

ECN TRADE PTY LTD

FINANCIAL SERVICES GUIDE

Margin FX and CFD's

11th January 2014

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Enclosed is a document you must read and understand as it is a client agreement between you and ECN Trade Pty Ltd
You should obtain your own independent financial advice as to whether Margin FX Contracts are appropriate for you

FINANCIAL SERVICES GUIDE

1. ABOUT THIS FINANCIAL SERVICES GUIDE (FSG)

This Financial Services Guide is designed to provide you with important general information regarding our services and is typically issued prior to providing you with any of our financial products or services. The information contained within this guide includes the following:

- Who we, **ECN Trade Pty Ltd (ACN 127 631 145), (ECN Trade)** are and how you can contact us;
- The services we are authorised to provide to you;
- How you can communicate with us;
- How we are remunerated for these services;
- The disclosure documents and statements you will receive;
- Our internal and external dispute resolution processes; and
- how we deal with your personal information.

This FSG was reviewed on 14th September 2015. All information contained in the FSG has been obtained from sources believed to be accurate.

Please contact us if you would like further information on this FSG or on any of our services.

2. FINANCIAL SERVICES WE CAN OFFER

We hold Australian Financial Services Licence number 388737 and are authorised to provide the following financial services to retail and wholesale clients:

- deal in foreign exchange contracts and derivatives;
- provide financial product advice in relation to foreign exchange contracts and derivatives;
- make a market in foreign exchange contracts and derivatives.

3. FINANCIAL PRODUCTS WE OFFER

ECN Trade offers the following financial products to its Customers:

- margin foreign exchange and margin foreign exchange options in respect of all major currencies and currency crosses (Margin Contracts);
- such other products as are notified to you from time to time.

4. OUR ADVICE POLICY

In most cases, we will provide you with general advice about the markets related to our financial products which does not take into account your specific objectives, financial situation or needs. In this instance, you should seek independent professional advice to ascertain whether our advice is appropriate.

We only provide limited personal advice regarding the markets and our financial products. We neither collect, nor take into consideration, information regarding your financial circumstances and needs except to the extent that they are relevant to your transaction requests.

In all cases, we recommend that you take every reasonable step to fully understand the outcomes of specific trades and strategies in relation to utilising the advice provided by us.

4. PRODUCT DISCLOSURE STATEMENTS

All our financial products and services, as identified in section 3, are issued under product disclosure statements (PDS). If we recommend you acquire a financial product, we will make available to you a PDS relating to that service or product before you invest in or purchase that product. We will not provide you with a PDS for an underlying asset. This will help you make an informed decision about whether to acquire or utilise such products.

Any PDS we give you will provide further, general information about the different products which we issue and will identify the risks, terms and conditions, our fees charges and commissions, and any association we have that may influence our advice in respect of the product.

5. USING OUR SERVICES

If you wish to utilise ECN Trade's services you may issue instructions in person, in writing (including by fax), by email, via the telephone or via such other method as may be mutually agreed between us, unless we tell you that instructions can only be given in a particular way. Instructions, given to us whether they confirm or revoke an instruction, commitment or notice of request do not take effect unless actually received by us.

If you wish to deal in one of our financial products you may do so directly via the appropriate Internet Trading Platform (**ITP**) or by telephone. You may give us instructions via the ITP or by telephone during business hours.

Before you log onto the ITP to deal in one of our financial products or ask us to deal in one of our financial products by telephone, it is important that you understand the risks, costs and benefits of dealing in that financial product. For information on the risks, costs and benefits related to our financial products you should turn to the PDS document.

6. OTHER DOCUMENTS YOU MAY RECEIVE

Statement of Advice (SOA)

We can on request provide you with personal advice which takes into account your objectives, financial situation or needs, but only in as far as it relates to your transactions (see above). In this case, we will provide you with a Statement of Advice.

General transaction documents

We will provide you with the relevant documentation to facilitate the requested transactions. These may include, but not be limited to client agreements, account opening applications, and deal confirmations.

Factual information

We can provide you with written factual information regarding current or historical market rates.

7. WHO WE ACT FOR

ECN Trade is responsible for the financial services we provide to you under our Australian Financial Services Licence.

ECN Trade is a market maker, not an agent, when dealing in its financial products, which are off market over-the-counter (OTC) derivatives. Accordingly, ECN Trade acts as principal in all transactions with you in respect of these financial products offered by us.

8. WHAT OUR FINANCIAL PRODUCTS COST YOU

Our Product Disclosure Statements provide details about specific transaction fees and costs associated with our financial products. However, please note that there will be no commissions payable on foreign exchange or for trading in financial products, including Margin Contracts and contracts for difference (with the exception of Share CFDs) with ECN Trade. We generally make our revenue by earning the spread in the rates quoted to you (buy/sell spread) when you seek to transact with us.

The common fees and charges when dealing in such financial products may incorporate any or all of the following:

- payment of margin;
- margin adjustments;
- rollover charges calculated at our rollover rates;
- interest charges applied to debit balances;
- commission in the case of Share CFDs; and
- administration fees.

9. REMUNERATION OF OTHER BENEFITS RECEIVED BY OUR EMPLOYEES

Employees and Directors of ECN Trade who provide you with advice and execution services may receive remunerations for the provision of these services by way of salary and other employee benefits. A discretionary cash bonus may be paid to employees and directors as part of their remuneration, based on their performance or the performance of their business unit.

In addition, some ECN Trade employees may earn a performance-based commission and/or other monetary rewards calculated by reference to the financial products they sell and whether they achieve or exceed their sales targets. For example, employees may earn commission for new accounts opened. Such commissions are based on the volume of accounts opened per month and the amount of such commission earned will vary between employees.

10. REFERRAL BENEFITS FOR OTHER SERVICES PROVIDERS

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the service provider in question. ECN Trade may pay all or a portion of the fees, costs and charges charged by ECN Trade or provide other benefits to introducing advisers and referrers for the introduction or referral of customers to us. We may receive commission from third parties where a ECN Trade customer utilises the third party's product in connection with their trading with us. We may also pay commission to third parties where

a product or service of the third party is used in connection with an account held by a customer with us. Any amount paid to introducing advisers and referrers is negotiated on an individual basis and is typically based on a sliding scale which takes into account:

- the number of customers the introducing adviser or referrer introduces or refers to ECN Trade; and
- the number of trades made by customers introduced or referred to ECN Trade

In addition to the above, ECN Trade may pay a fixed fee to introducing advisers and referrers for each customer they refer.

Please note that such benefits **will not** impact transaction fees or margins payable for transactions undertaken with ECN Trade. We will provide details of any referral benefits that relate to your transactions on your reasonable request prior to us providing you with any of our financial services.

11. DISCLOSURE OF ANY RELEVANT CONFLICTS OF INTEREST

We do not have any relationships or associations which might influence us when providing you with our services.

12 MAKING A COMPLAINT

ECN Trade has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. These should be directed to our Complaints Officer who will seek to resolve your complaint within 14 days. Complaints can be made by telephone, facsimile or letter at the address and telephone/fax numbers provided in section 16 below.

If you are dissatisfied with the outcome, you have the right to lodge a complaint with the Financial Ombudsman Services (FOS). FOS is an approved external dispute resolution scheme, of which ECN Trade is a member, and can be reached on 1300 780 808. You may also make a complaint via the ASIC Freecall Infoline on 1300 300 630.

13. COMPENSATION ARRANGEMENTS

We have professional indemnity insurance in place that complies with section 912B of the Corporations Act and ASIC Regulatory Guide 126. The policy will cover work done for us by our representatives and employees after they cease to work for us.

14. OUR RECORD KEEPING OBLIGATIONS

We will maintain comprehensive and accurate records of your client transactions and advice provided.

15. OUR PRIVACY POLICY

We are committed to protecting your privacy. The information you provide to us and any other information provided by you in connection with your transactions will primarily be used for the processing of your application and for complying with certain laws and regulations. We have systems and processes in place which safeguard against the unauthorised use or disclosure of your personal information.

Please contact us if you have any concerns or if you would like to see a copy of our privacy statement or visit the ECN Trade website.

16. OUR CONTACT DETAILS

You can contact us by

Telephone:

- For customers in Australia: 1300 733 452
- For customers overseas: + 61 2 9004 7980

Website: www.ecntrade.com

Email: support@ecntrade.com.au