arising from buying or selling the CFD shall be respectively added to, or subtracted from, the Client's account.

IV. In the case of a negative interest rate, interest arising shall be subtracted from the Client Account.

V. In all cases, interest shall be at the annual rate to be determined by USG from time to time without Notice.

6.7. Advances and Interest Rate

6.7.1. The Client is required to settle each Contract on the Value Date or on such date as USG may require settlement. In the event of the Client not being able or not willing to settle any Contract on the Value Date or on such date as USG shall require settlement, USG may (but without obligation to do so) make an advance to the Client by way of direct settlement of any Contract in whole or in part and the Client undertakes to repay the US dollar equivalent (at the exchange rate or rates as USG shall stipulate) upon demand, calculated on a daily basis from the date of such advance up to and including the date of repayment in full.

6.7.2. In addition to clause 6.7.1 above, interest at the interest rate specified in clause 6.7.1 shall be chargeable on the following items:

- any part of the Margin Deposit or additional Margin Deposit not paid or deposited in the form of cash; and.
- any amount due to USG which remains outstanding.

6.7.3. Anything in this clause 6.7 or other clauses shall not be interpreted as binding USG to make any advance to the Client nor shall it prejudice any of the rights and remedies of USG against the Client or any other persons under this Agreement, the Contracts or otherwise conferred by law, equity or usage.

6.8. Margin Deposit

6.8.1. Before executing a Contract, USG may in its absolute discretion require a deposit of between 0.01% and 100% of the Contract's value in respect of any anticipated or existing Open Positions which the Client has or will have with USG (**Margin Deposit**).

6.8.2. Payment must be made pursuant to clause 6.3. of this Agreement.

6.9. Forced Liquidation

6.9.1. The Client is required to maintain sufficient level of Margin Deposit. USG reserves its full rights to close out all Open Positions:

- if at any time the Margin Deposit held by USG is approaching or is no longer sufficient to cover the negative mark to market value of any or all Open Positions that the Client has open with USG; or
- if at any time the pre-agreed Credit Limit assigned to the client by USG is no longer sufficient to cover the negative mark to market value of any or all Open Positions that the Client has open with USG.

6.9.2. USG shall have the right, at its sole discretion, to determine the mark to market value from time to time.

6.10. In addition to other remedies available to USG, if the Client fails to pay an amount when due under this Agreement, USG has the right to terminate (by either buying or selling) any or all of the Client's Open Positions.

6.11. Set Off Against Monies Owed

6.11.1 In addition to other remedies available to USG, if the Client fails to pay any amount when due under this Agreement, USG may set-off, to the extent permitted by law, such amount against any amount payable by USG to the Client.

6.11.2 USG is entitled to set-off, to the extent permitted by law, against any amounts due to it by the Client, any amounts received by USG from or on behalf of the Client including but not limited to moneys received as Margin Deposits or Margin Calls. USG may determine the application of any amounts which are to be set-off at its own discretion.

6.11.3 A Client must not set-off against any amounts the client owes to USG by any amounts USG owes to the Client.

6.12. Delay

USG will use all reasonable efforts to process the Client's Contract order on a timely basis. However, USG shall not, in the absence of willful misconduct, be liable for delays, damages, failures or errors in the completion of the Contract order.

6.13. Rates

Rate indications from USG are available via the Online Platform or by telephone (the **Indication**). The Indication is not binding, and the Client agrees to accept the prices offered by USG when the Contract is executed

6.14. Quoting Error

USG will take reasonable steps to prevent quoting errors from occurring. Should a quoting error occur due to a typographical error, data error, liquidity provider's error, platform error or obvious mistake in a quote or indication (the **Quoting Error**), USG is not liable for any damages, claims, losses, liabilities or costs arising from the Quoting Error. USG reserves the right to make the necessary adjustments to correct the Quoting Error. Any dispute arising from a Quoting Error will be resolved on the basis of the fair market value, as determined by USG acting reasonably, of the relevant currency at the time such Quoting Error occurred.

6.15. Face to Face

USG will not typically accept instructions face to face at a USG's Registered Office. However, USG may at its discretion allow an Authorised User to request USG to accept Instructions, enter into Contracts and make financial dealings by physically visiting USG's Registered Office. The Client acknowledges and agrees that upon the Acceptance by USG of the Authorised User's Instructions, the Client shall be bound by those Instructions.

6.16. Telephone

The Client acknowledges and agrees, and will ensure that each Authorised User acknowledges and agrees, that USG may make a recording of any telephone conversation between any person and USG at any time. The recording remains the property of USG. The telephone recording can be used by USG to confirm the terms and conditions of any transaction where there is dispute with a Client as to the Trade Contract Terms of the transaction, and for training, monitoring and compliance purposes.

6.17. Use of third party software or plugins

The Client acknowledges and agrees, and will ensure that each Authorised User acknowledges and agrees, that:

(a) USG is authorised to deduct fees from the Client Account, upon receipt by USG of confirmation that the Client has elected to subscribe to a particular third party software or plugin.

(b) USG is entitled to refuse to allow or terminate, refuse access or otherwise impose limitations on certain third party software or plugins at any time, without reason.

(c) The Client is wholly responsible for managing the risks (including the risk of financial loss) associated with using third party software or plugins, however they are characterised.

(d) The Client is aware of the risks associated with third party software or plugins, all of which may result in substantial financial loss. Risks include: loss of control of trades; potentially misleading claims made by software vendors; software not working with USG's Online Platform; being subject to a Margin Call or Forced Liquidation; and fraudulent or other illegal activity by software vendors.

(e) The Client will assist USG by providing any requested documents, if USG chooses to investigate a third party software or plugin vendor.

(f) The act by USG of deducting fees from a Client Account on behalf of a third party or referring to a third party asset manager, software vendor or plugin on USG's website or elsewhere, is not an endorsement of that third party or its software. USG takes no responsibility whatsoever for any losses incurred by the Client or its employees, agents or assigns, in connection with a third party or its software.

(g) USG reserves the right in its absolute discretion to cancel, unwind, close out, repair, reinstate or take other action with respect to open or closed trades where the Client is using or has otherwise engaged third party software or plugins, if in USG's view, there has been an actual, suspected or potential breach of this Agreement, or USG believes acting in such a way is necessary to protect its own interests, or the interests of clients.

6.18. By using our Orders, you expressly acknowledge and agree that:

(a) Details about how each of the Orders work are set out in the Product Disclosure Statement and Terms of Business which are your responsibility to read and understand in full. It is also your responsibility to understand how an Order operates before you place any such Order with us. You will not place an Order unless you fully understand the terms and conditions attached to such an Order. Details about how Orders work are available from our dealers on request.

(b) Not all Orders are available on all Transactions, nor on all Electronic Trading Services.

(c) We may refuse to accept an Order (including but not limited to any Order that relates to black-box trading, scalping or any similar trading practices) and we may place a limit on any Order or place other conditions on the receipt of instructions or Orders, in our absolute discretion and for any reason. We may at any time use, add and change filters within a trading system which prevent delivery of Orders or execution of Orders. We will notify you of any refusal or limitation as soon as reasonably practicable, unless we are prevented by law or a direction from a regulatory authority from notifying you.

(d) Without limiting our rights under clause 13.3 – 13.5, we may cancel or amend an Order or trade if required by applicable laws to do so, in the event of an error or if we consider the cancellation or amendment appropriate having regard to our obligations as the holder of an Australian Financial Services Licence and our other legal, contractual and regulatory obligations.

(e) When you place, and we accept, an Order you are trading with us as principal and not dealing on the Underlying Market. Your Order may be triggered even though our bid, or offer as the case may be, moved to or through the level of your Order for only a short period.

(f) Following your Order being triggered, we do not guarantee that a Transaction will be opened/ closed, nor do we guarantee that if it is opened/closed it will be done so at your specified stop level or limit.

7 Online Transaction Platform

7.1 If the Client uses USG's online transaction systems (the "Online Platform") the Client confirms and accepts the following:

7.1.1 The Client may be able to enter into Contracts at the rates quoted on the Online Platform.

7.1.2 All transactions must be completed using the logins and passwords allocated to the Client by USG and valid entry of such a login and password will constitute an authorisation by the Client to complete the Contract specified irrespective of whether the login and password are entered by an Authorised User.

7.1.3 The Client must ensure that the logins and passwords are kept secure and confidential. The Client must also ensure that each Authorised User to whom a login and password is provided, will keep them secure and confidential. The Client will advise USG immediately if the Client has any reason to believe that the login and passwords allocated to the Client have not been kept secure and confidential.

7.1.4 The Client must ensure that no unauthorised person is able to use the logins and passwords. As part of this obligation the Client must ensure that each Authorised User quits the Internet browser after using the Online Platform.

7.1.5 USG may at any time without Notice to the Client suspend, withdraw or deny access to the Online Platform for any reason including but not limited to security, quality of service, failure by the Client to pay an amount when due or breach by the Client of any provision of this Agreement.

7.1.6 The features made available on the Online Platform (including but not limited to stop orders, trailing stops, take profit orders or limit orders, as described in the relevant PDS issued by USG):

- may not result in a Contract being formed according to the Client's desired inputs;
- may become unavailable; and
- do not result in any guaranteed Contract being entered into with USG.

8 Deduction of Intermediary/Receiving Bank Fees

8.1 In some circumstances a number of intermediaries may be involved in payment transaction and may deduct a charge. The receiving bank may also take a charge. These charges cannot always be calculated in advance, and the Client will be liable for these expenses.

8.2 USG will not be liable for losses that result from fees under clause 8.1 being levied. USG will use its best endeavours to ensure that all fees associated with a transaction are disclosed in the Trade Contract Terms or PDS or FSG. However, due to the complexity of the international foreign exchange markets this may not always be possible. If it is important that an exact amount of a particular currency arrives, the Client agrees to advise USG accordingly and USG may be able to pre-cover any undefined charges.

9. Circumstances Beyond USG's Control

9.1 If USG is unable to perform its obligations under this Agreement or a Contract because of factors beyond its control or because of a Force Majeure Event, USG will notify the Client as soon as is reasonably practicable and will use reasonable endeavours to secure the return of any money paid by the Client in respect of which USG has been unable to discharge its obligations under this Agreement.

9.2 **Incorrect pricing**

Internet, connectivity delays, and price feed errors sometimes create a situation where the prices displayed on USG's trading screen do not accurately reflect market rates. The concept of arbitrage, or taking advantage of these internet delays, cannot exist in a market where the Client is buying or selling directly from the market maker. USG does not permit the practice of arbitrage on our online facilities. The client acknowledges and agrees to this and USG can rely on the Client's acceptance of this. If USG determines that a Contract individually or together reasonably appears to rely on price latency arbitrage opportunities, USG may revoke those Contracts without further liability to the Client. To give effect to this, USG may make necessary or prudent corrections or adjustments on the account involved. Any dispute arising from such apparent arbitraging will be resolved by USG in its sole and absolute discretion.

9.3 Manifest Errors

9.3.1 A " Manifest Error" means a manifest or obvious misquote by us, or any Market, Stock Exchange, price providing bank, information source, commentator or official on whom we reasonably rely, having regard to the current market conditions at the time an Order is placed.

When determining whether or not a situation amounts to a Manifest Error, we may take into account all information in our possession including, without limitation, information concerning all relevant market conditions and any error in, or lack of clarity of, any information source or announcement.

9.3.2 We will, when making a determination as to whether or not a situation amounts to a Manifest Error, act fairly towards you but the fact that you may have entered into, or refrained from entering into, a corresponding financial commitment, contract or Transaction in reliance on an Order placed with us (or that you have suffered or may suffer any loss of profit, consequential or indirect loss) shall not be taken into account by us in determining whether there has been a Manifest Error. We reserve the right, without prior notice, to:

(a) amend the details of such a Transaction to reflect what we consider in our discretion, acting in good faith, to be the correct or fair terms of such Transaction absent such Manifest Error/s;

(b) if you do not promptly agree to any amendment made under (a) herein we may void from its inception any Transaction resulting from or deriving from a Manifest Error; and/or (b) refrain from taking any action at all to amend the details of such a Transaction or void such Transaction.

9.3.3 We shall not be liable to you for any loss, cost, claim, demand or expense you suffer (including loss of profits or any indirect or consequential losses) resulting from a Manifest Error or our decision to enforce the details of a Transaction notwithstanding any Manifest Error. In the event that a Manifest Error is made by any Market, Stock Exchange, price providing bank, information source, commentator or official on whom we reasonably rely, we will not be liable to you for any loss, cost, claim, demand, or expense.

9.4 **USG** Online Facility: Access to the USG Online Facility is provided "as is ". USG makes no warranties, express or implied, representations, or guarantees as to the merchantability, fitness for any particular purpose or otherwise with respect to the USG Online Facility, its content, any documentation or any hardware or software provided. Technical difficulties could be encountered in connection with the USG Online Facility. These difficulties could involve, among others, failures, delays, malfunction, software erosion or hardware damage, which difficulties could be the result of hardware, software or communication link inadequacies or other causes. Such difficulties could lea d to possible economic and/or data loss. In no event will USG or its Affiliates or any of their employees be liable for any possible loss (including loss of profit or revenue whether direct or indirect), cost or damage including, without limitation, consequential, unforeseeable, special or indirect damages or expense which might occur as a result of or arising out of using, accessing, installing, maintaining, modifying, de-activating or attempting to access the USG Online Facility or otherwise.

9.4.1 Since USG does not control signal power, its reception or routing via Internet, configuration of your equipment or reliability of its connection, USG cannot be responsible for communication failures, distortions or delays occurred when using the USG online facilities.

9.4.2 USGFX cannot guarantee against third party interference to our website and trading facility or to the technology provided by third parties upon which we rely. This means that you may be exposed to issues arising from any third party interference which may occur. Examples include: unauthorised access to our or your IT systems or devices, data breaches, business interruption, errors in pricing feeds or inability to access your account or close positions. In the worst case scenario, financial loss may occur. We take this risk seriously and manage it by ongoing monitoring of our IT systems, protection and back up measures (including virus protection software). You can limit your risk by ensuring you have up to date software for the devices that you use to access our trading facilities and ensuring that you use strong passwords which are kept confidential and secure.

9.4.3 You shall indemnify and hold USG harmless from any and all liabilities, claims, costs, expenses and damages of any nature arising out of or relating to any interference by third parties to USG's website, trading facility or to the technology provided by USG's suppliers upon which USG relies.

10 Market Disturbance

a) USG may give a notice (**a Disturbance Notice**) to the Client at any time if it forms the view that market conditions in the relevant financial market for the currency, commodity or other underlying asset concerned are seriously disturbed.

b) This includes circumstances where, in USG's opinion, deposits in the currency concerned are not available in the ordinary course of business to USG in the relevant financial market or because of national or international financial, political or economic circumstances or because of exchange controls.

c) When a Disturbance Notice is given, USG's obligations will be suspended while it and the Client negotiate alternative arrangements. If both parties reach agreement before the Value Date, those alternative arrangements will apply. If they do not reach agreement within that period, each will be released from its obligations under the relevant transaction.

11 Client money

11.1 The Client agrees that USG may aggregate money paid into the Client's Account (the **Monies**) with funds received from other Clients into a single designated account, which will be maintained as required by Law.

11.2 The Client consents to and directs USG to retain any interest accrued from time to time on the Monies, and to invest that money as permitted by Law.

11.3 To the extent permitted by law, and subject to the Australian Client Money Rules, the Client authorises and directs USG to withdraw, apply or otherwise utilise the Monies:

a) in order to meet obligations (the **Obligations**) incurred by USG in connection with Contracts. Obligations may include an obligation to make payments to a Related Entity or a wholesale liquidity provider in connection with liabilities USG incurs when the Client and other clients place

Contracts with USG. Liabilities in this sub-clause include but are not limited to minimum floating margin requirements imposed by a Related Entity or wholesale liquidity provider, or other hedging requirements. Retail client and sophisticated investor money will not be used margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives by us, including on behalf of people other than us.

b) in order to enforce other rights that USG has under this agreement or in the PDS; and

c) for any other reason allowed by Law.

11.4 The client agrees that when USG uses the Monies for a lawful purpose as set out in this clause 11, the Monies do not belong to the client and do not constitute a loan or constructive trust in favour of the client.

11.5 If the Client has an open Contract, and it requires a deduction for any reason as set out in this Agreement or the PDS, that deduction may occur immediately when the deduction arises, and the Monies will become USG money. Conversely, if the Client has an open Contract, and it requires a credit for any reason as set out in this Agreement or the PDS, that credit will typically be applied to the Client's Monies within 1 hour of the Client's position being closed.

12 Notices

12.1 Any notice or other writing required or permitted to be given under this Agreement or for the purposes of this Agreement (**Notice**) shall be in writing and shall:

(1) If to the Client, be sent by prepaid registered mail or delivered by hand to the address of the Client set out in this Agreement, or such other address the Client designates in writing, or by USG posting a Notice to the USG Website; and

(a) if posted on the USG Website, Notice is deemed to have been given 3 Days after the Notice was posted on the USG Website; or

(b) if the Notice was sent to the address of the Client, the Notice is deemed to have been given on the Day after the Notice was sent, unless delivered by hand in which case the Notice is deemed to have been given on delivery.

(2) If to USG, be sent by prepaid registered mail or delivered by hand to the address of USG set out in this Agreement or the PDS, or such other address as USG designates in writing, and such Notice is deemed to have been given on the Day after the Notice was sent, unless delivered by hand in which case the Notice is deemed to have been given on delivery.

12.2 Any Notice given or made under this Agreement may also be sent by email if:

(1) the Notice is sent to the email address last notified by the intended recipient to the sender; and

(2) the sender keeps an electronic or printed copy of the Notice sent.

12.3 A Notice sent by email will be deemed to have been given on the first to occur of:

(1) receipt by the sender of an email acknowledgement from the recipient's information system showing that the Notice has been delivered to the email address stated above;

(2) the time that the Notice enters an information system which is under the control of the recipient; or

(3) the time that the Notice is first opened or read by an employee or officer of the recipient.

13 Termination

13.1 This Agreement may be terminated immediately by the Client or USG by Notice to the other in writing. However, termination by either party shall not affect any Contract or other transaction previously entered into and shall not relieve either party of any outstanding obligations arising out of this Agreement, nor shall it relieve the Client of any obligations arising out of any Contract entered into prior to such termination.

13.2 In the event that USG is made aware of or has reason to believe any of the following:

(a) that the Client has provided false or misleading information to USG; or

(b) that the Client has participated or is participating or has assisted or is assisting in money laundering or terrorist financing;

(c) that the Client is being officially investigated by law enforcement and/or regulatory agencies;

(d) The Client has died or become of unsound mind;

(e) The Client has failed to pay or provide security for, amounts payable to USG;

(f) The Client becomes insolvent, bankrupt or enters into a composition or scheme of arrangement for the benefit of creditors;

(g) The Client has breached any of the terms of the PDS or the Terms of Business; or

(h) that USG has determined an act or omission to be an 'Invalid Transactions Caused by Willful Misconducts or Unusual Transactions' pursuant to clause 13.3

Then USG, at its sole discretion, may terminate this Agreement immediately by Notice to the Client, and USG shall be relieved of any obligations set out in this Agreement or arising out of the transactions contemplated by this Agreement, including any obligations arising out of any Contract already entered into with USG.

13.3 USG reserves the right to determine at its sole, absolute and unfettered discretion and without notice, that any act or omission performed on an account or by an account holder as "Invalid Transactions Caused by Willful Misconducts or Unusual Transactions". USG also reserves the right to cancel or adjust any trade, terminate the account, deduct any profit, generated from the trades in addition to the commission, or take any action as USG in its sole and unfettered discretion deems appropriate in relation to "Invalid Transactions Caused by Willful Misconducts or Unusual Transactions". Clients and agents of USG herein acknowledge and agree that upon the final determination made by USG after the detailed investigation of the account, Clients and agents are required to fully obey without any objection. For the avoidance of doubt, situations considered to be "Invalid Transactions Caused by Willful Misconducts or Unusual Transactions" constitute a breach of the PDS and Terms of Business.

13.4 Since USG provides different account types, if scalping is undertaken in the account type where scalping is not allowed, such practices will be deemed as "Invalid Transactions Caused by Willful Misconducts or Unusual Transactions" described in clause 13.3.

Note: Scalping refers to a trading strategy that involves opening and then closing a position within 180 seconds. Currently, USG only allows scalping on its ECN account type.

13.5 If hedging trade is undertaken in any USG account, such practice will be deemed as fraud described in clause 13.3 which may entitle USG to exercise its rights under that clause. USG reserves the right to cancel any profit generated from the hedging trades.

Note: This prohibition includes such trades as deemed by USG in their discretion (having regard to their risk management policies and obligations as a financial services licensee) to be hedge trades including but not limited to exploiting interest rate differences between currencies to earn interest, risk free – commonly known as carry trading or hedge manipulation. The hedging trades may also refer to entering into a position (‘the hedge’) to offset the economic risk of a separate position (‘the original trade’) for part of or the whole period over which the original trade is held. Positions will be considered original trades even if held in another account with USG, in an account with a broker other than USG or held in the underlying asset (or equivalent as determined by USG in its sole and unfettered discretion) of the hedge trade. For the avoidance of doubt, original trades associated with hedge trades and hedge trades themselves shall be void for the purposes of calculating commission or bonuses. USG may also apply different margin or spreads in respect of original trades with associated hedge trades or hedge trades themselves.

14 Limitation of Liability

14.1 USG will use all reasonable endeavours to execute Contracts or make payments to the Client or to any third party specified by the Client, in accordance with the timing specified in the Client’s Instructions. However, USG shall not be liable under any circumstances for any direct, indirect or consequential loss (including any loss of profits) incurred as a result of a delay in funds reaching the Client’s nominated account.

14.2 Nothing in this Agreement is intended to limit or exclude any liability USG may owe the Client under any statutory rights the Client may have.

15 Waiver

15.1 No failure by us to exercise, and no delay by us in exercising, any right, power or remedy in connection with these Terms will operate as a waiver of that right, power or remedy. No single or partial exercise of any right, power or remedy will preclude any other or further exercise of such right, power or remedy or the exercise of any other right, power or remedy.

16 Dispute Resolution

16.1 Except to the extent that this clause is inconsistent with the requirements of any legislative or regulatory regime, the dispute resolution process set out in this clause shall apply. The parties must use all their reasonable endeavours to resolve any dispute arising in connection with this

Agreement or any transactions there under.

16.2 If the parties fail to resolve a dispute within 45 Days of one party giving Notice to the other of the dispute, either party may, by giving Notice to the other, refer the dispute to the parties' Senior Officers (where the Client is an individual no such referral is applicable) who, each party must ensure, must co-operate in good faith to resolve the dispute as amicably as possible within 45 days of the dispute being referred to them.

16.3 The Client may take any dispute to the Australian Financial Complaints Authority or 'AFCA', a new external dispute resolution (EDR) scheme to deal with complaints from consumers in the financial system. Importantly, AFCA replaces the three existing EDR schemes of the Financial Ombudsman Service (FOS), the Credit and Investments Ombudsman (CIO) and Superannuation Complaints Tribunal (SCT) so that consumers have access to a single EDR scheme.

Using AFCA is free to consumers. If you would like to access the scheme, please lodge a complaint:

- with the Financial Ombudsman Service Australia if lodged before 1 November 2018:

Online: www.fos.org.au

Email: info@fos.org.au

Phone: 1800 367 287

Mail: Financial Ombudsman Service Limited GPO Box 3 Melbourne VIC 3001; or

- with the Australian Financial Complaints Authority if lodged on or after 1 November 2018:

Online: www.afc.org.au

Email: info@afc.org.au

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001