



CUSTOM HOUSE
GLOBAL FOREIGN EXCHANGE

AUSTRALIA

Options Trading Terms and Conditions Agreement

THIS AGREEMENT is entered into as of the date of the last signature set forth below by and between:

CUSTOM HOUSE CURRENCY EXCHANGE (AUSTRALIA) PTY. LIMITED
(ABN 95 086 278 659 – AFS License 238290)
("Custom House Global Foreign Exchange")

– And –

(The "Customer")

BY SIGNING THIS AGREEMENT, THE CUSTOMER ACKNOWLEDGES AND AGREES THAT IT HAS READ AND UNDERSTANDS AND ACCEPTS THE TERMS AND CONDITIONS OF THIS OPTIONS TRADING AGREEMENT AND ACKNOWLEDGES, UNDERSTANDS AND ACCEPTS CUSTOM HOUSE'S TERMS AND CONDITIONS FOR FOREIGN EXCHANGE TRADING AGREEMENT WHICH ARE INTER-RELATED ALL OF WHICH FORM PART OF THIS OVERALL AGREEMENT .

Executed:

Per: Custom House Currency Exchange (Australia) Pty. Limited.

Representative Name	Title
Signature	Date
_____	_____

Insert Name of Customer: _____

ABN: _____

Per	Per
Title (if applicable)	Title (if applicable)
Signature	Signature
Date	Date
_____	_____

Article 1 — Definitions

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

1.1 “Agreement” means this Options Trading Terms and Conditions Agreement, the Application and Master Terms and Conditions Agreement together with all orders, schedules, attachments or other addenda attached or applicable to it;

1.2 “Application” means the application form which the Customer completed and submitted to Custom House Global Foreign Exchange for the purpose of using the Custom House Services;

1.3 “Buyer” means the party specified in the relevant Option Confirmation. The Customer warrants that they have express authority to bind the Buyer to this Agreement;

1.4 “Call Option” means a transaction which gives the Buyer the right to buy from the Seller the call currency amount at the strike rate;

1.5 “Call Currency Amount” means the amount of the Call currency to be bought on exercise of the Option as set out in the related Option Confirmation;

1.6 “Confirmation” / “Option Confirmation” means a document described in Article 3.8, by which Custom House Global Foreign Exchange confirms the details of the Option entered into between you and Custom House Global Foreign Exchange;

1.7 “Custom House Global Foreign Exchange” means Custom House Currency Exchange (Australia) Pty Limited, its subsidiaries, affiliates, successors and/or assigns, as well as its officers, directors, employees and agents;

1.8 “Customer” means the person specified above and, if more than one, jointly and severally, and, if different to the person specified, the Buyer of the option contract or option structure;

1.9 “European Option” means an Option that can only be exercised at the Expiration Date;

1.10 “Exercise Date” means the date on which the Seller accepts a Notice of Exercise;

1.11 “Expiration Date” means the last day on which the seller accepts a notice of exercise;

1.12 “Expiration Time” means the latest time at which the Seller will accept a Notice of Exercise, which shall be 3.00pm (Sydney time) on the Exercise date, unless otherwise stated in the applicable Option Confirmation;

1.13 “Foreign exchange contract” means an agreement between two parties to exchange a specified amount of one currency for another currency at a specified exchange rate on an agreed date;

1.14 “Insolvency Event” means, if the Customer is a natural person, that the Customer commits an act of Bankruptcy for the purposes of the *Bankruptcy Act 1966* (C’t’h) (as amended or substituted from time to time) or, being a company, if:

(a) any step is taken for:

- (i) the winding up, dissolution or administration of the Customer;
- (ii) the Customer to enter into any arrangement, compromise or composition with or assignment for the benefit of its creditors or any class of them, except for the purposes of a solvent reconstruction or amalgamation; or

(b) a receiver, receiver and manager, or other controller, administrator or similar officer is appointed with respect to, or takes control of, the Customer or any of the Customer’s assets and undertakings; or

(c) any judgment remains unsatisfied for seven (7) days;

1.15 “Mark to market” means the daily revaluation of an Option to reflect its current market value rather than its original contract value;

1.16 “Notice of Exercise” means the notice given by the Buyer of its intention to exercise the Option in accordance with this agreement;

1.17 “Option” means a contract conferring the right but not the obligation to buy(call) or to sell (put) a specified amount of an instrument at a specified price within a predetermined time period;

1.18 “Option Contract” has the meaning given by Article 3.1 below;

1.19 “Out of the Money” means the value of the original contracted Option Contract rate is less favorable than the current Mark to Market value;

1.20 “Premium” means the amount that is payable by the Buyer to the Seller on the Premium Payment Date for the Option;

1.21 “Put Option” means a transaction which gives the Buyer the right to sell to the Seller the Put Currency amount at the Strike Price;

1.22 “Put Currency Amount” means the amount of the Put currency to be sold on exercise of the Option as set out in the related Option Confirmation;

1.23 “Seller” means the party specified in the relevant Option Confirmation;

1.24 “Settlement Date” means, in relation to an Option, the date for settlement of the payment rights and obligations under the Option following the exercise of the option under Article 3.3, as specified to you in the relevant Option Confirmation. The Settlement Date of a European Option is the second Business day after the Expiration Date;

1.25 “Strike Price” means the exchange rate specified in the Option Confirmation, which is the exchange rate at which the Put Currency will be exchanged for the Call Currency if the Option is exercised, as agreed on the Trade Date (see Article 3.3);

1.26 “Trade (Establishment) Date” means the date on which the Option is entered into between the Buyer and Custom House Global Foreign Exchange.

Article 2 — Terms and Conditions

2.1 These Option Trading Terms and Conditions, the Custom House Global Foreign Exchange Application Form, the Custom House Global Foreign Exchange Terms and Conditions for Foreign Exchange Trading-Australia, the Custom House Global Foreign Exchange Product Disclosure Statement titled “Foreign Exchange Options”, and the Option Confirmation (collectively referred to as the “Terms”) constitute the overall Agreement between the Customer and Custom House Global Foreign Exchange.

2.2 The Terms apply regardless of the issuance of an Option Confirmation having been made by Custom House Global Foreign Exchange under Article 3.7.

2.3 To the extent of any inconsistency between the Option Confirmation and the other documents constituting the Terms, the provisions of the Option Confirmation will apply.

Article 3 — Foreign Exchange Option Contracts

3.1 **Option Contract.** The Customer may offer to buy a foreign exchange option (for the purpose of hedging the risk of movement in the value of a currency for commercial and not for speculation or investment purposes) by placing an Order with Custom House Global Foreign Exchange which may be accepted by Custom House Global Foreign Exchange in accordance with Article 3.8 below (the “Option Contract”). “Option Contract” also includes any one of the following products of Custom House Global Foreign Exchange: a Direct Put or Call Option, a Range (Border) Option, a Convertible Option, a Forward Extra (Participating) Option, a Removal Option, a Range Reset Option, a Bonus (Advantage) Option, a Deferred Premium Option, a Custom Option, a Target Option and a Forward Extra Plus Option as described in the Options Product Disclosure Statement.

3.2 **The Premium.** The Customer must pay Custom House Global Foreign Exchange the Premium, where this has been included as part of the Option Contract agreement, during business hours, in accordance with Custom House Global Foreign Exchange’s instructions, two business days after the Trade (Establishment) Date. The Premium is not refundable. If the Customer does not pay the Premium in accordance with these Terms and Conditions then, in addition to any other rights it may have, Custom House Global Foreign Exchange may terminate the Option and recover all costs and expenses in relation to the Option.

3.3 **The Strike Price.** The Strike Price is the currency exchange rate specified in the relevant Option Confirmation that is the foreign exchange rate at which the Put Currency and the Call Currency may be exchanged on exercise of the Option.

3.4 **Exercising the Option.** The Buyer may exercise an Option by giving a Notice of Exercise to the Seller of the Option. The Notice of Exercise, being for a European Option must be given no later than the Expiration Time on the Expiration Date. The Seller will accept this Notice of Exercise on the proviso that any Premium due has been received by them. Clause 5.3 of the Master Terms and Conditions Agreement applies to the giving of the Exercise Notice by the Seller. Custom House Global Foreign Exchange only enters into European Options.

3.5 **Settlement.** If an Option has been exercised as outlined at Article 3.3, each party must pay the currency and amount due to the other party on the Settlement Date in terms of the Option arrangements. This is a European style Option Contract. If, no later than the Expiration Time on the Expiration Date, the Buyer notifies the Seller that the Buyer wants to exercise the foreign exchange option, then on the Settlement Date:

(a) the Buyer agrees to pay the Seller the Put Currency Amount in the put currency, and

(b) the Seller agrees to pay the Buyer the Call Currency Amount in the call currency.

3.6 **Closing or Canceling (Surrendering) an Option.** The Customer may request Custom House Global Foreign Exchange that it intends to close out or surrender the Option. Custom House Global Foreign Exchange at its absolute and unfettered discretion may agree to accept this request if the Customer has paid any required Premium and any notice of closure or cancellation (surrender) has been received by Custom House Global Foreign Exchange before the Expiration Time on the Expiration Date. Custom House Global Foreign Exchange will calculate the relevant closing strike rate and premium and the net difference will be passed on to the Customer on demand.

3.7 **Option Lapses.** If an Option has not been exercised in accordance with Article 3.4, or closed out (surrendered) in accordance with Article 3.6, the Option will lapse at the Expiration Date.

3.8 **Option Confirmation.** The Option Confirmation summarizes the key terms upon which Custom House Global Foreign Exchange is providing the Option. An Option arranged by telephone will be confirmed by Custom House Global Foreign Exchange in writing to the Customer by facsimile transmission, and the Customer shall fax the confirmation to Custom House Global Foreign Exchange immediately on receipt with the Customer’s signature on it or if the confirmation is not in accordance with the Customer’s understanding of the terms and conditions of the transaction, the Customer shall within 24 hours of receipt of the confirmation, notify Custom House Global

Foreign Exchange by phone and in writing of any discrepancy, otherwise the Customer shall be deemed to have accepted the confirmation as an accurate record of the telephone transaction. Failure of Custom House Global Foreign Exchange to provide the confirmation to the Customer shall not invalidate the transaction and Custom House Global Foreign Exchange's records shall be conclusive proof of the terms of the transaction, save and except for manifest error. In the event of any inconsistency between the Option Confirmation and any previous documents, the Option Confirmation shall prevail.

3.9 Deposits and Margin Deposits.

(a) Custom House Global Foreign Exchange may at its sole discretion require the Customer to pay an amount solely determined by Custom House Global Foreign Exchange (the "Deposit") to validate the Option Contract as outlined in the Terms & Conditions for Foreign Exchange Trading, at Article 9 – Forward Exchange Contracts, section 9.6 - Deposits;

(b) Custom House Global Foreign Exchange may at its sole discretion require the Customer to pay an amount solely determined by Custom House Global Foreign Exchange (the "Margin Deposit") in circumstances outlined in the Terms & Conditions for Foreign Exchange Trading, Article 9 – Forward Exchange Contracts, section 9.8 – Margin Deposit, or as otherwise determined.

(c) The return of Deposits and Margin Deposits to the Customer will be processed in accordance with Article 9.9 – Return of Deposit/Margin Deposit in the Terms & Conditions for Foreign Exchange Trading.

3.10 Default Further to requirements outlined in the Terms & Conditions for Foreign Exchange Trading, Article 9.9 – Default, If:

(a) the Customer fails to complete the Option Contract in terms of arrangement;

(b) the Customer fails to pay any Premium, or any Deposit or Margin Deposit, to Custom House Global Foreign Exchange; or

(c) an Insolvency Event occurs,

then the Customer agrees that Custom House Global Foreign Exchange shall no longer be obliged to fulfill the Option Contract, or any other existing Option or Forward Exchange Contract with the Customer, nor to enter into any further Contract with the Customer, and Custom House Global Foreign Exchange may, in its sole discretion:

(d) calculate the value of the Option or Options and any required amounts payable to terminate the Option Contract and offset the obligations of the Customer under it;

(e) charge the Customer with the damages, losses, including loss of profit, incurred by Custom House Global Foreign Exchange, and shall include additional processing fees, interest, costs and expenses incurred by Custom House Global Foreign Exchange; and

(f) set off the amounts payable under paragraphs (d) and (e) to obtain a net amount to be paid by one party to the other.