

ACCOUNT TERMS & CONDITIONS

Update Date: July 2020

ACCOUNT TERM

1. INTRODUCTION

1.0 **Royal ETP LLC** (CR No: 149 LLC 2019) is registered at Halifax Street, Kingstown, Saint Vincent and the Grenadines. Royal is incorporated under the Limited Liabilities Companies Act, Chapter 151 of the Revised Laws of Saint Vincent and the Grenadines, 2009.

In this document the terminology used refers to "we", "us", "our" it shall refer to **Royal ETP LLC** and where the terminology used refers to "you", "the client", "your" it shall refer to the individual to whom this document pertains to.

1.1 These terms govern your Account with Royal. The particular terms which apply to you will depend on the Financial Products or financial services provided to you by Royal. All of the Financial Products or financial services are subject to the general terms in this document and to the Schedules which apply to particular financial services you may receive or particular Financial Products you may transact from time to time.

1.2 In relation to your Account, a reference to "Terms" is a reference to the terms in this document (including the Schedules) which are applicable to you, as amended from time to time.

1.3 In order to establish your Account, you will need to complete and return to Royal your completed Application Form. Royal may, in its absolute discretion, accept or decline to provide any one or more Financial Products or financial services that you have selected in your Application Form.

1.4 These Terms will apply to you in respect of your Account from the earlier of (a) the time Royal accepts your application in the Application Form in respect of a particular Financial Product or financial service; (b) the time Royal otherwise agrees to provide the Financial Product or financial service to you; or (c) the time you first place an Order in respect of a Financial Product with Royal or otherwise instruct Royal to provide the financial service to you.

1.5 You acknowledge and agree that you have read and understood all documentation provided to you by us including these Terms and any product disclosure statement (PDS) in relation to any Financial Products which you request Royal to make available to you in relation to your Account. You authorise Royal to open an Account for you.

1.6 You acknowledge that you have received, read and understood our Financial Services Guide (FSG) and PDS. Our FSG and PDS may change from time to time. A copy of the current FSG and PDS can be obtained on our website or on request.

1.7 You acknowledge that all dealings in Financial Products and the performance by us of our obligations under these Terms are subject to the Companies Act.

1.8 You acknowledge that we will not provide legal, tax, financial or accounting advice to you as part of the services that we provide to you in accordance with these Terms. By these Terms we do not act in a fiduciary capacity and Royal does not owe any fiduciary obligations to you in respect of its services provided to you in connection with these Terms except as expressly stated in these Terms.

1.9 These Terms do not constitute personal financial advice, nor a recommendation or opinion that a particular Financial Product or service is appropriate for you.

1.10 A liability of Royal accrues solely to that entity. Royal is not the agent, fiduciary, joint venture or guarantor of any other person.

1.11 Royal has discretions under these Terms which can affect your Transactions. You do not have any power to direct how we exercise our discretions. When exercising our discretions, we will comply with our legal obligations. We will have regard to our policies and to managing all risks (including financial, credit and legal risks) for ourselves and all of our clients, our obligations to our counterparties, market conditions and our reputation. We will try to act reasonably in exercising our discretions, but we are not obliged to act in your best interests or to avoid or minimize a loss in your Account.

2. INTERPRETATION

2.1 Unless the context otherwise requires, any expressions or phrases not otherwise defined within these Terms have the meaning given to them in the Rules relevant to the Financial Product or financial service.

2.2 In these Terms, unless otherwise indicated, the following words and expressions have the meaning set out below:

Account means an account held in your name or for your benefit with Royal including all Transactions recorded in them, for the purposes of these Terms.

Account Value means the current value of your Account which is calculated by Royal by combining:

- (a) the equivalent balance of your Account in the Trust Account;
- (b) indicative costs to Close (e.g., Transaction Fees, Finance Charges); and
- (c) the values of Transactions not yet booked (if any).

Applicable Laws means, in relation to a matter, all laws, legislation, regulation and subsidiary regulation, instruments and Orders of a regulatory authority or a court, rules and procedures of a Financial Market which apply to the relevant matter including for example, and without limitation, the Companies Act and regulations made pursuant to the Companies Act.

Application Form means the application form by which a person applies to become a Client of Royal and to open an Account. It can be in electronic form.

Authorised Person means the person (if any) described as your authorised agent in the Application Form or another person notified by you to us under clause 5.

Base Rate means the amount nominated by Royal for this term from time to time, as notified to you (including through the Online Service) or posted on its website.

Black Swan Event means an event or occurrence with reference to the Underlying Security which deviates beyond what is normally expected of a situation and that would be extremely difficult to predict and which in the opinion of Royal has a material impact on the Royal Contract.

Business Day means a weekday which is not a public holiday in Saint Vincent and the Grenadines.

Claim means any or all, actual or potential claim, action, complaint, suit, cause of action, arbitration, debt due, costs, claim, entitlement, allegation, demand in respect of damages and any other benefit verdict and judgment whether both

at law or in equity or arising under the provisions of any statute, award or determination whether known at the date of these Terms or not.

Client means the person who is (or persons who are) recorded as having an Account.

Close Out, Closed Out and Closing Out in relation to a Transaction means discharging or satisfying the obligations of the Client and Royal under the transaction and this includes matching up the Transaction with a Transaction of the same kind under which the Client has assumed an offsetting opposite position.

Closing Date means the date on which the Transaction is agreed to be Closed Out, or earlier, if deemed to be Closed Out in accordance with these Terms.

Confirmation means any confirmation of a Transaction issued by us to you and includes an electronically transmitted confirmation or a substantially continuously available account statement which contains the information which would be in a confirmation.

Contract Size means the standard volume per 1 Lot expressed either in ounces or number of contracts.

Companies Act means the Companies Act and regulations made under it, as amended from time to time.

CS Facility means a clearing and settlement facility, for example, any clearing or settlement facility through which Transactions are cleared or settled), whether located in SVG or overseas.

Current Market Price means the price available to Royal from its Hedge Counterparty or as quoted on the trading platform.

Default has the meaning in clause 24.1 and, if applicable, as supplemented by a term in a Schedule.

Derivative means a financial instrument with a value that is reliant upon or derived from, an underlying financial asset, index or security. The derivative itself is a contract between two or more parties, and the derivative derives its price from fluctuations in the underlying asset.

An exchange means a marketplace where securities, commodities, derivatives and other financial instruments are traded. Exchanges give companies, governments, and other groups a platform from which to sell securities to the investing public. Finance Charge means a charge payable in accordance with clause 13.

Finance Charge Adjustment and Finance Credit Adjustment means the amount charged or credited (as applicable) to your Account by Royal for Transactions.

Finance Rate displayed as a swap long percentage or swap short percentage on the website or the Online Service means the interest rate percentage for the cost of funding the Open Position Overnight nominated by Royal for this defined term from time to time, as notified to you (including through the Online Service) or posted on its website.

Financial Market means a financial market within the meaning of the Companies Act (which includes, for example, any market on which prices of Financial Products are quoted), whether located in Saint Vincent and Grenadines or overseas.

Financial Product is a product offered to investors based on an underlying security or group of securities that is purchased with the expectation of earning a favorable return.

Foreign Exchange means local and foreign currencies.

Forward Purchase and similar expressions mean the purchase of a currency (or other agreed security or commodity at a Price agreed at the time of the purchase, which purchase is to be settled at a future time.

Free Margin means the value of funds that are available for opening and maintaining a position. It is calculated by Royal by subtracting from the Account Value the required Margin.

FSG is defined in clause 1.6.

Hedge Counterparty means a person with whom Royal may enter into a hedge contract to hedge Royal's exposure to Synthetic Equities or other Financial Products.

Initial Margin means the amount which you are required to pay to Royal (depending on your Financial Product or financial service), as the initial Margin Cover for any Transaction which you propose to enter into.

Liquidation Level means the minimum Margin Cover allowable before there might be automatic Close Out of all or some of your Open Positions.

Long Party means the party to a Transaction (including a Synthetic Equity) who is treated as having notionally bought the Underlying Security (or, in the case of an index Synthetic Equity, a right in respect of payment arising from a change in the level of an index).

Loss means a damage, loss, cost, expense or liability incurred by the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent.

Lot means the unit that represents the volume of a Transaction, taking into consideration the Contract Size. It can be represented as a portion of a Lot, subject to the minimum lot size, for example (0.1 of a lot) being referred to as a mini Lot or (0.01 of a Lot) being referred to as a micro Lot. For example, 1 Lot in EURUSD equals 100,000 EUR being the Sold Currency unit and 0.1 Lot is therefore 10,000 units of Sold Currency.

Margin means the amount of cash or other assets paid to Royal and credited to your Account as Margin.

Margin Cover means the amount of Margin available for margin trading on your Account. It is calculated by Royal by subtracting from the Account Value: (i) the required Margin; and (ii) a percentage of the value of Open Positions.

Online Service is defined in clause 8.1.

Open Contract has the meaning given to Open Contract and Open Position.

Open Position means, at any time, a Transaction which has not been Closed Out, or settled prior to the time agreed for settlement.

Order means any Order placed by you with us to purchase or sell or otherwise deal in Financial Products.

OTC Transaction means a Transaction which is an over- the-counter contract (in contrast with an exchange-traded contract).

Overnight means continuing beyond the end of a trading day at 17:00 EST/EDT depending on whether Daylight Savings time needs to be considered

PDS is defined in clause 1.5.

Pip Value means the smallest increment by which a unit of currency changes and is quoted depending on the number of decimal places in which the currency is quoted. For example, a USD/JPY Foreign Exchange Transaction is quoted with only two decimal places.

Price means, in relation to a Transaction, the price or rate quoted by Royal as finally determined when an Order is implemented. Royal Contract means a contract for the parties to pay in cash the difference in prices/index level of securities on the Terms, whose term continues until the Closing Date.

Rules, in relation to a Financial Market or a CS Facility, means the operating rules, procedures, customs and usages of the of the Financial Market or CS Facility (as applicable).

Security Information means any of your email address, logon code, password or trading password.

Segregation or segregated means, in relation to an account or an asset, that:

(a) the party holding the assets in the account:

- (i) holds the asset separately from its own property;
- (ii) holds the account separately from its own accounts;
- (iii) does not record or deposit any assets of its own in the account;

(b) records in relation to such an asset or account must:

- (i) be kept separate from records in relation to any other account of the holding party or any Others;
- (ii) record separately the particulars associated with that asset and account;
- (iii) record separately in respect of each client particulars of the amount or property deposited in or withdrawn from the account;
- (iv) ensure that assets in the account are separately classified;
- (v) correctly record and explain dealings in relation to the assets in the account.

The account must be described as the Trust Account, the Client moneys trust account, the Clients' segregated trust account or a custody account, as the case may be.

Settlement Time means the time by which a Transaction must be settled, as set out in the Confirmation for the Transaction.

Short Party means the party to a Transaction (including a Synthetic Equity) who is treated as having notionally sold the Underlying Security.

Swap Rate means the rate nominated by Royal for this defined term from time to time, as notified to you (including through the Online Service) or posted on its website.

Synthetic Equity means a Transaction, being a Derivative, which derives its value by reference to one or more Underlying Securities and is on the Terms including the relevant Schedule.

Tax means any present or future tax, levy, impost, deduction, charge, duty, compulsory loan or withholding (together with any related interest, penalty, fine or expense in connection with any of them) levied or imposed by any Government agency, other than any imposed on overall net income.

Term Currency means, in Foreign Exchange Transactions, the foreign currency that is being sold to another party. Terms is defined in clause 1.2 and see also clause 2.

Trading Conditions means the operating conditions for trading through the Online Service from time to time.

Transaction means any contract between you and Royal as principal:

Trading Conditions means the operating conditions for trading through the Online Service from time to time.

Transaction means any contract between you and Royal as principal:

- (a) to pay, or to agree to pay, an amount calculated in respect of an Underlying Security in one currency against the settlement in the same or another currency (or other agreed Underlying Security); and
- (b) in respect of which (other than in respect of Closing Out an Open Position as permitted under these Terms) you have, or you are taken to have, agreed (whether orally, electronically or in writing) to:
 - (i) the specification of the Underlying Securities involved;
 - (ii) the amount of Underlying Securities involved and, if applicable, the amount of the specified currency involved;
 - (iii) the Price;
 - (iv) Transaction Fee and Finance Charges; and
 - (v) any other features agreed by Royal.

Transaction Fee means the fee or commission from time to time specified by Royal to be the amount payable by you to Royal in respect of each Transaction.

Trust Account means an account (however named or styled) maintained by Royal in accordance with Part 7.8 of the Companies Act.

Underlying Security means any security, Financial Product, Foreign Exchange, commodity, index or other item (or any combination of one or more of those) the subject of a Transaction, including a value determined by reference to an index or an index multiplied by an amount of currency, in any jurisdiction, whether or not through an Exchange or other market facility. References in these Terms to an Underlying Security which is a share or other similar equity financial product also apply when the Underlying Security is different, for example, a futures contract, an exchange traded option, a currency (or pairs of currencies) (with any necessary adaptation to the particular kind of Underlying Security).

Underlying Security Price means the market price of the security, Financial Product, Foreign Exchange, commodity (or other relevant thing) which is the subject of a Transaction, including a value determined by, including a value determined by reference to an index or an index multiplied by an amount of currency, in any jurisdiction, whether or not through an exchange or other market facility, in any case as calculated by Royal, having regard to the purposes of the calculation and the intent to make a reasonable determination in good faith but without having to consider the specific personal interests of any person.

We, us or our means Royal.

Royal means **Royal ETP LLC** (CR No: 149 LLC 2019) and its successors and assignees.

Withdrawable Funds means the amount of cash which would be paid to you from the Account if requested. There are Withdrawable Funds only if your Free Margin is a positive amount. The amount of the Withdrawable Funds is the lesser of the cash balance of your Account and the Free Margin. If your Free Margin is not positive, there will be no Withdrawable Funds.

You means the Client, being the person or persons in whose name we open an Account (including any Authorised Person), following our acceptance of an application by that person or those persons.

2.3 Headings used in these Terms are used for convenience only, and do not affect interpretation. The following rules also apply in interpreting this document, except if the context makes it clear that a rule is not intended to apply.

- (a) A reference to legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it.
- (b) A singular word includes the plural and vice versa.
- (c) A word which suggests one gender includes the other genders.
- (d) If a word or phrase is defined, any other grammatical form of that word or phrase has a corresponding meaning.
- (e) A reference to time is to local time in Saint Vincent and the Grenadines.
- (f) Anything permitted to be done by Royal in accordance with these Terms may be done in its absolute discretion, and any opinion or view required to be formed by Royal may be formed in its absolute discretion.
- (g) For the avoidance of doubt, time will continue to run on days which are not Business Days.

2.4 If a specific provision in a Schedule is inconsistent with another provision in these Terms, the specific provision prevails over the other provision to the extent of the inconsistency.

3. ACCOUNT

3.1 Royal will establish one or more Accounts in respect of the Financial Products or financial services it provides to you. Transactions entered into by you pursuant to these terms will be recorded in the relevant Account established by Royal for that Financial Product or financial service. Unless you have specifically requested Royal to open separate Accounts, you will be taken to have only one Account, with Transactions in respect of each Financial Product or financial service provided to you being recorded in that Account.

3.2 The calculations, reporting and administration may be performed by Royal separately for each Account, so that (without limitation):

- (a) Margin calculations may be managed and enforcement action may be taken for each Account separately; and
- (b) Royal may at any time aggregate one or more Accounts (for reporting or managing Margins or otherwise for the purposes of these Terms), even if you cannot immediately access reports for aggregated Accounts.

3.3 Royal may set off any amount owing by you (including any negative balance in one or more Accounts) against any amount Royal owes you in any other Account, without notice. Royal may choose, in its absolute discretion, which

Financial Products, Transactions, cash, or account balance or other property to apply to offset the debt. For the avoidance of doubt, this right of set off (and other rights of set off under these Terms) apply in respect of rights and obligations across more than one Account. You agree that Royal may apply the set off as among one or more Accounts, before Default and on and following Default.

3.4 The Account Value may reflect any such aggregation or set off any debt or other amount owing from time to time.

3.5 All Accounts will be denominated in United States Dollars unless we agree with you that one or more Accounts may be denominated in a foreign currency. You may only instruct Royal to effect a Transaction denominated in another currency if you have established a relevant Account denominated in that currency. Royal will not convert any Transaction or any Account balance from one currency to another without an express instruction from you to do so.

3.6 You must maintain Margin in the currency of the relevant Account. The conversion for reporting will be at the rate determined by Royal and that rate will not represent any actual conversion or agreed rate for actual conversion.

3.7 You must maintain Margin for Foreign Exchange Transactions in the Term Currency. If you do not have Margin in the Term Currency in your Account or your Account has a negative account balance in Term Currency but you have sufficient funds in another currency (at the current market rate), Royal may allow those other funds to be used to offset the required Margin. Royal may withdraw that permission at any time, without reason or prior notice to you.

3.8 You must, whenever required by Royal and at your expense, take or defend all legal proceedings which Royal determines in its discretion is appropriate for the protection of the Account (or any part of it) or money paid as Margin to it for itself, whether those proceedings are or might be reasonably be expected to be in the interests of Royal, or your interests, or partly both.

3.9 A Client may be comprised of two or more persons. If the Client is comprised of more than one person then the Account will be deemed to be held by the persons as joint tenants despite any actual or constructive notice to Royal of any partnership or other agreement between the persons. The joint holding will be only be deemed not to be held as joint tenants if there is a court determination that it is not held as joint tenants.

4. CALCULATIONS AND VALUATIONS

4.1 Royal may from time to time calculate and report the Account Value for an Account.

4.2 Royal may from time to time calculate and report the Withdrawable Funds for an Account.

4.3 Royal may from time to time calculate and report the Realised/Unrealised Loss and Realised/Unrealised Gain for an Account.

4.4 The current value of your Open Positions will be similarly marked to market on a continuous basis, using the Current Market Price.

4.5 Where in the reasonable opinion of Royal there has been or there is a Black Swan Event, Royal may amend or cancel the Royal Contract.

4.6 Terms and expressions used in these Terms for reporting and calculating amounts may differ from time to time from terms or expressions used in Online Services usage or desk usage or market practice. You should have regard to the statements, Confirmations, guides and dealing practices used from time to time.

4.7 If the composition or calculation of an Underlying Security is adjusted by its issuer, regulator or any other third party, Royal will make such adjustment to the Transaction at the time determined by Royal which reasonably preserves the intended economic effect of the Transaction, but without being obliged to consider your particular circumstances or any adjustments. Royal need not give notice of the adjustment. If the Underlying Security becomes subject to a take-over bid, a take-over offer, scheme of arrangement or other mechanism for change in control, then Royal may elect to Close Out the Transaction on a new Closing Date determined by Royal.

4.8 For Synthetic Equity Transactions, ordinarily the Long Party will be credited with an amount equal to the gross unfranked amount of any dividend payable to the holder of the Underlying Security (as determined by Royal) and the Short Party will be debited with an amount equal to the gross unfranked amount of any dividend payable to the holder of the Underlying Security (as determined by Royal).

5. APPOINTMENT AND AUTHORISED PERSONS

5.1 Royal may accept your authorisation of another person (Authorised Person) to give instructions and place Orders on your behalf. You must notify Royal in your Application Form or otherwise in writing of any such authorisation, setting out the full name, telephone number, fax number, email address and specimen signature of that person and any other information required by Royal to identify the Authorised Person.

5.2 Any change or revocation of such authority is only effective upon receipt by Royal of a signed written notice of change or revocation from you. If another person is later appointed an Authorised Person, the notice must include the full name, telephone number, fax number, email address and specimen signature of that person and be verified by an Authorised Person and any other information required by Royal to identify the Authorised Person and, if you are a body corporate, by a director.

5.3 You may appoint an attorney (under a power of attorney in the relevant jurisdiction) to give instructions and place orders on your behalf or otherwise to do anything which you are entitled to do in connection with or under these Terms. You must notify Royal in writing of any such appointment setting out the attorney's details. You must provide Royal with a written power of attorney; Royal may accept or reject this power of attorney.

5.4 Royal may allow a Client which is a corporation or other legal entity to authorise a person (who is by that authorisation an Authorised Person) or an attorney to do anything which the Client is entitled to do under these Terms, including on conditions determined by Royal.

5.5 Royal may allow any other Client to authorise its Authorised Person or attorney to do anything which the Client is entitled to do under these Terms, including on conditions determined by Royal.

5.6 For the purposes of these Terms, Orders placed by, and other instructions or directions given by, an Authorised Person (or which appear to us on the face of the Orders or other instructions or directions to be placed or given by an Authorised Person) are taken to be your Orders, instructions or directions.

5.7 You are and remain solely liable and responsible for all acts and omissions of your Authorised Person notwithstanding the act or omission of the Authorised Person was:

- (a) outside their actual or ostensible authority; or
- (b) in error, fraudulent, negligent, in breach of their fiduciary duties or criminal.

5.8 You agree not to make, and you release us from any liability to you under your right to make, any Claim against us for any Loss incurred or suffered by you which arise directly or indirectly due to us relying on instructions from or other communications from or acts or omissions by your Authorised Person (including your attorney).

6. ORDERS

6.1 You may from time to time place Orders with us to enter into Transactions. Subject to these Terms, we will execute your Orders with you as principal in accordance with your instructions.

6.2 We will not be responsible for delays or errors in the transmission or execution of your instructions (except to the extent that responsibility cannot be excluded by law).

6.3 We may refuse to accept an Order 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.

6.4 We may cancel or amend an Order at our absolute discretion:

- (a) if required by Applicable Laws to do so;
- (b) in the event of an error;
- (c) if Royal in its reasonable opinion suspects scalping, arbitrage, market manipulation, insider trading, fraud, deceit or any other kind of nefarious behaviour;
- (d) where in the reasonable opinion of Royal, there has been a Black Swan Event;
- (e) if we consider the cancellation appropriate, having regard to the desirability to maintain a fair and orderly market; or
- (f) if the Financial Product the subject of the Transaction has been subject to a trading halt on a Financial Market and you have not reconfirmed instructions.

You acknowledge that Exchanges have a range of powers, including the power to cancel or amend a Transaction. This power can be exercised without your permission or our agreement and so may give rise to us cancelling or amending an Order due to an Exchange exercising its powers even though your Transaction issued by us is an over-the-counter Transaction with no interest in any Financial product the subject of the Transaction and even though we might not have fully or even partly hedged our Transaction with you.

6.5 We will make reasonable efforts to effect any instructions to cancel or amend Orders as quickly as possible. If, however, an Order is filled prior to a cancellation or amendment instruction being effected, you are obliged to accept the Transaction on the original terms prior to your amendment or cancellation instruction, unless the Transaction is itself cancelled or amended.

6.6 We may execute Orders for you even in circumstances if we or our associates:

- (a) hold a principal position or deal in the relevant Financial Products;
- (b) provide similar services to other persons in relation to the relevant Financial Products;
- (c) have material price sensitive information relating to the relevant Financial Products if the individuals processing your Order are prevented from knowing or taking into account such information (including, but not limited to, by reason of procedures known as "Chinese walls"); or
- (d) have a potential conflict of interest or duties including, for example, a conflict of interest of which you are not aware and which we are unable to disclose to you.

6.7 Notwithstanding any rule of law or equity to the contrary, Royal is not disqualified from contracting with any person and no contract, transaction or arrangement in which Royal is in any way interested is avoided or rendered voidable by virtue of your agreement with us. Royal is not liable to account to you for any profit realized by any such contract, transaction or arrangement in connection with these Terms or a Transaction. Royal is not required to make any disclosure to you concerning any such contract, transaction or arrangement.

6.8 You are aware of and acknowledge the right of Royal and its related bodies corporate, directors and employees, either on their own account or on behalf of other clients or persons, to deal in any Transaction or take the opposite position to you in Transactions, if permitted (or, if not expressly permitted, then if not prohibited) to do so by the Companies Act and the Rules.

6.9 You acknowledge that we do not operate any discretionary accounts and we will, unless otherwise expressly provided by these Terms, only act on your instructions (including those given by your Authorised Person).

6.10 Unless otherwise specified in these Terms, all Orders will remain open until either cancelled by you or purged by the Online Service. Once an Order has partially traded, only the remaining volume can be cancelled and you remain liable for the volume traded. We do not accept responsibility for reinstating lapsed Orders or for contacting you to seek new instructions.

6.11 If a security code or identifier changes, you are responsible for replacing all live and contingent Order codes with the new relevant security code or identifier. We will not be responsible for any live or contingent Orders with the incorrect security code or identifier.

6.12 You must not instruct us to submit an Order to enter into a Transaction which would breach or cause us or any other person to breach the Companies Act, the Rules or any other Applicable Laws including, without limitation, any law or regulation in relation to:

- (a) market manipulation, false trading, market rigging, fictitious transactions, wash trading or matching of Orders;
- (b) insider trading;
- (c) short selling;
- (d) creating a disorderly market or otherwise prejudicing the integrity or deficiency of the market; or
- (e) misleading or deceptive conduct.

6.13 Your instructions to Royal to enter into a Transaction, your Order to Royal to enter into the Transaction and the Transaction remains valid and enforceable against you, without affecting your other liability to Royal even if you (or your Authorised Person) are not authorised by your own rules (such as a corporate or trust constitution or an investment management agreement).

7. ALLOCATION POLICY

7.1 Royal will deal fairly and in due sequence with all client Orders having regard to fair Market practices.

7.2 To the extent that it is reasonably practicable to do so, Royal will allocate all Transactions (including Transactions effected pursuant to Orders placed on Royal's own account) in the sequence in which Royal receives those Orders, subject to filters and compliance review and to any delay or technical faults connected with or arising through the use of the Online Service, an Exchange System or any other delay that is outside the control of Royal.

8. ONLINE SERVICES

8.1 This clause contains provisions which, in addition to the other Terms, govern the use of any online or other electronic trading or any information service we provide or make available to you (including, without limitation, all software and communication links) under which you may:

- (a) place your Orders or transmit other instructions to Royal or other persons;
- (b) enquire as to the availability or pricing or value of one or more Financial Products;
- (c) receive market data and other information in relation to one or more Financial Products; or
- (d) receive Confirmation, Account balances or other information in connection with your Account or Transactions.

In these Terms, we refer to such a service as an Online Service.

8.2 An Online Service may be a proprietary service provided by Royal, or a service provided to you by a third party pursuant to an arrangement with Royal (for example, by an Exchange or by a Hedge Counterparty). To the extent that the Online Service is provided to you by Royal, we grant you a non-exclusive and non-transferable license to use the Online Service subject to these Terms.

8.3 Royal may refuse to accept or place any Order in its absolute discretion without having to provide a reason.

8.4 Royal will not be responsible for confirming the receipt of instructions or verifying the authenticity of your instructions.

8.5 Royal has no obligation to resubmit Orders purged from any Online Service.

8.6 You agree that:

- (a) you must not use the Online Service (or permit or procure any other person including any Authorised Person to use the Online Service) until the Security Information has been provided by us;
- (b) the Security Information is confidential;
- (c) you are responsible for maintaining the confidentiality and use of that Security Information at all times and must procure that any Authorised Person maintains the confidentiality of the Security Information;
- (d) you will not permit, consent or allow any person (other than any Authorised Person in its capacity as your agent) to use the Security Information or to access or use the Online Service using that Security Information;
- (e) you will not provide, disclose or make available the Security Information to any person (other than an Authorised Person in its capacity as your agent); and
- (f) you must notify us immediately upon becoming aware of any unauthorised use of the Security Information or the Online Service.

8.7 You acknowledge and agree that:

- (a) you are only permitted to access and use the Online Service, using the Security Information;
- (b) we are entitled to rely on all instructions given by, on behalf of, or apparently on your behalf, using the Security Information; despite any other provision of these Terms, we are not liable for any Loss caused by us acting on instructions or other communications using the Security Information;
- (c) there may be delays in the processing, execution, amendment or cancellation of an Order entered through the Online Service and:
 - (i) an Order may be wholly or partly filled before an instruction for its amendment or cancellation is processed;
 - (ii) you remain liable to settle the original Order, until any relevant amendment or cancellation is effected; and
 - (iii) without limiting clause 23, Royal will not be liable for any Loss incurred by you arising from any delay in the dissemination of market information or the processing of any Order or instruction to amend or cancel an Order;
- (d) the execution of an Order placed through the Online Service may be delayed by filters or other electronic features of the electronic system;
- (e) we are not responsible for the processing, execution or cancellation of any Orders submitted through the Online Service, regardless of who enters such Orders and regardless of whether or not there is an error in the Order entry or for any delays;
- (f) any Online Service is provided on an "as is" basis and, except as required by law, we make no representations or warranties express or implied with respect to the Online Service;
- (g) the speed of information provided through the Online Service is subject to a number of factors including, but not limited to, the speed of the user's internet connection, the user's settings, the number of concurrent users accessing the Online Service and the volume of information being received and sent by the Online Service;
- (h) there are significant risks in trading through the Online Service because it is serviced by means of computer and telecommunications systems, even if generally accepted industry standards and practices are followed;
- (i) the features, components or terms of use of an Online Service may be changed by us or the provider of the Online Service without requiring an amendment to these Terms;
- (j) you are responsible for providing and maintaining the communications equipment and telephone or alternative services required for accessing and using the Online Service and for any communication service fees and charges incurred by you in accessing and using the Online Service;
- (k) you are responsible for ensuring you have in place alternative arrangements for the execution of Orders or other services available through the Online Service, if the Online Service or any aspect of it ceases to be available or subject to failure (including, for example, arrangements for the use of telephone or facsimile);
- (l) you must notify us immediately if you become aware of any inaccurate information being transmitted through the Online Service including, for example, inaccurate content as to Orders, Transactions or Account balances; and
- (m) you must only use the Online Service for your own internal business and investment purposes.

8.8 You also agree to be bound by any terms and conditions of access and use which we or any third party provider of an Online Service may specify and notify to you, from time to time.

8.9 You are responsible for reading, understanding and complying with the details of the operational aspects of the Online Service. It is important that you read and understand any user manuals and operational procedures or rules relating to the relevant Online Service and which are made available either by Royal or the provider of the Online Service. Further information on how to use and understand the Online Service can be obtained on our website or through the Online Service (as applicable).

8.10 Either you or your Authorised Person may place Orders with us using the Online Service. You authorise each person who is an Authorised Person from time to time to enter Orders using the Online Service in accordance with this document as your agent. You must provide us on request with a list of your Authorised Persons (containing their names and contact details) and any changes to the list.

8.11 You and each Authorised Person must satisfy any requirements (including without limitation requirements as to knowledge, training, testing, procedures and controls) notified by us to you from time to time and you are solely responsible for ensuring that an Authorised Person satisfies these requirements.

8.12 You are responsible for the consequences of any unauthorised disclosure or use of the Security Information, and for any actions or omissions by an Authorised Person.

8.13 We (or any third party providing the Online Service) may suspend, terminate or impose conditions on the use by you or any Authorised Person of the Online Service at any time without notice to you.

8.14 If you are uncertain as to whether your Order has been received, you must make all reasonable attempts to verify whether the Order has been received, approved and effected prior to taking further action. You agree to issue specific cancellation or amendment instructions with respect to an existing Order and not to attempt to effect changes by placing a second or duplicate Order. You will be solely responsible and liable for any duplicate instruction that you place.

8.15 You agree not to contest the validity or enforceability of any electronic communications between yourself (including your Authorised Person) and Royal.

8.16 If a failure, interruption or malfunction of electronic communication between the parties prevents an Order from being placed, cancelled or amended then, without limiting clause 23, neither party is liable to the other party for any Loss caused then by that failure, interruption or malfunction.

8.17 You acknowledge that all market data and information in relation to trading, volumes and pricing for a Financial Market provided through any Online Service may be proprietary information of the relevant Exchange or Financial Market or another person and any display, dissemination or other use of that information may be subject to restrictions imposed by the Financial Market or other person. You are responsible for complying with any such restrictions.

9. CONFIRMATIONS

9.1 We will, if required by Applicable Laws, give you a confirmation (Confirmation) in respect of each Transaction which Royal enters into with you. You consent to receiving Confirmation by electronic means including, for example, through any Online Service. If our service provides conditions by accessing a substantially continuously available service, you consent to your Confirmation being available by those means instead of being sent to you.

9.2 You can agree with us, if permitted by Applicable Laws, not to give you a Confirmation or to provide Confirmations to an address or person nominated by you.

9.3 Each Confirmation given by us is subject to the Applicable Laws and the correction of errors and omissions. Royal may, at any time, reissue a Confirmation in order to correct any errors or omissions.

9.4 You are responsible for promptly checking each Confirmation. You must immediately notify us if you become aware that there is an error in the Confirmation. We are entitled to assume that the Confirmation is correct unless you notify us of any error within 48 hours following us (or someone on our behalf) giving you the Confirmation or the Confirmation (or its equivalent) becoming available to you

10. CLIENT ACKNOWLEDGMENTS

10.1 You, the Client, acknowledge and confirm to Royal for Royal's benefit in relying on the following:

- (a) you (or, if a corporate entity, the directors who apply to be bound by these Terms) have read and understood all documentation provided to you by us including these Terms and any Product Disclosure Statement (PDS) in relation to any Financial Products which you request Royal to make available to you in relation to your Account;
- (b) you have received, read and understood our Financial Services Guide (FSG);
- (c) all dealings in Financial Products and the performance by us of our obligations under these Terms are subject to Applicable Laws;
- (d) Royal relies on your representation that at all times you will be able to make payments and fulfill all commitments on your part arising under these Terms and under the conditions applicable to dealings between you and Royal;
- (e) that trading in Transactions incurs a risk of loss as well as a potential for profit;
- (f) we will not provide legal, tax, financial or accounting advice to you as part of the services that we provide to you;
- (g) by these Terms (including any Transaction made under it) we do not act in a fiduciary capacity in relation to you and Royal does not owe any fiduciary obligations to you in respect of its services provided to you in connection with these Terms;
- (h) the Client will provide to Royal on request such information regarding its financial and business affairs and identity, as Royal may reasonably require;

- (i) that all Orders to be placed and all trading to be conducted under these Terms must be lawful;
- (j) in executing and complying with these Terms, the Client will not infringe any provisions of any other document or agreement to which the Client is a party;
- (k) the Client will take all reasonable steps to obtain and to communicate to Royal all information, and will deliver or cause to be delivered to Royal all documents with respect to dealings in the Financial Products which are requested by any person having the right to request such documents and information and the Client authorizes Royal to pass on or deliver all such information and documents to any such person;
- (l) the Client will indemnify and keep indemnified Royal and each of its related bodies corporate and their respective directors, officers employees and agents from and against all sums of money, actions, proceedings, suits, Claims, complaints, demands, damages, costs, expenses and any other amounts whatever claimed against any of them;
- (m) Royal is not required to act in accordance with your instructions if in Royal's opinion to do so would or could constitute a breach by it or its agent or counterparty of the Companies Act or any other Applicable Laws;
- (n) dealings in the Transactions may create an obligation to make a cash payment to Royal in accordance with these Terms;
- (o) Royal acts as principal in respect of the Financial Products issued by Royal;
- (p) subject to applicable legal or regulatory requirements, you consent to Royal either knowingly or unknowingly taking the opposite side to the Client in relation to any of the Financial Products, without notice to the Client;
- (q) subject to applicable legal or regulatory requirements, the Client agrees and acknowledges that Royal's directors, employees and associates (and their directors, employees) may and can deal on their own account in Transactions which may be the same as or differ from your Transactions;
- (r) Royal may, in its sole discretion and without explanation, refuse to deal with or on behalf of the Client in relation to any Transaction (including Closing Out existing Open Positions held in the Account on behalf of the Client) or to limit the number of Open Positions of the Client or both;
- (s) The information contained in these Terms are intended for persons located in Saint Vincent and the Grenadines and abroad. However, we do not offer financial products or securities to persons located in the United States or Japan or residents of countries where the offer of financial products is not permitted or unlawful. By transacting with us you acknowledge that you are not because of your jurisdictional location or residency prohibited from trading Royal Contracts.
- (t) if errors have occurred in the pricing of Transactions quoted by Royal to the Client, Royal may choose not to be bound by such Transactions (without further liability to the Client) if Royal is able to substantiate to the Client that there was a material error at the time of the Transaction;
- (u) there are risks associated with using an internet- based deal execution trading system which include, but are not limited to, the failure of hardware, software, and internet connection and since Royal does not control data flows, internet or power connection, routing via internet, configuration of your equipment or reliability of its connection, Royal will not be responsible for communication failures, distortions or delays when trading (including processing payments)) via the internet

- (v) reports to the Client on the execution of Confirmation by Royal, and the content of such Confirmation being statements, unless otherwise objected to within 48 hours after communication to the Client, will be deemed to be conclusive proof of the accuracy of such contents and their execution in accordance with these Terms except only in the case of manifest error;
- (w) a notice issued by an authorised officer or agent of Royal stating the amount of money due and payable by the Client will be taken as conclusive evidence of notice except only in the case of manifest error;
- (x) Financial Products traded on the Online Service will not be settled by the physical or deliverable settlement of the Underlying Security on their Value Date. The Financial Products are rolled or "swapped" indefinitely until Closed Out ;and
- (y) We may 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 and we are under no obligation to inform you if we classify you as a wholesale client.

All representations, warranties and acknowledgments given by you under these Terms are taken to have been made at the time you complete the Application Form and are taken to have been repeated by you:

- (a) each time you place an Order with us;
- (b) each time you enter into a Transaction with us; and
- (c) each time we do anything or refrain from doing something under these Terms or as contemplated by these Terms in connection with your Account or any Transaction.

11. ROYAL UNDERTAKING

11.1 Royal will act honestly and in good faith and exercise due care and diligence at all times in its performance of these Terms.

11.2 Royal will use reasonable endeavours to execute your Orders, subject to these Terms.

11.3 Apart from any warranties and representations which are imposed or implied by law and which cannot be excluded, Royal makes no warranties in relation to any service or information provided or made available to you in connection with these Terms. To the full extent permitted by law, Royal excludes liability for all costs, expenses, damages and Losses (including consequential loss) arising in connection with such services or information, or these Terms (including, without limitation, liability for negligence).

12. RISKS OF TRANSACTIONS

12.1 You acknowledge and understand that there are risks involved in Transactions, including:

- (a) the gearing or leverage involved in investing in Financial Products means that a small Initial Margin payment can potentially lead to large losses for you, including more than all of the Margin ever paid to Royal;
- (b) the geared nature of Transactions also means that acquiring and holding them can carry greater risks than directly investing in the Underlying Security which generally are not geared;
- (c) a relatively small market movement can lead to a proportionately much larger movement in the value of your investment, and this can work against you as well as for you;
- (d) over-the-counter Transactions are derivatives not made on any Exchange so might be considered to involve a greater risk than an exchange-traded derivative since there is no exchange market on which to Close Out an Open Position - you are only able to open and close your positions with us;
- (e) it is possible to incur a loss if, after your acquisition of an investment, exchange rates change to your detriment, even if the price of the Underlying Security to which the Transaction relates remains unchanged;
- (f) you may sustain a total loss of the Margin that you deposit with or pay to us to establish or maintain a position and if the market moves against you, you may be called upon to pay substantial additional Margin at short notice but if you fail to do so within the required time, your investment position may be liquidated at a loss to you and you will be liable for any remaining deficits in your Account;
- (g) you will be deemed to have received a notice requiring the payment of more Margin, even if you are not contactable, or actually contacted, at the telephone, mail or email address you gave us or do not receive the messages we leave for you, if the notices are delivered to your nominated contact addresses;
- (h) under some trading conditions it may be difficult or impossible to liquidate a position, such as (but not limited to) at times of rapid price movement if the price rises or falls in one trading session to such an extent that trading in the underlying market is suspended or restricted;
- (i) if you trade in denominated currencies other than the Account currency you may lose money or value of the investment due to exchange rate fluctuations and that these losses may be in addition to any losses on the value of the Underlying Security relevant to the Transactions;
- (j) gapping, whereby a market price falls or rises without the opportunity to trade, can result in significant losses even when a stop loss has been put on because it may not be possible to transact at the nominated price if the market has gapped;
- (k) in some circumstances the Underlying Security may be halted, suspended from trading or have their quotation for trading withdrawn from an exchange and these factors might affect the value of your Transaction relating to those Underlying Securities due to Royal exercising its discretion to determine the fair value of them;

(l) a market disruption may mean that you are unable to trade when desired, and you may suffer a loss as a result, including examples of disruption include the "crash" of a computer based trading system, fire or other exchange emergency or a regulatory body could declare an undesirable situation has developed in a particular contract and suspend trading; and

(m) you may incur losses that are caused by matters outside our control for example, a regulatory authority exercising its powers during a market emergency may result in losses for the Client or a regulatory authority can suspend trading (for example in an Underlying Security) or alter the price at which a position is settled, which could also result in a loss to the Client.

12.2 No advice or recommendation is provided by Royal in relation to your Transactions unless expressly stated otherwise

13. FEES AND CHARGES

13.1 Any profit or loss net of any fees and charges (that is, the realised gain or loss) arising on Closing Out a Transaction will be credited or debited (as the case may be) against the Account Value, in the Account currency.

13.2 You must pay to us or as we direct:

(a) any Transaction charges including all Transaction commission, charges, fees, Margins, premia, settlement and clearing fees and charges, interest, default charges and Taxes (including taxes but excluding Royal's income tax or penalty tax and levies) and any other amounts due under these Terms on demand by Royal in cleared funds or otherwise as required by these

Terms;

(b) a Transaction Fee for each Financial Product or Transaction (as the case may be) being the fee from time to time specified by Royal to be the amount payable by you to Royal in respect of each such Transaction;

(c) any royalty or other fee which must be paid for the use of prices or information provided to you via access through the Online Service or otherwise by any exchange;

(d) (if applicable) a monthly access charge for the use of the Online Service provided by Royal, as specified by Royal from time to time;

(e) Finance Charge Adjustments applicable to any Transaction or Account, at the rate specified by Royal from time to time;

(f) any fees, Taxes, stamp duty or other charges as may from time to time be levied on or in connection with any Transactions entered into with you; and

(g) in respect of any unpaid amounts required to be paid under these Terms including, (without limitation) any amounts due as a result of your failure to pay interest on all such amounts (denominated in United States dollars)

at the rate of the Finance Charge then generally applicable for debit amounts on Accounts plus 4% per annum, such interest to accrue daily from and including the due date to and including the date of its payment in full.

Guidance note: this is the rate of interest you pay if you default on making any payment to Royal. It is not the rate for any Finance Charge Adjustment.

Any amount or rate or formula which is to be specified by Royal may be specified by a PDS and/or FSG, a supplementary disclosure document or in any other permitted way of notifying you, such as on Royal's website. The amount of any fees and charges or other amounts payable by you to Royal in respect of any Transaction will be set out in the Confirmation of that Transaction to the extent known at the time.

13.3 You agree that Royal may, to the extent permitted by law:

- (a) debit your Account (on a monthly or any other basis) or deduct from the Trust Account and pay itself, without further reference to you:
 - (i) all administration fees, including but not limited to fees associated with returned cheques, payment processing, Short Message Service (SMS), debt collection and telephone transcript copies from your Account with Royal during the full term of these Terms while you use such services; and
 - (ii) all fees, charges and royalties which you owe to Royal;
- (b) withdraw from the Trust Account and pay ourselves the amount of any the Transaction Fee you owe and the amount of Margin which you must pay to maintain the required Margin Cover or to meet any Margin call made to you;
- (c) withdraw from the Trust Account and pay ourselves any moneys to which we are entitled in accordance with these Terms and
- (d) deduct from the Account any amount reimbursable in accordance with these Terms.

13.4 Royal may receive commissions and other benefits, from other parties, in relation to Transactions Royal enters into with you or in connection with other services provided to you. Royal is entitled to retain such commissions and benefits.

13.5 If you have been referred to us or on behalf of a broker or other third party, that broker or third party may receive benefits in the form of a commission or rebate from us.

13.6 Unless otherwise agreed, the terms of any amounts payable by you under these Terms are stated exclusive of taxes. You must pay taxes on the amount charged for the supply of the service, unless that is not permitted by law. Royal will when required by law and as far as practicable state in Confirmation the amounts as all taxes inclusive.

13.7 The amounts of or basis of calculating the fees, commissions and charges referred to in this clause 13 will be as notified from time to time in writing by Royal, either by way of a PDS, postings on the Online Service, notification to your contact address, posting to Royal's website or as otherwise agreed with you or permitted by these Terms.

13.8 If:

- (a) you are required to make a deduction or withholding in respect of Tax from any payment to be made; or
- (b) Royal is required to pay any Tax (other than income tax) in respect of any payment made in relation to these Terms at your request, Then you:
- (c) indemnify Royal against the Tax; and
- (d) agree to pay to Royal an additional amount to ensure Royal receives a net amount (after payment of any Tax in respect of each additional amount) that is equal to the full amount Royal would have received had a deduction or withholding or payment of Tax not been made.

13.9 You must reimburse Royal for all fees (both direct and indirect) and expenses charged in connection with any Transaction (other than Tax on the income of Royal) and for all costs and expenses incurred by Royal in implementing these Terms and in enforcing its rights under these Terms (including its legal costs of external or internal legal advisers on a full indemnity basis).

13.10 Open Positions held Overnight will be charged a Finance Charge Adjustment or will be entitled to receive a Finance Credit Adjustment as determined by Royal on an Account at any time chosen by Royal, such as (without limitation):

- (a) either immediately at the time of entering into the Transaction;
- (b) at day's end, or month's end;
- (c) at a rollover of the Transaction;
- (d) at end of the Transaction; or
- (e) at any other time after entering into the Transaction.

The calculation for an Overnight Finance Charge Adjustment or Finance Credit Adjustment for Foreign Exchange Transactions is as follows:

$$F = S * L * P$$

Where:

F = Daily Finance Charge (negative)/Finance Credit (positive)

S = Swap Rate (positive or negative) or notional value of interest earned/paid for deposit/ borrowing of currency

L = Number of Lots in the terms currency P = Pip Value in Account currency based on 1 Lot The calculation for an Overnight Finance Charge Adjustment or Finance Credit Adjustment for Synthetic Equities is charged on a daily basis and is as follows:

$$F = CV \times (BR/360 \text{ or } 365^*)$$

(* 360 or 365, depending on the Underlying Security). Where:

F = Daily Finance Charge (negative)/Finance Credit (positive)

CV is the current value of the Open Positions for the Synthetic Equities, calculated from the end of day price of the underlying security BR is the Base Rate (expressed as a percentage)

13.11 You remain liable to pay the Finance Charge Adjustment even though:

- (a) the charge may be called other things from time to time, even across different Accounts or different Financial Products at the same time;
- (b) the charge is not stated on a statement for an Account or interim Confirmation for a Transaction;
- (c) the charges differ according to whether the Transaction was made offline or on-line;
- (d) the charges differ according to the amount of the Account, regardless of the amount or value of the Account;
- (e) different rates apply at the same time to other clients' accounts;
- (f) the charge is applied at rollover but is not levied or enforced until termination of the Transaction;
- (g) the Transaction is denominated in a currency other than Account currency; and
- (h) the rates will be as determined by Royal in its absolute discretion and you might not have prior notice of the current rate.

13.12 You acknowledge that you are responsible for your own legal costs associated with entering into these Terms and for all Taxes and expenses incurred by you in connection with these Terms, including any Transaction made under it.

13.13 All payments by you under these Terms are:

- (a) to be made without any set-off by you, counter claim or condition made by you and without you making any deduction or withholding for any Tax or any other reason unless the deduction or withholding is required by applicable law or the set-off arises by express application of these Terms; and
- (b) payable in any currency that Royal may require or determine.

13.14 Royal will give notice to you of any change in its fees and charges or other amounts payable by these Terms in accordance with Applicable Laws except rates will change at any time, as available via the Online Service.

13.15 If taxes are payable on a taxable supply made by Royal under, by reference to, or in connection with these Terms, you must also pay the amount of taxes payable in respect of that taxable supply. This clause does not apply to the extent that consideration for a supply is expressly stated to you to be taxes inclusive.

14. CLIENT MONEYS AND TRUST ACCOUNT

14.1 Royal must deal with any money and property which you pay or give to, or which is otherwise received by Royal in connection with financial services provided by Royal, in accordance with the Applicable Laws. For example, Royal may be required to pay such moneys into the Trust Account which complies with the requirements of the Companies Act. You acknowledge and authorise that:

- (a) your moneys and the moneys of other clients of Royal may be combined and held by Royal in a Trust Account, separate from the moneys of Royal;
- (b) all moneys credited to the Trust Account maintained by Royal may be used by Royal to meet the default of any client of Royal to the extent permitted by the Companies Act and laws in force;
- (c) moneys credited to any Trust Account maintained by Royal under the Companies Act may be used by Royal for purposes unrelated to your Account to the extent permitted by the Companies Act and accordingly such use of a Trust Account does not fully protect your money and property from risk of loss. Retail and sophisticated investor client money will not be used for the purpose of margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives by Royal or on behalf of a person other than the client.

14.2 If Royal pays your funds to another person at your request, Royal is not liable to you for the performance by the other person who receives the benefit of the payment of your funds. In particular, without limitation, Royal is not obliged to enquire into:

- (a) the use of those funds by the third party;
- (b) any persons to whom the third party pays all or any of these funds;
- (c) the solvency of any of those persons;
- (d) the compliance by any of those people with the Companies Act, Applicable Laws and Rules;
- (e) whether any of those persons hold any part of these funds on any nominee, segregated account, trust or any other basis for your protection or security.

14.3 You agree that Royal is entitled to all interest earned on moneys credited to any Trust Account unless you and Royal have otherwise agreed in writing.

14.4 The moneys to which you are entitled under these Terms and which are under the control of Royal will be paid directly to you and not to any third party, unless you have otherwise instructed us to do so and we agree. You must provide relevant account details for payment instructions in respect of payments to be made by Royal to you. Although Royal will take reasonable steps to comply with your payment instructions, Royal accepts no responsibility for any failure to comply with those instructions and, if such failure occurs, the relevant moneys will continue to be held by Royal in accordance with the Companies Act and Applicable Laws.

14.5 To the extent permitted by law, you authorise and direct Royal to withdraw any or all moneys to which you are otherwise entitled in any Trust Account maintained by Royal to meet any liability, obligation or other Loss which you owe to Royal including to pay for your Financial Products (including payment for Premium, Margin or Margin Cover).

14.6 When you pay moneys to Royal in connection to a Transaction, you are also directing those moneys to be paid into a Trust Account and those moneys will remain in there until withdrawn by Royal to pay you amounts you are entitled to receive or to pay for amounts to which Royal is entitled.

14.7 If Royal determines that your Account has been inactive for a reasonably long period, you authorise Royal to withdraw any Withdrawal Funds from the Trust Account to be paid into your nominated bank account.

14.8 You acknowledge that Royal is entitled to be paid from those moneys to which you are otherwise entitled in any Trust Account maintained by Royal an amount sufficient to meet any liability, obligation or other Loss which you owe to Royal.

14.9 You acknowledge that from the time any funds are withdrawn from the Trust Account:

- (a) you lose the protections given to a Trust Account of that kind;
- (b) you are an unsecured creditor of Royal for its obligations to you. This includes exposure as an unsecured creditor for payment to you of the net Account balance (if any) after closing all your Open Positions;
- (c) the funds are no longer held beneficially for you.

14.10 If you pay moneys into any Trust Account maintained by Royal, in anticipation of you creating and meeting any liability, obligation or other Loss which you will owe to Royal including to pay for your Financial Products (including payment for Margin or Premium), by these Terms you authorise and direct Royal to withdraw those moneys to pay Royal for any liability which later arises. Your payment into the Trust Account will be deemed to be subject to this direction unless you tell Royal (in writing) otherwise.

You agree that these Terms are a sufficient written direction by you for the purposes of authorising and directing Royal to make the withdrawal on these Terms, subject to any other written direction you give Royal from time to time.

14.11 You acknowledge and agree that Royal may revalue your Account at any time and from time to time but is not obliged to revalue your Account on any particular frequency or at any particular time.

14.12 All currency exchange risks regarding any payment instruction or any Order or Transaction entered into by you with Royal is your responsibility. Any conversion from one currency to another required to be made for performing or executing any payment instruction, Order or Transaction may be effected by Royal in the manner and at the time and at the exchange rates that Royal, in its absolute discretion, decides.

14.13 You agree that these Terms are a sufficient written direction for the purposes of authorising and directing Royal to make the withdrawals from the Trust Account on these Terms, subject to any other written direction you give Royal from time to time which Royal accepts

15. MARGIN COVER

15.1 You agree and acknowledge with each of the following:

- (a) Margin Cover refers to the amount paid or payable to Royal as it requires (to protect against your liabilities on Transactions) and which is credited to your Account. The minimum amount of the Margin Cover is determined by Royal in its absolute discretion.
- (b) A Margin payment is the amount you pay Royal for crediting your Account as Margin Cover.
- (c) The time for your payment to maintain Margin Cover and to satisfy any Margin call is of the essence.
- (d) You must maintain at least the amount of Margin Cover required by Royal whether or not Royal gives any notice to you to make those payments or you have actual notice of the required amount. The required amount of Margin Cover can change continuously and can change automatically, including over the weekend or other non-trading days. Your obligation to maintain at least the required amount of Margin Cover is continuous.
- (e) You must ensure that for so long that you have an Open Position, the Free Margin must always remain positive. If not, you may receive and have to satisfy a Margin call in accordance with these Terms.
- (f) You have an obligation to satisfy a Margin call (in addition to your obligation to maintain Margin Cover) within the required time by any combination of Closing Out positions or making payments (or both) as accepted by Royal, in its absolute discretion. The payments to be made towards satisfying a Margin call must be made to the Trust Account.
- (g) Margin calls may be made by any means of notice permitted by these Terms, including by telephone call to you or your Authorised Person or by way of the Online Service (even if you do not access your Account during the time the Margin call requires payment). You acknowledge that it is fundamental that you remain contactable by Royal at all times by Royal using the contact details you give Royal from time to time and that your failure to be contactable or to receive notice of a Margin call at any contact address you give does not affect the validity of the Margin call or your obligation to satisfy it.
- (h) If no other time is stipulated by Royal for when you must satisfy the Margin call then you must comply within 24 hours of the Margin call being made, even if you have not received it or are actually aware of it and even if the time of making the Margin call or the time for satisfying it are outside of normal working hours of a Business Day. You acknowledge that Margin calls may be payable immediately if required by Royal.
- (i) If you fail to satisfy the Margin call by the required time, then Royal may (without prejudice to any other rights or powers under these Terms) in its absolute discretion, and without creating an obligation to do so, Close Out, without notice, all or some of your Transactions, whether or not those Transactions caused the need for more Margin Cover.
- (j) Your obligations to maintain Margin Cover and to satisfy Margin calls arise at the time the Transaction is executed irrespective of the time any later Margin call is made.
- (k) It is solely your responsibility to monitor and to satisfy all Margin Cover and Margin call obligations, whether or not a Margin call is notified to you.

- (l) A Margin payment is credited by Royal at the time cleared funds have been received into the Trust Account or such earlier time as allowed by Royal, so a Margin Cover requirement or a Margin call for a Synthetic Equity or other OTC Transaction issued by Royal is not satisfied unless and until your payment is received in cleared funds into the Trust Account.
- (m) Without limiting any other right of Royal, in respect of any Financial Product issued to you by Royal acting as principal to you, you authorise and direct, by these Terms, that all of the funds which you deposit into the Trust Account be immediately withdrawn and paid to Royal for its own account, towards satisfying your obligations to pay Transaction Fees, Finance Charges, to maintain Margin Cover, to meet Margin calls, and to pay all other amounts owing under these Terms, even if:
- (i) your payment (after deduction for Transaction Fees, Finance Charges and other amounts owing) is in an amount less than or more than the amount required to satisfy a Margin call or to maintain the total amount of required Margin Cover;
 - (ii) more than one Margin call is made after your payment to a Trust Account;
 - (iii) the required amount of Margin Cover reduces after your payment to a Trust Account;
 - (iv) there is any delay between the time you make the payment to the Trust Account and when Royal makes the withdrawal;
 - (v) you purport to withdraw your authority and direction but you still have at that time an obligation to Royal to maintain an amount of Margin Cover or to satisfy a Margin call which has not been satisfied; or
 - (vi) you do not tell us your intended use of the Margin Cover which will be directed to your Account after your payment or you change your mind after you tell us and you deal in Financial Products for a lesser value than you told us or you do not deal.
- (n) Your liability in respect of Margin requirements is not limited to the amount, if any, initially paid to Royal for your Account. You are responsible to pay in cash any deficit owing to Royal after Close Out of a Transaction and if you default in payment of such deficit, Royal may pay the deficit out of the Account or realise any Financial Products held by Royal and apply the amounts or proceeds against that deficit and you are responsible for the full and prompt discharge of the deficit (which exceeds the value of the Account) by making payment in full to Royal immediately when that deficit arises.
- (o) Where money is held in an account that is inactive for at least 6 years, you may make a claim to retrieve it.

15.2 Royal may make Margin calls more frequently than daily and you must fully and punctually comply with such calls in accordance with this clause 15.

15.3 Royal may (without notice to you) Close Out, but will not be obliged to Close Out or to attempt to Close Out, some or all Open Positions, at that time or any later time as Royal determines (whether in its discretion or by automatic trading platform management) if:

- (a) your Account Value falls below the Liquidation Level; or
- (b) you fail to make a Margin payment by the due date and time, which may be immediately the call is made; or
- (c) at any time, and from time to time, Royal determines that the value of all of your Open Positions (and not taking into account any cash balance in your Account) represents a substantial net unrealised loss to you such that, in Royal's belief, the continued trading, or failure to Close Out, one or more of your Open Positions will or is likely to materially prejudice your Account Value

16. SETTLEMENT OF OPEN POSITIONS

16.1 If you want to Close Out an Open Position earlier than by other agreement with Royal, you must instruct Royal accordingly with at least two (2) Business Days' notice prior to the intended settlement date for Close Out of any Open Position, subject to the Rules (if applicable to Royal), prevailing market conditions or as otherwise agreed with Royal.

16.2 In respect of each Open Position, subject to:

- (a) prior Close Out of that Open Position; or
- (b) the express agreement of Royal to settle that Open Position, Royal is by these Terms instructed:
- (c) to vary the Open Position (in which case it will be deemed to be a new Transaction) so that its settlement date is deferred to a Business Day to be agreed between Royal and you (and failing agreement by 5:00 p.m. on the Business Day immediately prior to the then applicable settlement date as agreed previously, it will be the following Business Day); and
- (d) to Close Out the Open Position and enter into a new Transaction for the same Underlying Security and being the same bought or sold position except that the settlement date is to be one Business Day later and adjusted for any interest differential.

17. INFORMATION AND ADVICE

17.1 Royal may provide (but is under no obligation to provide) you with information or data concerning interest rates, securities, Derivatives, foreign currency, property, other Financial Products or markets generally. If such information or data is provided, it is provided on the basis that Royal believes the sources to be reliable but has not verified that information. You acknowledge that Royal is not responsible for the accuracy, completeness or currency of any information or data provided (including the sequence of trades) and that if you rely on that information or data you do so at your own risk. You acknowledge that no information or data provided by Royal to you takes into account your objectives, your financial needs or situation or your special circumstances.

17.2 When Royal provides services to you (including agreeing to provide Financial Products or financial services, open an Account, issuing to you, or dealing with you, as principal) Royal is not by these Terms or those acts providing, required to provide, or liable for, advice or recommendations in relation to the Financial Products, financial services, Orders or Transactions, except to the extent required by Applicable Laws

17.3 You represent and warrant to Royal on a continuing basis that under these Terms, to the extent permitted by law:

- (a) you are not relying on any communication (written or oral) from Royal as financial services or other investment advice or as a recommendation to enter into, or vary or Close Out, any Transaction;
- (b) you will not consider or treat the information and explanations relating to the terms of a Transaction to be financial services or other advice on, or a recommendation to, enter into, any Transaction; and
- (c) you will not take any communication (written or oral) received from Royal as an assurance or guarantee as to the expected results of any Transaction

17.4 You acknowledge that you are responsible for all Orders you place, or choose not to place, with Royal and it is your responsibility to obtain personal Financial Product advice (including legal, tax and financial advice) before making any investment or trading decision in respect of Financial Products

17.5 To the extent that Royal would be obliged (but for this clause) to give you a statement recording any advice to you, then to the extent permitted by Applicable Laws:

- (a) you consent to receiving any such written statement of advice after having been given the advice;
- (b) you consent to receiving any such written statement of advice after making the Transaction but within the period permitted by law; and
- (c) Royal does not need to give you a statement of advice

18. PRIVACY AND INFORMATION

18.1 You authorise us to collect your personal information from you when we provide services to you under these Terms. You authorise us to use any information we collect from you or from others, or such other relevant documents

- (a) to assess your request for us to provide our services to you;
- (b) to provide our services to you in accordance with these Terms;
- (c) for the purposes of complying with its obligations
- (d) to allow Royal to communicate with third parties in connection with the matters contemplated by these Terms, such as in connection with the Account; and
- (e) to ensure that legal and regulatory requirements under Applicable Laws are met.

18.2 You must notify us in writing when any of the information provided by you changes.

18.3 You authorise us to disclose personal information to:

- (a) our related bodies corporate, whether in Saint Vincent and the Grenadines or overseas;
- (b) any clearing or settlement participant responsible for the clearing or settlement of your Transactions (if your OTC Transactions are ever cleared by a third party);
- (c) our service providers (including marketing companies, data consultants and IT contractors);
- (d) our agents, contractors, and external advisers;
- (e) payment system

(f) operators; provide services to you; joint venture partner of, or investor in, Royal or a related body corporate or all or part of the business of Royal or a related body corporate; and

(i) any other relevant person to the extent required by Applicable Laws

18.4 You authorise Royal to use and disclose the Tax conducted by you with Royal for the purposes of Transactions in accordance with any legal requirement.

18.5 You have a right to access any personal information that we hold about you. Sometimes there may be a reason why access will not be possible. If that is the case, you will be told why. To find out what kinds of personal information we may hold about you, or to request access to any personal information, please contact us.

18.6 You agree that your personal information can be used or disclosed by us as contemplated in these Terms. You agree to take all reasonable steps to deliver information or documentation to Royal, or cause information or documentation to be delivered to Royal concerning Transactions which are requested by a person having a right to request such information or documentation. You understand that if you do not provide any information requested by us or do not agree to us using your information as set out in this clause 18, we may not be able to provide our services to you.

18.7 You agree that we may make such enquiries as we a credit agency, relating to your creditworthiness and disclose the result of those enquires and as a result of your disclosures to us (including your tax file number) to any credit rating agency or to any clearing or settlement participant responsible for the clearing or settlement of your Transactions for the purposes of our or that participant's risk assessment.

18.8 Royal will comply with its obligations under the Privacy laws in force in Saint Vincent and the Grenadines as amended from time to time, to the extent that they are relevant to these Terms.

18.9 You must, upon the request of Royal, take all reasonable steps to deliver to Royal all information and documentation relevant to trading in Financial Products.

19. DISPUTE

19.1 You agree to examine the terms of each Confirmation immediately upon receipt and you agree that the contents of a Confirmation, in the absence of manifest error, will be conclusive evidence of the executed deal, unless within 48 hours of issue of a written Confirmation you notify Royal of any disputed detail in the Confirmation recived by you,

19.2 Upon receipt of written notice within the 48 hour period to a disputed detail, Royal will investigate the dispute and in cooperation with you, must endeavour to resolve the dispute in good faith. Notwithstanding any such dispute, you will continue to satisfy its obligation to pay Margin calls made by Royal in respect of the derivative position as if if the Confirmation was correct and the details contained in the Confirmation were not the subject of dispute.

19.3 Complaints (which do not include disputed details) must be referred to our customer service officer.

20. TAPE RECORDINGS

20.1 You authorise Royal to record any or all incoming and outgoing phone calls with you without making a disclosure to you of this nature each and every time you speak with a representative of Royal. These calls may be recorded with or without an audible tone. You agree that Royal may use such recordings for the purposes of monitoring and training its staff, monitoring compliance with you and Royal. If there is a dispute between Royal and you, you have the right to listen to any recording of those conversations (if still available)

20.2 Nothing in these Terms obliges Royal to make or to keep a recording or to notify you that we have eliminated a recording.

20.3 Recordings may be used to assess the performance of or to train Royal's representatives, monitoring compliance with Royal's contractual obligations and resolving disputes.

20.4 Royal is not obliged unless Applicable Laws require for it to keep any transcripts or copies of any telephone recording or conversation nor to tell you when it disposes of the record.

20.5 Royal agrees that upon request, copies of any telephone recording or transcript relating to your dealings will be provided to you if there is a dispute or anticipated dispute with respect to such dealings. You agree to pay any reasonable cost associated with providing any such transcript or copy.

21. YOUR CAPACITY, REPRESENTATIONS AND WARRANTIES

21.1 We provide services under these Terms on the basis that you undertake as primary obligor all obligations arising on the execution of Transactions which we enter into for you regardless of your legal capacity.

21.2 You represent and warrant to us that you are:

- (a) acting as principal;
- (b) acting as an intermediary on another's behalf and you are specifically authorised to enter into Transactions on behalf of the other person and (if required) currently have all appropriate Australian services license authorisations to do so; or
- (c) acting in accordance with the terms of a trust deed (if you are a trustee of a trust).

21.3 If you are constituted by more than one person (including, for example, if you are acting in a partnership or joint venture), then each person constituting you are jointly and severally liable for the obligations under these Terms, and we may act on the instructions of any one of those persons.

21.4 If you are a corporation, you represent and warrant that:

- (a) you hold a valid CR No. (as applicable) under the Companies Act;
- (b) you have full corporate power to enter into, and perform your obligations under, these Terms; and
- (c) you have taken all necessary corporate action to authorise the performance of your obligations under these Terms, and these Terms constitute the legal, valid and binding obligations, enforceable against you.

21.5 If you are acting as a trustee of a trust, a responsible manager of a managed investment scheme, a trustee of a superannuation fund or an agent under an investment management agreement, the additional representations, warranties and undertakings set out in Schedule 1 apply.

21.6 You represent and warrant that:

- (a) you have read and understood all documentation provided by Royal to you in relation to the services provided by Royal including, without limitation, any product disclosure statement;
- (b) you are a person with whom Royal is lawfully entitled to deal pursuant to any Applicable Laws and that all dealings by you with Royal or requested to be done by Royal are and will be lawful under all Applicable Laws;
- (c) all information supplied on the Application Form or otherwise to Royal is true, complete and accurate in all respects and you will notify Royal immediately of any change in any information supplied (including but not limited to any change in your name, address, telephone number, facsimile number or e-mail address);
- (d) you will rely upon your own knowledge and judgment and will seek such advice (financial or otherwise) as may be prudent before placing an Order with Royal and you assume full responsibility for any Order placed with Royal;
- (e) you fully understand the relevant provisions of:
 - (i) the prohibition of false or misleading markets and other market manipulation;
 - (ii) the prohibition of insider trading;
 - (iii) the prohibition of false trading and market rigging;
 - (iv) the prohibition of misleading and deceptive conduct described; and
 - (v) Applicable Laws and the Companies Act which s upon regulate short selling and the disclosure obligations imposed on short sellers;
- (f) at all times you will be able to make payments and fulfil all commitments on your part arising under these Terms and under the conditions applicable to dealings between yourself and Royal.

21.7 Apart from any warranties and representations which are implied by law and cannot be excluded, Royal makes no warranties in relation to any service or information provided or made available to you in connection with these Terms. To the full extent permitted by law, Royal excludes liability for all costs, expenses, damages and Losses (including consequential loss) arising in connection with such services or information, or these Terms (including, without limitation, liability for negligence).

21.8 All representations, warranties and acknowledgments given under this clause 21, Schedule 1 or elsewhere in these Terms are taken to have been made at the time you complete the Application Form and are taken to have been repeated by you:

- (a) each time you place an Order with us;
- (b) each time you enter into a Transaction with us; and
- (c) each time we do anything or refrain from doing something under these Terms or as contemplated by these Terms in connection with your Account or any Transaction.

22. ANTI-TERRORISM/MONEY LAUNDERING

22.1 You acknowledge that:

- (a) Royal is subject to various anti-money laundering and counter-terrorism financing laws (AML/CTF Laws) which may prohibit us from offering services or entering into or conducting Transactions; and
- (b) the AML/CTF Laws include prohibitions against any person dealing with the proceeds of or assets used in criminal activity (wherever committed) and from dealing with any funds or assets of, or the provision of finance to, any person or entity involved (or suspected of involvement) in terrorism or any terrorist act.

22.2 You agree that:

- (a) Royal is not required to take any action or perform any obligation under or in connection with these Terms if we are not satisfied as to your identity or if we suspect on reasonable grounds that by doing so we may breach the AML/CTF Laws;
- (b) Royal may delay, block or refuse to make any payment or to provide any service if we believe on reasonable grounds that to do so may breach any law in Saint Vincent and the Grenadines or any other country, and we will incur no liability to you if we do so; and
- (c) Royal will not incur any liability to you for any loss you suffer (including consequential loss) however caused by reason of any action taken or not taken by us as contemplated in paragraph (a) or (b) above.

22.3 You agree to provide all information and documents to Royal which we reasonably require to comply with any law in Saint Vincent and the Grenadines or any other country, including any AML/CTF Laws. You agree that Royal may disclose information which you provide to us, or about Transactions you have with us or which you seek to conduct with us, if we are required to do so by any law or Rule in Saint Vincent and the Grenadines or in any other country.

22.4 You represent and warrant to Royal that the payment of moneys by us in accordance with this document, or any instructions given by you, will not breach any law in Saint Vincent and the Grenadines or any other country.

23. LIMITATION OF LIABILITY, INDEMNITIES & PAYMENTS

23.1 Subject to those provisions of the Competition and Consumer Act, the Companies Act, any other legislation and any other rights, duties or other obligations imposed or implied by law which cannot be excluded by agreement between the parties, to the extent each of the following is not prohibited by those laws:

- (a) we make no warranties either expressly or impliedly as to merchantability, suitability for a particular purpose, or otherwise (including as to accuracy, currency, availability, completeness or quality), with respect to any services we provide under these Terms including, without limitation, the Online Service;
- (b) Royal excludes all liability in contract, tort or otherwise relating to or resulting from use of any services we provide under these Terms and for any Loss incurred by you directly or indirectly, including without limitation as a result of or arising out of:
 - (i) any inaccuracy, error or delay in or omission from any information provided to you under these Terms including the Online Service;
 - (ii) any delays or failures or inaccuracies, or loss of access to, the provision of a service to you including, without limitation, any delay, failure or inaccuracy in, or the loss of access to, the Online Service or in respect of the transmission of Orders or any other information;
 - (iii) any misinterpretation of your Orders or instructions which are unclear, ambiguous, or not specific;
 - (iv) any government restriction, Exchange or market rulings, suspension of trading, computer or telephone failure, unlawful access to our Online Service, theft, sabotage, war, earthquakes, strike, force majeure and, without limitation, any other conditions beyond our control;
- (c) Royal is not liable in contract, tort (including negligence) or otherwise for any loss of prospective profits or expenses or special, indirect or consequential damages resulting from the supply of a service including, without limitation the Online Service;
- (d) Royal makes no representations or warranties either express or implied that:
 - (i) any Exchange System (or any part of it) or any service or any services performed in respect of it will meet your requirements or the requirements of any user; or
 - (ii) the operation of, or services performed in respect of, any Exchange System will be uninterrupted or error-free;
- (e) Royal is not liable for any breach of a provision of any relevant legislation, negligence, injury, death, lost profits, loss of files data or use, economic loss, loss or reputation or losses or damages incidental or consequential to the operation of any Exchange System, except to the extent that it is caused by the negligence or dishonesty of Royal or their employees, agents or representatives; and
- (f) Royal's liability to you is in any event limited to the supply of services.

23.2 To the fullest extent permitted by law, you release, discharge and indemnify and agree to keep Royal and its respective officers, employees, agents and representatives indemnified from and against all Claims arising out of:

- (a) any default, whether by your act or omission under these Terms or any Order or Transaction;
- (b) any breach by you of any Applicable Laws;

- (c) any representation or warranty made or given by you under these Terms proving to be untrue or incorrect;
- (d) any error, omission, fraud, malfeasance, negligence, misappropriation or criminal act or omission by you or by any of your clients, employees, agents or Authorised Persons, consultants or servants;
- (e) any failure of any of your computer or electronic systems or networks to perform, be available or successfully transmit data to Royal, or any error or inadequacy in the data or information input into such systems or networks by you;
- (f) any delays in processing any Order including, for example (but not limited to), as a result of systems or market delays, or due to verification or faltering procedures or unauthorised processes, email delays or due to telephone call waiting time or adherence to internal policies and procedures;
- (g) anything lawfully done by Royal in accordance with, pursuant or incidental to these Terms;
- (h) any instruction, request or direction given by you;
- (i) by reason of Royal complying with any direction, request or requirement of Applicable Laws, any Financial Market or CS Facility, any government body or any regulatory body having jurisdiction over Royal or any Hedge Counterparty;
- (j) arising from and in connection with or in any way related to Royal in good faith accepting and acting on instructions received by facsimile transmission, email or by other means of any kind which are signed by or purported to be signed by you or any Authorised Person; or
- (k) any failure or delay by a Hedge Counterparty to meet its obligations to Royal in respect of or in relation to (including by corresponding with) your Transactions and any payments made in respect of them, except only to the extent attributable to the breach of these Terms by Royal or the gross negligence or fraud by Royal.

23.3 You acknowledge that you are responsible for your own legal costs associated with entering into these Terms and for all Taxes and expenses incurred by you in connection with these Terms, including any Transaction made under it.

23.4 All payments by you under these Terms are:

- (a) to be made without any set-off by you, counter claim or condition made by you and without you making any deduction or withholding for any Tax or any other reason unless the deduction or withholding is required by applicable law or the set-off arises by express application of the Terms; and
- (b) payable in any currency that Royal may require or determine.

23.5 If:

- (a) you are required to make a deduction or withholding in respect of Tax from any payment to be made; or
- (b) Royal is required to pay any Tax (other than income tax) in respect of any payment made in relation to these Terms at your request,

then you:

- (c) indemnify Royal against the Tax; and
- (d) agree to pay to Royal an additional amount to ensure Royal receives a net amount (after payment of any Tax in respect of each additional amount) that is equal to the full amount Royal would have received had a deduction or withholding or payment of Tax not been made.

24. DEFAULT

24.1 Each of the following constitutes a Default:

- (a) you breach these Terms, whether by act or omission;
- (b) you fail to pay, or provide security for, amounts payable by you to Royal;
- (c) you fail to pay the amounts due in respect of any Transaction entered into pursuant to these Terms;
- (d) you fail to perform any obligation arising pursuant to the exercise of an option contract or the settlement of a contract which arises pursuant to a Transaction;
- (e) you fail to fulfil any settlement obligations in respect of a Transaction entered into pursuant to these Terms;
- (f) you fail to comply with any limit or restriction imposed on you by Royal in connection with your Account (for example, a restriction on the kind, volume or value of Transactions or outstanding liabilities);
- (g) a guarantee lodged or provided by you, or lodged or provided by a third party such as a direction, in favour of Royal, is alleged to be invalid or unenforceable or withdrawn without Royal's consent or becomes ineffective and other replacement security acceptable to Royal is not provided;
- (h) any security provided by you (to anyone) which is binding on your assets becomes enforceable and the holder of that security takes any step to enforce the security;
- (i) any representation or warranty which you give under or pursuant to these Terms is or becomes incorrect or misleading in any material way;
- (j) Royal determines that you may not be able to meet your obligations to Royal in respect of one or more Transactions including, without limitation, strict compliance with any time limits for performance by you;
- (k) you become insolvent or bankrupt;

- (l) you enter into a composition or scheme of arrangement for the benefit of creditors; if you are a body corporate:
- (i) you go into liquidation, voluntarily or otherwise (except for the purpose of reconstruction), or you or another person appoint a liquidator, receiver, administrator or official manager in respect of your assets;
 - (ii) a director has not given (a reasonable time after request by Royal) a valid deed of guarantee and indemnity in respect Terms in favour of Royal and in a form acceptable to Royal; or
 - (iii) you have not notified Royal of a change of any director within seven (7) days of the change taking effect;
- (n) if you are acting on behalf of another person pursuant to authority provided by another person, the authority is varied in a way which (in Royal's opinion) negatively impacts on your authority or legal or financial capacity to perform your obligations under these Terms;
- (o) if you are a trustee, the relevant fund or trust of which you are trustee is terminated, vests or a distribution of capital of the trust or fund is made which would result in there being, in Royal's opinion, insufficient assets of the trust or fund to meet your liabilities under these Terms or any Transaction;
- (p) if you are a natural person, you die or become of unsound mind or if you or your estate is liable to be dealt with in any way under any law relating to mental health;
- (q) you impose a moratorium on payments to creditors or cease, or threaten to cease, carrying on business;
- (r) In respect of any action which Royal takes, or refrains from taking under this clause 24.2, you must account to Royal as if Royal took, or refrained from taking, the action on your instructions and, without limitation, you are liable for any deficiency and are entitled to any surplus which may result.
- (s) in the absence of making alternative arrangements, you are not immediately contactable by Royal in order for Royal to obtain instructions in relation to any of your Transactions; and
- (t) the occurrence of any other event referred to in a Schedule applicable to your Account as constituting a Default or which Royal and you have agreed constitutes a Default.

24.2 If a Default occurs, Royal may, in addition to any other rights which Royal has or may have against you (including rights arising in other parts of the Terms), without giving prior notice to you, take any action, or refrain from taking action, which it considers reasonable in the circumstances in connection with Transactions entered into pursuant to these Terms and, without limitation, Royal may:

- (a) cancel any outstanding Orders;
- (b) enter into one or more Transactions to effect the Close Out of one or more unsettled Transactions or any Open Positions;
- (c) settle any Transaction which has not at the time of Default settled;
- (d) in the case of Open Positions which involve Underlying Securities which are option contracts or an equivalent, deal with the Transaction by exercising one or more of those option contracts or abandon any one or more option contracts not yet exercised;
- (e) cover in whole or in part Open Positions by entering into further Transactions;

- (f) apply any money that you have deposited into a Trust Account and to which you are entitled, by way of set-off or withdrawal and payment to us any amount you owe us;
- (g) immediately, or at a later time, terminate these Terms, one or more Schedules, one or more Accounts, one or more Transactions or any combination of these;
- (h) realise or enforce any security or guarantee provided in respect of your obligations to Royal;
- (i) convert any or all amounts owing by you to Royal or by Royal to you in a foreign currency into United States American Dollars currency;
- (j) calculate any or all amounts owing by you to Royal and declare such amount immediately due and payable; or
- (k) exercise any other rights conferred by Applicable Laws or these Terms or perform any other obligations arising under Applicable Laws or these Terms in respect of your Transactions.

24.3 Nothing in these Terms limits your rights to claim a default by Royal or for you to take any proper action you determine is appropriate to claim or to recover for any Loss arising from your claim. You agree that it is reasonable for you not have specific rights following default and specific events of default by Royal in order to avoid all Transactions of all of Royal's clients prematurely terminating, which could cause irrevocable loss to some or all clients and those losses could be irrevocably increased by such an automatic termination.

25. NOTICES

25.1 Notices given by us may be sent to the address, fax number or email address specified in your application for an Account or later notified by you, or by posting the notice on our website or through any Online Service we provide to you. Unless otherwise specified in these Terms any notice given by us is taken to have been received by you when actually delivered to your address or, if that cannot be reasonably established, on the Business Day following the transmission or posting of the notice, demand or Confirmation

25.2 Notices given by you must be in writing and sent by post or email to our address or email number specified by us in the FSG or on our website or as otherwise notified by us. A notice given by you is taken to have been given at the time it is actually received by us.

25.3 If an Account is opened in the joint names of more than one person, each person agrees that we may discharge any obligation we have to give a notice or a document to those persons under these Terms or Applicable Laws by giving notice to any one of those persons.

25.4 Royal may give notice to you of any change in its Transaction Fees or any rates, fees charges or other amounts payable by these Terms in any manner permitted by these Terms, including by posting to Royal's website or to Online Services or platform administration service, or as required by the Rules. Royal must give the minimum period of notice required by the Rules (if any).

25.5 If no minimum period is required or is not stated elsewhere in these Terms, notice of a change in Transaction Fees, charges or roles may be effective immediately Royal first generally publishes the information of any variation on its website or through Online Service or platform administration service.

26. APPOINTMENT OF ROYAL AS ATTORNEY

In consideration of Royal entering into the agreement on these Terms, you irrevocably appoint Royal and each director, secretary and principal executive officer and each employee (which employee's title of office includes the word "Manager" or "Head") of Royal severally as your attorney at any time and from time to time following a Default, to execute and deliver all documents and to do all things which your attorney may consider necessary or desirable to give effect to the provisions of these Terms, and in particular, without limitation, in connection with, or incidental to, the exercise of any of the rights and powers of Royal under these Terms. Those powers may be exercised in the interests of Royal notwithstanding any conflict with the interests of Royal. This appointment survives termination of these Terms.

27. TERMINATION

27.1 Without limiting clause 24.2, you and Royal may each terminate these Terms at any time by giving the other notice.

27.2 The termination of these Terms does not affect outstanding obligations under these Terms which remain undischarged at the time of termination, limitations of liability or recourse, indemnities provided for in these Terms or any other clause of these Terms which states or implies that they survive termination.

27.3 Each indemnity provided within these Terms survives the termination of these Terms.

27.4 You or Royal may terminate a Schedule within these Terms at any time and for any reason by giving notice to the other, without terminating another Schedule of these Terms. Termination of a Schedule under this clause 27 does not affect outstanding obligations under these Terms which are undischarged at the time of termination, either under the terminated Schedule or otherwise. Each indemnity in these Terms survives the termination of any Schedule.

27.5 Upon termination of these Terms (or a relevant Schedule under clause 27.4), and without limiting clause 24.2, this Clause survives and Royal may do one or more of the following:

- (a) cancel any outstanding Orders;
- (b) enter into one or more Transactions to effect the Close Out of one or more unsettled Transactions or Open Positions (and determine the value at which the Transaction or Transactions will be Closed Out);
- (c) settle any Transaction which has not at the time of termination settled;
- (d) exercise any other rights Royal has under these Terms; or
- (e) do, or refrain from doing, anything else which Royal considers reasonable in the context of these Terms (or any part of them) having been terminated.

28. GENERAL

28.1 Royal may from time to time delegate any or all of its obligations, powers and discretions to anyone or more or all of its employees. Royal remains responsible for the acts or omissions of its employees. A delegation by Royal under this clause need not be in writing.

28.2 Complaints or disputes must be referred to us in accordance with our procedures from time to time for handling disputes...

28.3 These Terms and any relevant Application Form completed by you contain the entire understanding between you and Royal concerning the provision of the Financial Products or financial services and any other services referred to in or provided under these Terms, as later amended only in accordance with these Terms.

28.4 These Terms are governed by and construed in accordance with the laws in force in Saint Vincent and the Grenadines and the parties submit to the non-exclusive jurisdiction of the courts of Saint Vincent and the Grenadines.

28.5 We may vary these Terms by giving you notice of any variation by any combination of: document in writing, by updating our website to show the revised version of these Terms, by posting a message in the Online Service or by electronic mail. The notice of variation is effective even if you are unaware of the notice. The minimum period of notice will be the lesser of:

- (a) any minimum period of notice required by the Rules;
- (b) if no such minimum period is required by the Rules, then not less than two (2) Business Days' notice (unless paragraph (c) applies); and
- (c) subject to paragraph (a), if we believe a variation is necessary to maintain or restore the security of any Accounts or of our systems or to comply with any legal or regulatory requirement, we may make the variation without prior notice and will notify you of the change as soon as practicable after the change.

28.6 Each part of these Terms is severable from the balance of these Terms and if any part of these Terms is illegal, void, invalid or unenforceable, then that will not affect the legality, effectiveness, validity or enforceability of the balance of these Terms.

28.7 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.

28.8 These Terms are not to be interpreted against our interests merely because we proposed these Terms or some provision in it or because we rely on a provision of these Terms to protect our interests.

28.9 You may not assign or otherwise transfer any of your rights under these Terms to another person without our prior written consent. Royal may assign, novate or otherwise transfer any of its rights under these Terms to another person without your prior written consent including, without limitation, in connection with a sale or transfer of all or part of our business to another person.

SCHEDULE 1**ADDITIONAL REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS****1. TRUSTEE OF A TRUST**

If you are the trustee of a trust (Trust), you represent and warrant to Royal that:

- (a) the Trust has been duly constituted and is validly existing in compliance with all applicable laws and the trust deed constituting the trust (Trust Deed) has been duly executed and duly stamped, in each case in accordance with the laws of Saint Vincent and the Grenadines;
- (b) the Trust Deed and its constituent documents enable you to enter into these Terms and any other of your agreements with Royal despite any conflict of interest and duty which may arise on your part; and, if you are a company, any of your directors, when entering into the Transactions contemplated with Royal;
- (c) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the Trust Deed, any other document or any law for the entry into, observance and performance by it of its obligations under these Terms;
- (d) each of your obligations under, and the Transactions contemplated by, these Terms constitute binding obligations and are completely and lawfully enforceable against you and the Trust's property in accordance with their terms;
- (e) Royal's rights under these Terms and any other of your agreements with Royal have priority over the interests of the beneficiaries of the Trust;
- (f) you are the only trustee of the Trust;
- (g) no property of the Trust has been re-settled, set aside or transferred to any other trust or settlement;
- (h) the Trust has not been terminated, nor has the date or any event for the vesting of the Trust's property occurred;
- (i) no determination has been made to distribute the Trust's property on a date which is earlier than the latest date under the Trust Deed by which the Trust's property must be distributed;
- (j) no action has been taken, or has been proposed, to remove you as trustee of the Trust, or to appoint additional or alternate trustees;
- (k) there is no conflict of interest on your part in entering into these Terms and performing your obligations under them or the Transactions contemplated by them;
- (l) (as appropriate) each of the manager and the investment manager of the Trust is authorised to act on your behalf and to instruct Royal in relation to any dealing and in relation to all other matters arising under these Terms;
- (m) you will be bound by any instructions given to Royal by or any actions of the manager or the investment manager (as the case may be) as if the actions of the investment manager were your actions for the purpose of these Terms;

- (n) you authorise each of the manager and the investment manager to accept any notices or documents on its behalf and if Royal has an obligation to serve any document or notice on you pursuant to these Terms, or any law, service upon either the manager or the investment manager (as the case may be) will be effective service on you;
- (o) you have an unrestricted right to be fully indemnified or exonerated out of the Trust's property in respect of any losses or liabilities incurred by you (except only in respect fraud or breach of the Trust Deed of or your trustee duties) and the Trust documents do not restrict the right of Royal to have recourse to the assets of the Trust to satisfy and liability to Royal properly incurred by you arising out of the Transactions contemplated with Royal and the Trust's property is sufficient to satisfy that right of indemnity or exoneration;
- (p) you have complied with your obligations in connection with the Trust;
- (q) you are authorised to open bank accounts; and
- (r) you are authorised to enter into contracts in relation to trust property, in your personal capacity.

2. RESPONSIBLE ENTITY OF A FUND

If you are the responsible entity of a fund (Fund):

- (a) You undertake that you must not retire as responsible entity of the Fund unless you give notice to Royal of your intention to retire and upon satisfaction of the following conditions:
 - (i) the successor responsible entity must be acceptable to Royal; and
 - (ii) the successor responsible entity must execute whatever documents Royal reasonably requires to ensure that these Terms are binding on it.
- (b) You will (or will procure that the following will be done) in relation to the Fund, ensure that other than with Royal's prior consent:
 - (i) the constitution of the fund (Fund Constitution) is not amended in any way which could have a material adverse effect on your ability to comply with your obligations under these Terms or could otherwise be prejudicial to Royal;
 - (ii) the Fund Constitution is not revoked;
 - (iii) if you determine that the Fund Constitution, the compliance plan for the Fund, or any custodian or other agency agreement entered into by you in connection with the Fund is required by law to be changed or replaced, you promptly give to Royal full details of the requirement and copies of the documentation you propose to enter into to comply with that requirement;
 - (iv) there is no re-settlement, setting aside or transfer of any asset of the Fund other than a transfer which complies with the Fund Constitution and these Terms;
 - (v) your obligations under the Fund Constitution and at law are fully complied with;
 - (vi) except in accordance with this clause 2 no other person is appointed responsible entity of the Fund;
 - (viii) appoint a custodian or other agent to carry out any of your functions as responsible entity of the Fund;
 - (ix) terminate the appointment of any custodian or other agent appointed in accordance with paragraph 2(b)(viii) of this clause 2;

- (x) the vesting date under the Fund Constitution is not changed or fixed;
- (xi) subject to the Companies Act nothing occurs which could limit, exclude or otherwise derogate from in any material way your right under the Fund Constitution and the general law to be indemnified out of the assets of the Fund; and
- (xii) subject to the terms of the Fund Constitution and the general law, your lien over the property of the Fund will have priority over the rights of the members of the Fund.

(c) You represent and warrant in relation to the Fund as follows:

- (i) the Fund has been duly constituted and is validly existing in compliance with all applicable laws and the Fund Constitution has been duly executed and duly stamped, in each case in accordance with the laws of Saint Vincent and the Grenadines;
- (ii) the Fund Constitution and its constituent documents give you power:
 - (1) to carry on all of the business activities now conducted by you in any capacity;
 - (2) to enter into and comply with your obligations under, and to carry on the Transactions contemplated by, these Terms;
- (iii) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the Fund Constitution, any other document or any law for the entry into, observance and performance by you of your obligations under these Terms;
- (iv) each of your obligations under, and the Transactions contemplated by, these Terms constitute binding obligations and are completely and lawfully enforceable against you and the Fund's property in accordance with their terms;
- (v) you are the only responsible entity of the Fund;
- (vi) no property of the Fund has been re-settled, set aside or transferred to any other trust or settlement;
- (vii) the Fund has not been terminated, nor has the date or any event for the vesting of the Fund's property occurred;
- (viii) no determination has been made to distribute the Fund's property on a date which is earlier than the latest date under the Fund Constitution by which the Fund's property must be distributed;
- (ix) there is no conflict of interest on your part in entering into these Terms and performing your obligations under them or the Transactions contemplated by them;
- (x) except as required by the Companies Act and except to the extent expressly stated in the Fund Constitution, your rights under the Fund Constitution and the general law to be indemnified out of, and have a lien over, the assets of the Fund have not been limited in any way; and without limitation you have no liability which may be set-off against that right of indemnity; and
- (xi) you have complied with your obligations in connection with the Fund.

3. TRUSTEE OF A SUPERANNUATION FUND

You must notify us if you are using superannuation to fund your account, as this may impact your classification as a retail client or a wholesale client.

If you are a trustee of the superannuation fund (Fund), you represent and warrant to Royal that:

- (a) the Transactions contemplated by these Terms insofar as they concern the Fund:
 - (i) comply with all requirements of the Superannuation Industry;
 - (ii) have been or are to be implemented in accordance with an investment strategy undertaken in accordance with Saint Vincent and the Grenadines Laws;
 - (iii) comply with all the requirements of the constitution of the Fund (Fund Constitution) and rules applicable to the Fund, in force at the date of these Terms; and
 - (iv) have been or are undertaken on an arm's length basis, for value and on commercial terms.
- (b) the Fund has been duly constituted and is validly existing and the Fund Constitution has been duly executed and duly stamped, in each case in accordance with the laws of Saint Vincent and the Grenadines;
- (c) the Fund Constitution and its constituent documents give you power:
 - (i) by you in any capacity;
 - (ii) to enter into and comply with your obligations under, and to carry on the Transactions contemplated by, these Terms;
- (d) all necessary resolutions have been duly passed and all consents have been obtained and all other procedural matters have been attended to as required by the Fund Constitution, any other document or any law for the entry into, observance and performance by you of your obligations under these Terms;
- (e) each of your obligations under, and the Transactions contemplated by, these Terms constitute the Fund's binding obligations and are completely and lawfully enforceable against you and the property in accordance with their terms;
- (f) you are the only trustee of the Fund;
- (g) no property of the Fund has been re-settled, set aside or transferred to any other trust or settlement;
- (h) the Fund has not been terminated, nor has the date or any event for the vesting of the property occurred;
- (i) no determination has been made to distribute the Fund's property on a date which is earlier than the latest date under the Fund Constitution by which the Fund's property must be distributed;
- (j) there is no conflict of interest on your part in entering into these Terms and performing your obligations under it or the Transactions contemplated by it;
- (k) you have an unrestricted right to be fully indemnified or exonerated out of the Fund's property in respect of any losses or liabilities incurred by you and the Fund's property is sufficient to satisfy that right of indemnity or exoneration; and

(l) you have complied with your obligations in connection with the Fund.

4. AGENT UNDER INVESTMENT MANAGEMENT AGREEMENT

If you are an agent of a client (Investor) who has entered into an agreement relating to the holding and investment of assets (Investment Management Agreement):

(a) you will ensure that, without Royal's prior consent:

- (i) the Investment Management Agreement is not determined or amended in any way which could have a material adverse affect on your ability to comply with your obligations under these Terms or could otherwise be prejudicial to Royal; and
- (ii) your obligations under the Investment Management Agreement and at law are fully complied with;

(b) you represent and warrant to Royal that:

- (i) you have received written acknowledgment from each Investor to the effect set out in the remainder of this paragraph 2(a) and paragraph 2(b) of this Schedule and you are not aware of anything that causes you to suspect that anything in those paragraphs is incorrect;
- (ii) the Investment Management Agreement is valid and binding on you and the Investor, respectively;
- (iii) you have the power, as agent for the Investor under the Investment Management Agreement, to enter into and observe all the provisions and to carry on the Transactions contemplated by, these Terms as agent for the Investor;
- (iv) the Investor will be bound by instructions provided by you to Royal as if the Investor were named in these Terms as you and will be bound by any Transaction entered into by Royal on your instructions;

(c) if an Investor is a trustee, the Investor has warranted to you and you reasonably believe that the Investor is empowered by the relevant trust deed and law:

- (i) to enter into and comply with its obligations under, and to carry on the Transactions contemplated by, the Investment Management Agreement and each Transaction entered into by you on its behalf in connection with these Terms; and each of its obligations under, and the Transactions contemplated by, the Investment Management Agreement constitute binding obligations and are completely and lawfully enforceable against it and the relevant trust's property in accordance with their terms;
- (ii) to enter into and perform the Investment Management Agreement and each Transaction entered into by you on its behalf in connection with these Terms and to carry on the Transactions contemplated by these Terms;
- (iii) to carry on the trust's business as now conducted or contemplated and to own the trust's assets, in its capacity as trustee of the relevant trust; and there are no restrictions or conditions on this; and
- (iv) all other procedures have been completed as required by the relevant trust deed for it to enter into and perform the Investment Management Agreement and Transactions entered into by you on its behalf in connection with these Terms (this includes all necessary resolutions and all consents and approvals); and

(d) you enter into these Terms as agent of each of the Investors and in your personal capacity.

SCHEDULE 2

GUARANTEE AND INDEMNITY

1. INCORPORATION OF TERMS INTO THE DEED OF GUARANTEE AND INDEMNITY

1.1 The terms of this Guarantee and Indemnity are terms which are incorporated into the Deed of Guarantee and Indemnity made by the person who executes it as "guarantor" in the Application Form which expressly refers to and incorporates by reference these terms.

1.2 The Guarantor guarantees to Royal the performance by the Client named in the Application Form of the Client's obligations under the Terms and agrees to indemnify and to keep indemnified Royal and its employees, agents and representatives against any and all liability or Loss (including any consequential loss or damage suffered by Royal) arising from, and any reasonable costs (including any reasonable legal costs and expenses on a solicitor and own client basis), damages, charges and expenses incurred by Royal arising out of any default, whether by act or omission, of the Client:

- (a) to pay Royal any moneys which are due and payable by the Client pursuant to the Terms; or
- (b) to fulfill the Client's obligations to Royal under the Terms.

1.3 This guarantee and indemnity are continuing several obligations of each person who signs or adopts these terms as Guarantor notwithstanding termination of all or any part of the Terms of dealing and will not be affected in any way by:

- (a) any indulgence, delay or period of grace allowed by Royal to the Client or a Guarantor;
- (b) any modification or variation of the Terms of dealing between the Client and Royal, including any addition to Financial Products or financial services or change to the Terms applying to Financial Products or financial services or generally;
- (c) any modification or variation of the fees and charges, however described, payable by the Client under the Terms;
- (d) whether any other person has signed or adopted these terms as a "Guarantor" or given any other credit support to Royal regarding the Client's obligations to Royal;
- (e) any other thing that would otherwise affect the obligations of a Guarantor; or
- (f) any change in the constitution of Royal, the Client or the Guarantor.

1.4 To the extent permitted by law, this guarantee and indemnity are in addition to and will not merge with, or be affected by, any other security held by Royal in respect of the obligations of the Client or the Guarantor, now or in the future, notwithstanding any rule of law or equity, or any statutory provision to the contrary.

1.5 The Guarantor acknowledges and agrees in favour of Royal that:

- (a) Royal may in its sole discretion choose to enforce this document against any one or more persons who have signed this document or adopted its terms as "Guarantor" or other provider of credit support to Royal regarding the Client's obligations to Royal;
- (b) this guarantee and indemnity applies to the Terms from the time of commencement of the Terms even if before the date of this document;
- (c) it will do everything to discharge its obligations under this guarantee and indemnity;
- (d) whoever executes this document or adopts its terms on behalf of the Guarantor has the power and authority to do so;
- (e) it has read the Terms; and
- (f) it will pay on demand of Royal a sum equal to all moneys due and payable by the Client to Royal under the Terms and the amount of Royal's loss suffered or liability incurred in relation to that without set-off or counter claim, whether or not the Guarantor is aware of the amount owed, the Transactions or the Financial Products or financial services used by the Client.

SCHEDULE 3

FOREIGN EXCHANGE TRANSACTIONS

1. INTRODUCTION

1.1 The following terms will apply to you, and you agree to be bound by them, each time you place an Order with Royal to deal in a Foreign Exchange Transaction (as defined in clause 2).

1.2 Any term not defined in this Schedule has the same meaning given to it in the Terms.

2. INTERPRETATION

In this Schedule, the following terms have the following meanings:

Authorised Person means a person authorised pursuant to clause 5 to bind you under these Terms.

Bought Currency means the currency to be received by you in exchange for the currency to be provided by you under a Position and in the case of an Option the currency to be received by you if it is exercised (and the amount of that currency may be nil).

Bought Option means an Option purchased by you pursuant to these Terms.

Call Option means an option which gives its buyer the right, exercisable at any time until Expiry Date, but not the obligation, to require the seller of the option to enter into with the buyer, a Position whereby the seller agrees to exchange a given amount of the Bought Currency for an amount of the Sold Currency, at the Strike Price of that option, for delivery on the Value Date of that Position. Deal has the meaning given in the Companies Act. Expiry Date means, in relation to each Option, is the last day upon which the Option may be exercised.

Bought Option means an Option purchased by you pursuant to these Terms.

Call Option means an option which gives its buyer the right, exercisable at any time until Expiry Date, but not the obligation, to require the seller of the option to enter into with the buyer, a Position whereby the seller agrees to exchange a given amount of the Bought Currency for an amount of the Sold Currency, at the Strike Price of that option, for delivery on the Value Date of that Position. Deal has the meaning given in the Corporations Act. Expiry Date means, in relation to each Option, is the last day upon which the Option may be exercised.

Foreign Exchange Transaction means a Transaction in respect of Foreign Exchange.

Market Rate means the rate of exchange which Royal determines in its discretion is its prevailing rate of exchange. Royal is not obliged to obtain quotes or to derive it directly or indirectly from quoted prices by a bank dealing in the interbank Foreign Exchange market nor is Royal obliged to substantiate its determination.

Option means a Call Option or Put Option bought or sold pursuant to these Terms.

Position means a Foreign Exchange Transaction entered into by you pursuant to these Terms under which the parties agree to exchange an agreed amount of one currency for an agreed amount of another currency for cash settlement (not physical delivery) on the Value Date (and, for the avoidance of doubt, either agreed amount may be nil). Premium is the price of an Option as notified by Royal. Put Option means an option which gives its buyer the right exercisable at any time until Expiry Date, but not the obligation, to require the seller of the Option to enter into with the buyer, a Position whereby the seller agrees to exchange a given amount of the Sold Currency for an amount of the Bought Currency at the Strike Price of that option, for delivery on the Value Date of that Position. Sold Currency means in the case of a Position, the currency to be provided by you in exchange for the currency to be received by you, and in the case of an Option, the currency to be provided by you if it is exercised (the amount of that currency may be nil).

Sold Option means an Option sold by you pursuant to these Terms.

Spot Date means the date on which a Position entered into for spot delivery falls due for settlement in accordance with prevailing conventions in the interbank market.

Strike Price means the rate of exchange at which an Option may be exercised.

Unusual Volatility means, in respect of a Position or Option, such fluctuation in inter-day rates and intra-day rates as Royal determines from time to time in its absolute discretion is unusual for the purposes of these Terms. Value Date means the date agreed at the time the relevant deal is entered in to, to be the date of settlement of that deal (specified in the Confirmation) and in the case of a Position created on exercise of an Option, two Business Days after the Option is exercised or such other date agreed at that time.

Variation Margin means an amount deposited by you with Royal including any increase or reduction on settlement of a Closed Out Position or Option.

3. ACKNOWLEDGEMENTS

In these Terms you acknowledge the following in favour of Royal:

- (a) A Foreign Exchange Transaction is cash settled with no physical exchange of the Underlying Security.
- (b) There is no definitive term attached to a Foreign Exchange Transaction, such a contract will continue until the Closing Date.
- (c) Anything Royal is permitted to do in accordance with this Schedule may be done in its absolute discretion, and any opinion or view required to be formed by Royal may be formed in its absolute discretion.
- (d) A Position or Option may be Closed Out without a physical exchange of the Bought Currency for the Sold Currency and references in the definition of Position to an exchange of currency and settlement and in the definitions of Bought Currency and Sold Currency to amounts to be received by you or provided by you under a Position will be construed as if that Position were to be unwound by delivery.
- (e) Notwithstanding it has an agreed Value Date, each Position continues indefinitely until it is unwound by delivery or by being Closed Out and references in the definition of Position and Value Date to settlement will be construed as if that Position were to be unwound by delivery.

4. ENTERING INTO POSITIONS AND OPTIONS

- (a) On any Business Day you may request Royal by telephone or otherwise to quote:
 - (i) the rate at which you may enter a Position and the Initial Margin required by nominating the amount; or
 - (ii) the Premium at which you may sell or buy an Option and (if applicable) the Initial Margin then required by nominating whether you wish to buy or sell, whether a Put Option or a Call Option is required, the amount and currency of either the Bought or the Sold Currency, the currency against which it is to be exchanged, the Strike Price and the Expiry Date.
- (b) Immediately upon receiving the quote, you may by telephone or otherwise instruct Royal to arrange the entry into by you of a Position or Option equivalent to that for which the quote was sought. Receipt by Royal of your instruction will constitute an offer by you to Royal to enter into such a Position or Option.
- (c) Royal is under no obligation to accept your offer to enter into a Position or Option, and without limitation, is not obliged to accept your offer to enter into a Position or Option:
 - (i) if you have exceeded or would exceed a limit applying to you as notified by Royal; or
 - (ii) until Royal has received the Initial Margin and the Premium required in respect of that Position or Option into the Trust Account, in cleared funds.
- (d) The Initial Margin required in respect of a Position or Sold Option or the Premium required in respect of a Bought Option (if not already received from you by Royal) will be payable prior to Royal accepting your offer to enter into

- a Position or buy or sell an Option.
- (e) If Royal accepts your offer to enter into a Position or Option, Royal will issue to you a written confirmation (or publish a written Confirmation available to you in your Online Service) of that Position or Option promptly after it has been entered into, in the form of a deal confirmation, but failure by Royal to issue or to publish a confirmation will not prejudice or affect that Position or Option. Royal will not have any liability as a result of a failure to issue or to publish a deal confirmation. If Royal decides not to accept your offer to enter into a Position or Option, Royal will advise you of that decision as soon as is practicable, subject to Trading Conditions.
- (f) You undertake to examine the terms of each Confirmation immediately upon receipt (or publication) and unless within 48 hours of issue of a confirmation you notify Royal of any disputed detail in the confirmation, you agree that the contents of the confirmation, in the absence of manifest error, will be conclusive evidence of the executed deal. Upon receipt within that 48 hours of written notice as to a disputed detail, Royal will investigate the matters disputed and you must cooperate with Royal in good faith to resolve the dispute. You must, notwithstanding any such dispute, continue to satisfy your obligation to pay Margin calls made by Royal in respect of that Position or Option as if the details contained in the confirmation were correct and not the subject of dispute.
- (g) Royal may, in its absolute discretion, limit the value of Positions or Options you may have outstanding under these Terms:
- (i) beyond which if you decide to enter into any further Positions or Options, you must seek and obtain credit approval from Royal; and
 - (ii) beyond which you may not enter into any further Positions or Options.
- (h) Royal may vary this limit at any time by notice to you.
- (i) You may exercise an Option by notice to Royal during working hours on any Business Day until the Expiry Date for the Option. The exercise of an Option, subject to these Terms, creates the rights and obligations that constitute a Position.
- (j) Royal is under no obligation to accept the exercise of a Bought Option until Royal has received the Margin required in respect of the Option in cleared funds into the Trust Account. If Royal exercises a Sold Option, it will credit the Margin to your Account.
- (k) You undertake to advise Royal of your intention to take delivery of the Bought Currency at the time you offer to enter into a Position or exercises an Option and you agree that if you fail to advise of such intention, Royal may, in its absolute discretion, allow you to unwind that Position or Option on terms acceptable to Royal. Any notice to take delivery is irrevocable.

5. INTEREST CHARGES ON POSITIONS REMAINING OPEN AFTER VALUE DATE

- (a) Royal is entitled to interest which will accrue on a daily basis and be payable daily by you in respect of a borrowing by you of the Sold Currency under a Position.
- (b) You are entitled to interest which will accrue on a daily basis and be payable daily by Royal in respect of a borrowing by Royal from you of the Bought Currency under a Position, from the Value Date of the Position until the date that the Position is unwound by delivery or by being Closed Out at Royal's prevailing rates of interest.

- (c) Interest payments will be settled by Royal on each day by debiting or crediting your Account with the daily interest rate differential between the amount of interest payable by you under the Position and the amount of interest payable by Royal to you under the Position. In the event that there is no Free Margin in your Account, you acknowledge that any amount due under this Schedule is a debt due and owing by you to Royal.
- (d) In debiting or crediting interest to your Account, Royal may charge or pay you interest at a rate different to the interest rate which Royal is charged or paid on equivalent borrowings of foreign currency by a bank and may retain the difference.
- (e) The rates of interest applicable under this Schedule may be as agreed between you and Royal from time to time and, in the absence of such agreement, will be a rate determined by Royal in its absolute discretion.

6. CLOSE OUT OF POSITIONS AND OPTIONS

- (a) You may at any time give Royal notice of your request to have all or any of your Positions or Options Closed Out. Following receipt of such a notice Royal may at a time it chooses in its absolute discretion, enter into a matching an opposite Position or Option to Close Out those Transactions. Without limiting Royal's discretion you acknowledge that this may occur as soon as practicable after the later of:
 - (i) receipt from you of such notice; and
 - (ii) any time and date specified in such notice at which you request the Close Out to occur, Royal will Close Out at the Market Rate for delivery on the later of the Value Date of the original Position and the Spot Date in respect of the matching Position.
- (b) The difference (if any) between the amount of the Bought Currency under the matching Position and the amount of the Sold Currency under the original Position or, in respect of an Option the difference between the Premium paid by you for the original or matching Option and the Premium received by you for the matching or original Option respectively, if positive, will be a "Realised Gain" and, if negative, will be a "Realised Loss".
- (c) The Closing Out of a Position or Option in accordance with this Schedule will constitute a complete discharge of all obligations of Royal and you will give or take delivery of any currency under that Position or Option and has the effect of immediately cancelling the Position or Option so that the only obligations that continue in respect of the Position or Option are those provided for under this Schedule.
- (d) You acknowledge that if you give Royal standing instructions to enter into a Position or Option when a particular price level is reached, then the price at which the Position or Option is entered into might not be that exact price.

7. SETTLEMENT OF CLOSED OUT POSITIONS AND OPTION

- (a) When a Position or Option is Closed Out in accordance with this Schedule which:
 - (i) results in a Realised Gain, Royal will credit your Account the Realised Gain; or
 - (ii) results in a Realised Loss, you must pay to Royal the Realised Loss in such currency as Royal may require in cleared funds within 24 hours of being advised of the amount so payable.

- (b) If there is then no Free Margin any amount owing by you under this Schedule may be settled in whole or in part by debiting your Account with Royal.
- (c) If you have requested payment of any money owed to you under this Schedule, Royal will (at its discretion) deduct that money from your Account and pay it to you by cheque or in such other manner as may be agreed between Royal and you.
- (d) Royal may set off any money owed to you under this Schedule against any money owed by you in respect of a Foreign Exchange Transaction. If such a set-off is made, references in this Schedule to Realised Gain and Realised Loss will be read as including the net amount of Realised Gain or Realised Loss (as the case may be) remaining after the set-off.

8. REVALUATIONS

Royal may at any time, by reference to the Market Rate, revalue all Positions and Options. Such revaluation will be effected in the following manner:

- (a) for the purpose of this Schedule:
 - (i) an Option created by the sale by you to Royal of a Call Option ("Sold Option") will be treated as a Position under which the amount and denomination of the currency specified in the Call Option will be regarded as that amount of currency sold at the Strike Price of the Call Option;
 - (ii) an Option created by the sale by you to Royal of a Put Option ("Sold Option") will be treated as a Position under which the amount and denomination of the currency specified in the Put Option will be regarded as that amount of currency bought at the Strike Price of the Put Option; and
 - (iii) any other Option will be referred to as a "Bought Option";
- (b) in order to carry out a revaluation under this Schedule, Royal will ascertain:
 - (i) in relation to each Position or Sold Option, the amount of the Sold Currency which could be purchased with the amount of the Bought Currency at the prevailing Market Rate; or
 - (ii) in relation to each Bought Option, the rate at which Royal would repurchase the Option;
- (c) if the amount calculated in accordance with sub-clause 9(b):
 - (i) is greater than the amount of the Sold Currency under the Position or Sold Option or greater than the original Premium paid for a Bought Option, then the difference will represent an Unrealised Gain; and
 - (ii) is less than the amount of the Sold Currency under the Position or Sold Option or less than the original Premium paid for a Bought Option, then the difference represents an Unrealised Loss; and
- (d) the sum of each Unrealised Gain will be the "Unrealised Gains" and the sum of each Unrealised Loss will be the "Unrealised Losses".

SCHEDULE 4

SYNTHETIC EQUITIES

1. INTRODUCTION

1.1 The following terms will apply to you, and you agree to be bound by them, each time you place an Order with Royal to deal in a Synthetic Equity (as defined in clause 2 of this Schedule).

1.2 Any term not defined in this Schedule has the same meaning given to it in the Terms.

2. INTERPRETATION

In this clause, the following terms have the following meanings: Adjustment Event means, any event in respect of which Royal considers in its absolute discretion an adjustment to the terms of a Synthetic Equity is appropriate including, for example:

- (a) if the Reference Asset is a share, debenture, unit or other security (or depositary receipt of any kind in respect of any of them) a bonus issue for combination of rights issued, rights issue, stock split, share or other capital consolidation, security reclassification or sub-division return of capital, buy back, special dividend (however legal constituted), in specie distribution, takeover, scheme of arrangement or similar event or other corporate action event in respect of the security, whether or not the event triggers an adjustment to any Exchange traded derivative of it,
- (b) a distribution to existing holders of additional shares or other securities or other Financial Products granting them the right to receive dividends or other proceeds equally and proportionately with payments made to holders of the underlying securities; or securities, rights or warrants granting the right to a distribution of shares or to purchase, subscribe, or receive shares, in any case for payment (in money cash or money's worth) at less than the prevailing market price per share as determined by Royal;
- (c) an event that has a dilutive or concentrative effect on the market value of the shares;
- (d) if the Reference Asset is an index, a substantial adjustment to the composition of the index outside its own terms allowing for adjustments or weightings; a failure to publish the index or a suspension or cancellation of the index; and
- (e) if the Reference Asset is a Derivative which is able to be traded on a Financial Market any event in respect of which the operator of the Financial Market makes an adjustment to the terms of the Derivative.

Close of Business means the normal time of close of trading of the relevant Exchange.

Close Out, in relation to a Synthetic Equity Transaction, means discharging or satisfying your obligations to Royal under the Synthetic Equity Transaction and this includes:

- (a) by delivering the amount or value of the Underlying Security (including a dollar multiple of an index) required in accordance with the terms of the Synthetic Equity Transaction; or
- (b) as a result of the matching up of the Synthetic Equity Transaction with a Synthetic Equity Transaction of the same kind under which you have assumed an offsetting opposite position;
- (c) making adjustments for fees and charges.

Closing Date means the date on which the Synthetic Equity Transaction is agreed to be Closed Out, or earlier, if actually or deemed to be Closed Out in accordance with the Terms or the Underlying Security expires according to its terms or the Rules governing its contract specifications. Closing Price means the price of the Synthetic Equity at the Closing Date.

Closing Value means the value determined by multiplying the number of Synthetic Equities by the value or level of the Synthetic Equity's Underlying Security at the Closing Date. Contract Value means the face value of the Synthetic Equity, and is calculated by Royal by multiplying the price (or, if an index, the level) of the relevant Underlying Security by the number of securities (or, if an index, multiplier) specified in the Synthetic Equity.

Hedge Contract means a contract between Royal and a Hedge Counterparty on the same, or substantially similar, terms as the Synthetic Equity (including if one or more Synthetic Equities from you and other clients which in aggregate correspond with the Hedge Contract).

Hedge Counterparty means a person with whom Royal enters into a Hedge Contract to hedge Royal's exposure to Synthetic Equities or other products.

Reference Asset means an Underlying Security, as determined by Royal and, in the case of a Synthetic Equity Transaction, the Underlying Security specified in the Confirmation. The Reference Asset can refer to an index, in which cases, references in these Terms must be applied and interpreted with such changes as necessary to reflect an index instead of a Financial Product. Synthetic Equity means a Transaction, being a Derivative, which derives its value by reference to one or more Reference Assets and is on the Terms including this Schedule. Synthetic Equity Transaction means a Transaction in respect of one or more Synthetic Equities.

3. ACKNOWLEDGEMENTS

In these Terms you acknowledge the following in favour of Royal:

- (a) Synthetic Equity Transactions are cash settled with no physical exchange of the Underlying Security;
- (b) there is no definitive time to the life of a Synthetic Equity, so such a contract will continue until the Closing Date (including when the Closing Date occurs by reason of the Underlying Security expiring).

4. OPENING AND CLOSING SYNTHETIC EQUITY TRANSACTIONS

4.1 All Synthetic Equity Transactions are entered into between you and Royal as principal. The acquisition of a Synthetic Equity involves entering into, or opening, a Synthetic Equity. The disposal of a Synthetic Equity requires Closing Out an open Synthetic Equity.

4.2 Royal will from time to time state the prices or values at which it may enter into a Synthetic Equity Transaction with you, either to open or to Close Out a Synthetic Equity. If you wish to enter into a Synthetic Equity Transaction you may submit an Order to Royal (including by Online Service). Royal is not bound to enter into any Synthetic Equity Transaction with you and reserves the right to state another price or value at which it may deal with you.

- (a) You may request on any given Business Day Royal to quote a price at which Royal may be prepared to enter into a Synthetic Equity. You agree to and acknowledge that a price quotation pursuant to this request does not constitute an offer to enter into a new or close an existing Synthetic Equity.
- (b) Upon receiving the quote from Royal, you may offer to enter into a Synthetic Equity with Royal at the price quoted by Royal.
- (c) Royal is not obliged to accept your offer to enter into a Synthetic Equity and, without limitation, is not obliged to accept your offer to enter into a Synthetic Equity:
 - (i) if you have exceeded or would exceed a pre-determined limit imposed on you under clause 4.2(g) below; or
 - (ii) until Royal has received from you the Initial Margin required in the form of cleared funds to enter into the respective Synthetic Equity.
- (d) The Initial Margin required to enter into a Synthetic Equity, if not already received from you, will be payable to Royal upon acceptance by Royal of your offer to enter into the Synthetic Equity.
- (e) If Royal accepts your offer to enter into a Synthetic Equity, Royal will issue to you an electronic Confirmation of the Synthetic Equity entered into shortly after it has been entered into. Failure by Royal to issue a Confirmation will not prejudice or affect the relevant Synthetic Equity. Royal will not bear any liability whatever resulting from the failure to issue a Confirmation. Royal will promptly advise you if Royal decides not to accept your offer to enter into a Synthetic Equity.
- (f) You agree to examine the terms of each Confirmation immediately upon receipt and you agree that the contents of the Confirmation, in the absence of manifest error, will be conclusive evidence of the executed deal, unless within 48 hours of issue of a written Confirmation you notify Royal of any disputed detail in the Confirmation received by you. Upon receipt of written notice within 48 hours of a disputed Transaction, Royal will investigate the dispute and in cooperation with you must endeavour to resolve the dispute in good faith. Notwithstanding any such dispute, you must continue to satisfy your obligations to maintain Margin Cover and to pay Margin calls made by Royal in respect of the Synthetic Equity as if the Confirmation was correct and the details contained in the Confirmation were not the subject of dispute.
- (g) In its absolute discretion, Royal may limit the value of Synthetic Equities you may have outstanding under these Terms. If you wish to enter into any further Synthetic Equities, you must seek and obtain approval from Royal, beyond which you may not enter into any further Synthetic Equities whatever.

(h) Royal may vary the limit imposed at any time in its absolute discretion.

4.3 If Royal enters into a Synthetic Equity Transaction with you for the acquisition of one or more Synthetic Equities:

(a) Royal will give you a Confirmation in respect of the Synthetic Equity Transaction setting out, among other things, the number of Synthetic Equities acquired and the amount or amounts which you are required to pay, or are entitled to receive, in connection with the acquisition of the Synthetic Equity; and

(b) you or Royal (as applicable), must pay the relevant amount referred to in paragraph (a) by the time specified in the Confirmation.

4.4 If Royal enters into a Synthetic Equity Transaction with you for the disposal of one or more Synthetic Equities (by way of Closing Out that contract):

(a) Royal will give you a Confirmation in respect of the Synthetic Equity Transaction setting out, among other things, the number of Synthetic Equities disposed of and the amount or amounts which you are required to pay, or are entitled to receive, in connection with the disposal of the Synthetic Equity; and

(b) you or Royal (as applicable) must pay the relevant amount referred to in paragraph (a) by the time specified in the Confirmation or Trading Conditions, subject to this Schedule.

4.5 All communications, notices, offers, statements and Orders for Synthetic Equities must be made by an Online Service unless Royal expressly agrees that they may be made by telephone or otherwise.

5. SETTLEMENT OF DIFFERENCE

(a) After Close of Business on each Business Day over the term of an open Synthetic Equity, Royal will determine at Close of Business the Contract Value of the Synthetic Equity.

(b) If the Contract Value determined by Royal in accordance with clause 5(a) above is higher than the Contract Value determined by Royal in respect of the previous Close of Business, then the Short Party must pay to the Long Party the difference.

(c) If the Contract Value determined by Royal in accordance with clause 5(a) above is lower than the Contract Value determined by Royal in respect of the previous Close of Business, then the Long Party must pay to the Short Party the difference.

(d) In order to determine in accordance with clause 5(b) or 5(c) the Contract Value at Close of Business on the Business Day on which the Synthetic Equity is entered into, the Contract Value will be determined by Royal using the Underlying Security Price at which Royal and you agreed to enter into the Synthetic Equity.

(e) If Royal determines that the Contract Value of a Synthetic Equity at Close of Business cannot be determined in accordance with clause 5(a) above for any reason, the Contract Value at Close of Business will be the value determined by Royal in its sole discretion.

(f) Without limiting clause 5(e), if at any time trading on an Exchange is suspended or halted in any Underlying Security, Royal will, when determining the Contract Value, at its discretion consider (but is not limited to) the last traded price before the trading suspension or halt.

6. DIVIDEND PAYMENT AND RECEIPT

- (a) If you are the Long Party to a Synthetic Equity, and the issuer of the Reference Asset makes a cash distribution in respect of the Reference Asset (for example, a dividend in respect of a Reference Asset which is a security), Royal will credit to your Account in respect of the Synthetic Equity an equivalent amount (less any Taxes and costs) within a reasonable period following the date the cash distribution is paid in respect of the Reference Asset corresponding with your Synthetic Equity being the amount that will be equal to the cash dividend payable to the holder of the Underlying Security multiplied by the quantity on the first Business Day following the ex-dividend date for the Underlying Security. Royal is not obliged to pay to you any amount under this clause (a) unless and until it receives that amount as the owner of the Reference Asset or an equivalent amount under the Hedge Contract acquired in respect of the Synthetic Equity. Further, Royal is not liable to pay to you any amount in excess of the amount (less any Taxes and costs) which Royal itself receives either as the owner of the Reference Asset or pursuant to a Hedge Contract acquired in respect of the Synthetic Equity.
- (b) If you are the Short Party to a Synthetic Equity, Royal will debit your (relevant) Account with an amount that will be equal to the cash dividend plus any imputation or franking credits payable to the holder of the Underlying Security multiplied by the quantity on the first Business Day following the ex-dividend date for the Underlying Security.

7. CLOSING OUT A SYNTHETIC EQUITY

- (a) At any time you may give Royal notice of your intention to close any Synthetic Equity (whether in whole or part) by specifying the Underlying Security and the quantity of Synthetic Equities that you wish to close.
- (b) Upon receipt of notice of intent to close a Synthetic Equity, Royal will use reasonable endeavours to provide a quote for the Closing Price and notify you of that quote (by telephone or otherwise). It is your obligation to notify Royal as soon as possible as to whether you are willing to accept the Closing Price quote. If you accept the Closing Price quoted by Royal, the Synthetic Equity, or relevant portion of the Synthetic Equity, will be closed on the Closing Date by issuing you with a Synthetic Equity which is equal but opposite to the open Synthetic Equity, or relevant portion of the Synthetic Equity, to be closed.
- (c) If the Underlying Security for the Synthetic Equity is on terms that provide for its redemption, exchange or termination and you do not give notice to Royal of your intention to Close out the Synthetic Equity or to roll it over on terms and by the time acceptable to Royal (whether or not you have any prior notice of that), you will be deemed to have given notice to Royal to Close Out that Synthetic Equity at the Closing Price reasonably determined by Royal. In this case, Royal will Close Out the Synthetic Equity as at the time determined by it.
- (d) At the Close of Business on the Closing Date, if there is a difference between the Closing Value and the Contract Value of the Synthetic Equity (or portion of it closed under clause 7(b)) it must be accounted for in the following way:
- (i) If the Closing Value is greater than the Contract Value, the Short Party must pay to the Long Party the difference; and
 - (ii) If the Closing Value is less than the Contract Value, the Long Party must pay to the Short Party the difference.
- (e) If the issuer whose security represents the Underlying Security on which all or part of a Synthetic Equity is

based becomes externally administered in accordance with the meaning in the Companies Act (or equivalent legislation), the Synthetic Equity will be taken to have been Closed at that time. The Closing Price of the Synthetic Equity will be determined by Royal who may consider a number of factors it deems appropriate including, for example, the last traded price of the Underlying Security.

- (f) If the Underlying Security on which the Synthetic Equity is based ceases to be listed for quotation on an Exchange, or is suspended from quotation for 5 consecutive Business Days, Royal may, in its absolute discretion, without limiting clause 7(g) elect to terminate the relevant Synthetic Equity. If Royal elects to do so then:
 - (i) the Closing Date will be deemed to be the date which Royal determines (Early Closing Date); and
 - (ii) you will be treated as having given notice under clause 7(a) on the Early Closing Date.
- (g) If Royal determines that the Closing Value of a Synthetic Equity cannot be calculated on or with effect on the Closing Date for any reason, the Closing Value will be the value determined by Royal in its sole discretion.
- (h) Without limiting clause 7(g), if at any time trading in the Underlying Security on an Exchange is suspended or halted at any time, Royal will, in its absolute discretion in determining the Closing Value of a Synthetic Equity, have regard to (but is not limited by) the last traded price before the suspension or halt.
- (i) All calculations made by Royal in accordance with these Terms in the absence of any manifest error will be binding on you.

8. SETTLEMENT OF POSITIONS

- (a) Payments to be made to you with respect of any Synthetic Equity must be made in accordance with this clause 8.
- (b) If a Synthetic Equity is Closed Out in accordance with clause 7 above, or settlement for difference being made in accordance with clause 5 above:
 - (i) Royal will credit to your (relevant) Account any amount payable by Royal to you; or
 - (ii) subject to clause 8(c) below you must pay to Royal any amount payable by you to Royal in cleared funds in any such currency that Royal may require immediately upon the payment request being made.
- (c) If there is any Free Margin in your Account, any amount owing by you in accordance with clause 8(b) above will be settled in whole or in part by debiting your Account with Royal.
- (d) If you request payment of any money owed to you under this clause 8, Royal will deduct the amount of the requested payment from your Account and pay you, electronically, by cheque or in any other manner as agreed. Money owed to you that has not been the subject of any payment request by you will remain in your Account.
- (e) Royal may offset any money owed to you under these Terms or any other agreement against any moneys owed by you under these Terms or any other agreement.

9. ADJUSTMENT EVENTS

- (a) If the Underlying Security on which a Synthetic Equity is quoted is subject to an Adjustment Event or possible Adjustment Event, Royal will determine the adjustment, if any, that will be made to the Contract Value of that Underlying Security, the related quantity (or both) that would have placed the parties in substantially the same economic position they would have been in had the event not occurred. Royal will notify you as soon as practicable of the adjustment. In the absence of any manifest error any adjustment determined will be deemed to be conclusive and binding on you.
- (b) Royal may give you an opportunity to elect to participate in an adjustment to the Synthetic Equity which corresponds with the Adjustment Event, but Royal is not obliged to give you that opportunity, or give reasonable notice of it or make its terms correspond exactly with the Adjustment Event, nor is Royal obliged to accept in part or at all any election you make to participate. Any adjustment will take effect at the time determined by Royal.
- (c) If the Underlying Security is subject to a takeover offer or similar event, Royal may at any time prior to the closing date of the offer provide you notice of Royal's intention to Close the Synthetic Equity, in accordance with clause 7, with the Closing Price being the price notified to you by Royal.
- (d) If at any time an Adjustment Event occurs and it is not reasonably practicable as determined by Royal in its absolute discretion to make an adjustment in accordance with clause 9(a) above, then without limiting 9(a) above, Royal may at any time after the Adjustment Event give you notice of Royal's intention to Close Out the Synthetic Equity. If this occurs you will be taken to have been provided with Closing Notice in accordance with clause 7 above, with the Closing Price being the price notified to you by Royal.

10. INTEREST ON OPEN SYNTHETIC EQUITY POSITIONS

- (a) Finance Charges:
 - (i) when you are a Long Party under a Synthetic Equity, Royal charges you a Finance Charge by interest payments which accrue on a daily basis and are payable to Royal daily by you; and
 - (ii) when you are a Short Party under a Synthetic Equity, you may be entitled to receive interest payments (which is a credit of a Finance Charge in your favour) which will accrue on a daily basis and are payable to you by Royal daily, from the date the Synthetic Equity is entered into until the Closing Date at the interest rate and on the terms referred to in accordance with clause 10(e) below.
- (b) Each day Royal will make interest payments by debiting or crediting your Account with the interest rate differential between the Finance Charges (being the amount of interest payable by you under the Finance Charges and the amount of interest payable by Royal to you as a credit of Finance Charges). If you have insufficient free equity in your Account such that there is a net Finance Charge payable by you, under this clause you acknowledge that any such amount is a debt owed by you to Royal.
- (c) When debiting or crediting amounts of interest to your Account, Royal may charge or pay you interest at different rates and at rates that are different from the rates which Royal is charged or is paid on equivalent borrowings

from its bank or any other client or counterparty, including Hedge Counterparties.

- (d) Royal will retain the difference between the amount Royal may charge or pay you and the amount Royal may charge or paid on equivalent or similar borrowings with its bank or counterparty.
- (e) The interest rate applicable under this clause is the Base Rate. The basis for charging you the Finance Charge or crediting you the Finance Charge will be as notified to you from time to time, including by a PDS or to the extent permitted, by email to you or posting the information on Royal's website or on the Online Service which is accessible by you.

11. MARGIN REQUIREMENTS

- (a) This clause 11 supplements clause 15 of the Terms and only prevails over it to the extent of any inconsistency.
- (b) Prior to entering into a Synthetic Equity with Royal you acknowledge that Royal requires you to pay cleared funds into the Trust Account as an Initial Margin and to maintain the minimum Margin Cover determined by Royal in its absolute discretion from time to time. The Margin Cover requirements may be determined automatically by an Online Service. The required Margin Cover may change at any time, including outside of trading hours and without prior notice to you. The amount of Initial Margin required by Royal and the time at which it is required will be at the absolute discretion of Royal. Royal is not obliged to permit any offset of any Initial Margin required by Royal.
- (c) A Margin payment is credited by Royal at the time cleared funds have been received into the Trust Account or such earlier time as allowed by Royal so a Margin Cover requirement or a Margin call is not satisfied until your payment is received in cleared funds into the Trust Account.
- (d) You have an absolute obligation to maintain the amount of Margin Cover required by Royal from time to time, even if Royal also calls for more Margin. Your failure to maintain the required Margin Cover is automatically Default.
- (e) The Initial Margin requirement applicable in respect of any Synthetic Equity may be increased by Royal in its absolute discretion in respect of the time for payment and the amount of it. In the event of such an increase Royal may require that you pay Royal additional cleared funds equal to such an increase.
- (f) Without affecting your obligation to maintain the required amount of Margin Cover, at any time in the discretion of Royal you may be required by Royal to pay additional Margin by paying Royal cleared funds into the Trust Account.
- (g) Without affecting your obligation to maintain the required amount of Margin Cover, if Royal requires additional funds from you to pay Margin (sometimes referred to as "calling for more Margin") or making a Margin call you must pay the amount called by Royal by the time required by Royal, which could be immediately. If no time is specified, the time specified for payment of the Margin is within 24 hours of the Margin call being made, whether or not you actually receive notice of the Margin call. Failure to satisfy a Margin call will result in you being taken to be in Default under these Terms. Royal may require payment within a shorter time period (for example, without limitation, when there is Unusual Volatility).

- (h) Your payment into a Trust Account will not satisfy your obligation to make payment to Royal in cleared funds, even if Royal temporarily waives reliance on this term. The payment obligation is not satisfied unless and cleared funds are received for the benefit of Royal.
- (i) In all respects, time is of the essence for all of your payment obligations to Royal.
- (j) If Royal increases the required Margin Cover or makes a call for more Margin, you acknowledge and agree that Royal may refuse any request by you to enter into any further Synthetic Equity positions until Royal has confirmed the receipt of the payment for more Margin in the form of cleared funds.
- (k) Any net positive amount of Margin credited to your Account will not constitute a debt due by Royal to you. Subject to you meeting all Margin Cover requirements and all Margin calls, you are entitled to be paid by Royal an amount equal to the Withdrawable Funds and, on being paid, there will be a corresponding reduction in the balance of your Account.
- (l) You acknowledge that your liability with respect to maintaining Margin Cover or to pay calls for more Margin (if any) is not limited to the amount you initially or later pay Royal. You authorise Royal to withdraw or otherwise apply funds or Financial Products held for your benefit by Royal in any Account, or funds in any Trust Account, to satisfy partially or fully any liability you have to maintain Margin Cover or to pay a Margin Call.
- (m) Royal will have sole, absolute and unfettered discretion, as to the exercise of any power or right under this clause 11, including, without limitation, the calling of Margin.
- (n) Any power or right exercised by Royal under this clause 11, including, without limitation, the calling of Margin, will be binding upon you.
- (o) Any reference to time under this clause 11 includes weekends and public holidays.

12. ACTIONS FOLLOWING A DEFAULT

- (a) Upon or after any Default occurs, Royal, without prejudice to any other rights it may have under these Terms, has the right and power in its sole absolute and unfettered discretion and without necessity to give prior or any notice to you to do any one or more of the following:
 - (i) in accordance with clause 15 terminate these Terms;
 - (ii) Close Out all or any open Synthetic Equity positions you may have as if you had given a Closing Notice to Royal and had accepted the Closing Price determined by Royal in accordance with clause 7;
 - (iii) in accordance with clause 12(d) treat all or any open Synthetic Equity positions as having been terminated by you;
 - (iv) terminate any agreement or account whatever you have or may have with Royal;
 - (v) in the event of there being insufficient funds in your Account to satisfy amounts owing to Royal (including to maintain the Margin Cover), Royal may cancel any outstanding Orders in order to close your Account;

- (vi) satisfy obligations that you have to Royal out of any property belonging to you including, money or security in Royal's custody or control including, without limitation, the Trust Account or by selling securities lodged by you with Royal or setting off obligations such that security transferred as collateral is not required to be returned but instead the value of them (as determined by Royal) is applied in calculation of the set-off of obligations and to enforce any asset or security held by Royal in such manner as it sees fit at your risk and expense;
- (vii) transfer from your other accounts or the Trust Account, if any, such funds as may be required for that purpose to satisfy any obligation you may have to Royal; and
- (viii) exercise any power or right that Royal may have in accordance with these Terms or in law or equity or take any other form of action may be required to take.

(b) Royal does not forgo any of the rights outlined in this clause 12 incurred as a result of a delay in the exercise of such rights. If Royal does not exercise any of its rights.

13. ILLEGALITY

If any event occurs which has the effect of making or declaring it unlawful or impracticable for Royal to offer or to maintain Synthetic Equities to you in accordance with the terms outlined in these Terms, Royal may immediately terminate these Terms by providing you written notice of that. A termination of these Terms will also result in the closure of all Synthetic Equities in accordance with clause 12(c) as if it were a Default. Any such termination will not relieve you of any obligations you may have to Royal in accordance with these Terms prior to its termination.

For this clause, events include any change in law, regulation, treaty, order, official directive or ruling or in their interpretation or application by any governmental authority or agent, and the introduction, implementation, operation or taking effect of, any law, regulation, treaty, order or official directive or ruling.

14. HEDGE COUNTERPARTY ARRANGEMENTS

14.1 You acknowledge that if you acquire a Synthetic Equity, you have no right to, or interest in, the Reference Asset or any Hedge Contract.

15. TERMINATION OF A SYNTHETIC EQUITY TRANSACTION

15.1 You acknowledge that Royal may terminate a Synthetic Equity (apart from any other right to terminate) if:

- (a) the Reference Asset ceases to be able to be traded on a relevant market or is subject to a trading suspension or trading halt for a period of more than two (2) Business Days;
- (b) an Adjustment Event occurs and Royal determines that it is not reasonably practicable to make an adjustment to the terms of a Synthetic Equity under this Schedule;
- (c) the relevant Hedge Contract, or Royal's rights under the relevant Hedge Contract or in respect of the relevant

Reference Asset, are Closed Out, suspended or terminated by the Hedge Counterparty (which may occur automatically under the terms of any agreement between Royal and the Hedge Counterparty);

(d) Royal believes you have been a party to or committed scalping, arbitrage, market manipulation, insider trading, fraud, deceit or any other kind of nefarious behaviour; or

(e) Royal considers, acting reasonably, that the Hedge Counterparty or issuer of the Reference Asset may not be able to meet its obligations to Royal under the terms of the Hedge Contract or Reference Asset or other contracts between Royal and the issuer of the Reference Asset or the Hedge Counterparty.

15.2 If Royal terminates a Synthetic Equity under clause 15.1 or otherwise, Royal will determine a termination value, payable by Royal to you or by you to Royal, which Royal considers appropriate, acting reasonably, and having regard to the circumstances of termination, the value (if any) of the Reference Asset and the position as between Royal and the Hedge Counterparty in respect of the Hedge Contract. The termination will take effect at the time determined by Royal.