Product Disclosure Statement

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PRODUCT DISCLOSURE STATEMENT
MARGIN FX AND CFDS

CLMARKETS LTD.

IBC No. 24750-IBC-2018

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PRODUCT DISCLOSURE STATEMENT

INTRODUCTION

This Product Disclosure Statement (**PDS**) is dated May 10th, 2018 and was prepared by CLMarkets Ltd. IBC No. 24750-IBC-2018 who is required to give you this PDS because it is deemed to be the issuer of financial products which are derivatives. This PDS document seeks to explain to you the significant features of our financial products, including their risks, benefits and costs, in a clear and concise manner. Through reading this PDS we hope to provide you with sufficient information to make an informed decision regarding acquiring our financial products.

This document is our PDS for Margin Foreign Exchange Contracts ("**Margin FX Contracts**") and Contracts for Difference ("**CFD**").

If you have any questions regarding our products or this PDS, please contact us, or visit our website at www.clmforex.com.

CLMARKETS GENERAL INFORMATION

CLMarkets Ltd. registered in St. Vincent and the Grenadines, IBC No. 24750-CIBCC-2018 **("CLMarkets", "Core Liquidity Markets", "Core Liquidity", "CLM" "we" or "us")**, is an issuer of Derivatives: Exchange traded and Over the Counter (OTC) Margin FX Contracts and CFD products.

Contact Information

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Website:	**www.clmforex.com**

PERSONAL FINANCIAL POSITION DISCLAIMER

The information and any general advice in this PDS does not take into account your personal objectives, financial situation and needs. Before trading in the products referred to in this PDS, you should read this PDS and be satisfied that any trading you undertake in relation to these products is appropriate in view of your objectives, financial situation and needs as well as considering the risks associated with dealing in these products. You should read all sections of this PDS before making a decision to acquire the financial products described herein. This PDS is subject to the provisions of the Terms and Conditions. Before making a decision about acquiring our financial products you should also read our Financial Services Guide ("FSG") and Terms and Conditions in their entirety.

NOTICE OF RISK

Margin FX Contracts and CFDs are considered speculative products which are highly leveraged and carry significantly greater risks than non-geared investments, such as shares. You should not invest in Margin FX or CFD products unless you properly understand the nature of these products and are comfortable with the attendant risks. You should obtain financial, legal, taxation and other professional advice prior to entering into a Margin FX or CFD contracts to ensure this is appropriate for your objectives, needs and circumstances.

TAX IMPLICATIONS DISCLAIMER

We recommend that you obtain independent taxation and accounting advice in relation to the impact of Margin FX or CFD gains and losses on your particular financial situation. Trading in Margin FX and CFD products has the potential for generating substantial profits and the potential for generating substantial losses.

FINANCIAL ADVICE

OTC and exchange traded contracts can be highly leveraged and speculative with a high degree of risk. Potential investors and traders should be experienced in Margin FX and CFD products or understand and accept the risks of investing in OTC contracts.

We recommend that you consult your financial adviser or obtain other independent advice before trading in the products referred to in this PDS. CLM does not and will not give you personal financial product advice and this PDS does not constitute a recommendation or opinion that the products referred to in this PDS are appropriate to you.

MODIFICATION OF PDS

The information in this PDS is subject to change from time to time and is up to date as of the date of this document. If there is any material change to this information, we will **issue** a new or supplementary PDS with the new information. You will be able to find the updated information on our website at www.clmforex.com or by contacting us.

JURISDICTION

The offer to which this PDS relates is available only to persons receiving the PDS in CLM registered jurisdictions. This PDS does not constitute an offer or invitation in any place which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this PDS (electronically or otherwise) in any jurisdiction outside CLM registered jurisdictions may be restricted by law and persons who come into possession of this PDS should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws.

TERMS OF BUSINESS

This PDS is an important legal document and its terms are binding on you. Additional legal terms governing our relationship are detailed in the CLM "**Terms and Conditions**".

CLM **Terms and Conditions** must be read and agreed to before a contract is entered into. When you use our services, you will be bound to our **Terms and Conditions**.

In order to open an account, you are required to complete, sign, and return an online Application. Your Application to open an account must be approved by CLM. CLM reserves the right to refuse to open an account for any person.

CLM accepts Margin FX and CFD order instructions via the electronic trading platform(s) You are required to access the electronic trading platform(s) on a daily basis to confirm that any order instructions you submitted have in fact been received by us, to re-confirm all orders that you placed with us, to review order confirmations we provided to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

CLM will provide all clients, via the electronic trading platform, with access to both daily and historical account statements allowing you to check your open positions, Margin requirements and cash balances, and trading confirmations. Should you have any queries relating to your statements we encourage you to contact us.

CLM does not guarantee the performance, return of capital from, or any particular rate of return of a Margin FX or CFD product. You may lose more than the amount of funds in your account and should only invest risk capital you can afford to lose. Please note that the historical financial performance of any Margin FX or CFDs or underlying instrument/market is no guarantee or indicator of future performance.

The act by CLM of deducting fees from a Client Account on behalf of a third party or referring to a third-party asset manager, software vendor or plugin on CLM website or elsewhere, is not an endorsement of that third party or its software. CLM takes no responsibility whatsoever for any losses incurred by the Client on behalf of third party, Money Manager or assigns, in connection with a third party or its software.

CLM reserves the right in its absolute discretion to cancel, unwind, close out, repair, reinstate if in CLM view, there has been an actual, suspected or potential breach of this Agreement, or CLM believes acting in such a way is necessary to protect its own interests, or the interests of clients.

USE OF THIRD PARTY MONEY MANAGERS, SOFTWARE OR PLUGINS

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

CLM is authorised to deduct fees from the Client Account, upon receipt by CLM of confirmation that the Client has elected to subscribe to a particular third-party payment processors, software or plugin.

CLM is entitled to refuse to allow or terminate, refuse access or otherwise impose limitations on certain third-party payment processors, software or plugins at any time, without reason.
trades; loss of money, loss due to latency, loss due to technical error, potentially misleading claims made by Money Managers, software vendors; software not working with CLM Online Platform(s); being subject to a Margin Call or Forced Liquidation; and fraudulent or other illegal activity by Money Manager or software vendor.

ESTABLISHING YOUR TRADING ACCOUNT

You need to establish an Account by completing the application form on the CLM website or by contacting CLM directly.

By opening an Account, you agree to the Account Terms.

Before you enter into a transaction, CLM will require you to deposit an Initial Margin. This is paid to CLM (and is not held on your behalf). After you make a transaction, Confirmation of the transaction will be given (such as being reported online or in an online account statement or record).

FUNDING YOUR ACCOUNT

Once your application has been approved you may fund your account in a number of ways.

Clients may deposit funds, as opening and ongoing collateral. CLM accepts the following forms of payments:

- credit cards
- debit cards
- bank transfer
- electronic wallets

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

CLM does not authorize or endorse any third-party payment processor(s), software or plugins. The Client is aware of the risks associated with third party payment processors, software or plugins, all of which may result in substantial financial loss. Risks include: loss of control of
CLM does not accept —cash equivalents as opening collateral (e.g. no securities as deposits).

All deposits must be cleared funds before they will be available to you for trading. This can take up to 48 hours, or longer over non-banking days.

When transferring funds to CLM you must ensure that the funds are appropriately referenced with your account number to enable us to easily identify your funds and apply them to your account promptly.

CLM will only act on funds that have cleared, so we recommend that you maintain a sufficient Margin in your account at all times to maintain your open positions.

CLM does not accept funds transferred from third parties, so it is your obligation to ensure that all funds transferred to us are an account under your name. We may, in our absolute discretion, without creating an obligation to do so, return any funds transferred or received from a third party, back to the account from which it was transferred.

CLM will not accept any liability or responsibility for any losses that you may suffer as a result of, or arising out of, or in connection with, us returning any transfer of moneys from a third party, including any losses incurred by banks or payment processors.

CONFIRMATIONS OF TRANSACTIONS

The confirmation of your transactions, may be obtained by accessing the daily statement online, which you can print. Once you have entered an order into the online trading platform, the system may report the main features of your transaction in a "pop-up" window. This is a preliminary notification for your convenience and is not designed to be a Confirmation.

If you provided CLM with an e-mail or other electronic address, you consent to Confirmations being sent electronically, including by way of the information posted to your Account in the online trading platform. It is your obligation to review the Confirmation immediately to ensure its accuracy and to report any discrepancies within forty-eight hours.

CLIENT MONIES

CLM maintain and apply a clear policy in relation to the use of client money. **Please be aware** that any money deposited into your trading account is deposited with other client moneys in our segregated client account and co-mingled with other client deposits. This money is applied to client or settlement obligations to pay for agreed fees, margins and other clearing costs.

You should be aware that, for client accounts CLM may use client moneys in the account to meet obligations in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives (not just these Margin FX, Binaries, and CFDs) by CLM, including dealings on behalf of people other than the client whose moneys were deposited into the account.

Monies deposited into your trading account to meet margins, deposits, fees, transactions settlement, or other costs may be forwarded (if applicable) to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations.
Client monies held for future transactions will be kept in the segregated client account. Although funds are kept in a segregated account you may not be afforded absolute protection.

CLM enter into arrangements with third party execution and clearing providers to facilitate transactions and settlements and uses monies received for Margin Calls and settlements for this purpose. Clients need to be aware that they are indirectly exposed to the financial risks of these counterparties and other organizations CLM hold client monies with. If CLM or its counterparties financial condition deteriorates then this place at risk the ability to return client monies and you may suffer unrecoverable losses.

As client funds are co-mingled with funds from other clients in the segregated client account there is a likelihood that your funds may be used to cover payment obligations of other clients and you may suffer losses due to defaults by other clients.

CLM does not accept payments from or make payments to any third parties.

CLM is entitled to retain all interest earned on client moneys held in segregated accounts with a bank or approved deposit-taking institution. The rate of interest earned by CLM on this account is determined by the provider of the deposit facility.

COUNTERPARTY RISK – HEDGING

CLM maintains a written policy to manage its exposure to market risk from clients' open positions. This includes a risk management and compliance system in place to manage (hedge) our trading exposure and assessing any new and current hedge counterparties.

Given that you are dealing with CLM as counterparty to every OTC transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. You are reliant on CLM ability to meet its counterparty obligations to you to settle the relevant contract. CLM may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients.

With respect to FX Contracts, the hedging counterparty is reliant on the performance of counterparties ("liquidity providers") with which it offsets its exposure. An assessment of the hedge counterparty takes into account the risks involved when dealing with them and ensures that the hedge counterparty is of creditable financial standing, licensed by a comparable regulator, and are of sound reputation. The hedging counterparty will use only liquidity providers which are substantial banks or substantial counterparties. CLM do take on the risk that our counterparties may become insolvent or fail to meet their obligations to CLM.

CLM deal with some of the most respected institutions in the industry as liquidity providers to limit the counterparty risks. Currently our liquidity providers are Goldman Sachs, Morgan Stanley, HSBC, Commerzbank, Credit Suisse, Lucid, UBS AG, Barclays, Citibank, JP Morgan, and Deutsche Bank. Our Providers may change on a regular basis.

It is possible that CLM hedging counterparty may become insolvent or it is possible that other clients of the hedge counterparty may cause a default which reduces the financial resources or capacity for the hedge counterparty to perform its obligations owed to CLM under the hedge contracts.

If CLM defaults on its obligations, investors may become unsecured creditors in an administration or liquidation and will not have recourse to any underlying assets in the event of CLM insolvency.

It is therefore possible that CLM might not fully recover from its hedge counterparty due to reasons not arising from your own positions, or it may incur costs in seeking the recovery or choose to terminate recovery efforts early, thereby reducing the proceeds available to CLM to allocate in its discretion to you under the contract issued to you. It is important to understand that you have no rights or beneficial interest in any contract which CLM has with its hedge counterparty and you cannot force CLM to make any decision about seeking recovery against its hedge counterparty. You are dependent on CLM taking that action to seek recovery and how it pursues that action, although CLM would act honestly, fairly and efficiently in deciding if and how to pursue that recovery action.

COUNTER PARTY RISK - FINANCIAL RESOURCES

CLM maintain and apply a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which key risks of our business are identified, reviewed and controls implemented.

Steps taken on a daily basis to ensure CLM financial requirements are maintained include, but are not limited to, monthly monitoring of adjusted surplus liquid funds calculation, conducting a daily client cash segregation calculation and transferring money owed to clients to segregated client accounts if needed.

The credit risk which you have on CLM depends on its solvency generally as well as on the amount (and kind) of its capitalization, its cash flow, all of its business risks, its client and financial product concentration risks, its counterparty risks for all of its business and transactions, its risk management systems and actual implementation of that risk management.

Your credit risk will fluctuate throughout the day and from day to day, including due to the implied credit risk on hedging counterparties, whose credit risk to CLM (and so indirectly to you) cannot be assessed or verified on a continuous basis or perhaps at all.

We receive input and reviews from our external accountants and legal providers, our accounts are independently audited at the end of the financial year.

SUSPENDED OR HALTED UNDERLYING ASSETS

CLM do not permit the opening of any new positions where there is trading halt over the underlying asset or trading in the underlying asset has been suspended on the relevant Exchange upon which the underlying asset is listed.

You will not be able to enter into any new transactions where there is a trading halt or suspension in the underlying asset:
If trading in the underlying asset is suspended or halted by the relevant Exchange (or the relevant index is suspended), the position, where possible, will be valued by CLM for your account.

Foreign exchange markets trade continuously. They open at 05:00pm American EST Sunday evening and close at 05:00pm, American EST on Friday. They are open 24 hours during this period. Prices are continuously streamed during this period. Because foreign exchange is not an exchange-traded product, it is not possible to suspend or halt the streaming of these prices.

MARGIN CALLS

CLM has a written policy that outlines how we margin our clients. There are two types of margin calls:

Initial Margin. This is the initial deposit required by CLM to cover our risk and will be used to meet the client's obligation before opening a new position.

Variation Margin. This is the margin that has to be met by the client should there be adverse market movements. If the client wishes to keep the position open, then the variation margin call MUST be met to avoid CLM from exercising its right to close the open position.
Maintenance Margin - to maintain the margin cover in light of adjustments to the percentage of value of the underlying allowed as margin cover or other trading platform adjustments not related to the price movements of the financial products.

CLM monitors all open positions of its clients on mark to market basis. In case of adverse movements in the markets that cause a loss to a client, the client will be notified to fund the account by phone, email or WhatsApp message to the client. Our MT4 sends electronic notification to all clients who trade on it.

LIQUIDATION

CLM first warning is sent when client equity falls below 80% of required margin, to notify clients that they are getting close to automatic trade liquidation. Clients are stopped out if their account balance falls below 50% of margin requirements and their positions may be liquidated without further reference to the client.

When a margin call is triggered on an account then individual positions will be liquidated until the remaining equity is sufficient to support existing position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.

RATES, FEES AND COSTS

The calculation of the price to be paid (or the payout to be received) for Margin FX or CFD products offered by CLM, at the time the contract is purchased or sold, will be based on our best estimate of market prices and the expected level of interest rates, implied volatilities and other market conditions during the life of the financial contract and is based on a complex arithmetic calculation. The calculation will include a spread in favor of CLM. The contract prices (or the payout amounts) offered to clients hedging, trading or speculating on market prices may differ from prices available in the primary or underlying markets where contracts are traded. This is due to the spread favoring CLM in the price calculation. Different spreads are used depending on the currency pair traded.

CLM earns its income from the business spread (or margin) that we apply to our Margin FX Contracts, and CFD products. This is the difference between the rate at which we buy and sell the financial instruments (i.e. between the wholesale price achieved by CLM and your trade price). This spread is incorporated into the rates quoted to you and is not an additional charge or fee payable by you. These spreads will differ depending on the currency pairs traded or value of the CFD's underlying asset. Accordingly, the decision to transact at a particular rate will always be your decision. However, once you agree to a particular exchange rate that is the total amount payable by you to CLM.

CLM offers several different trading accounts that feature different spreads and charges:

Core Standard Accounts - Standard accounts feature spreads from 1 pip without a commission.
Core Plus Accounts - Plus accounts feature spreads from 0.0 pip with a commission of $4.00 per 100,000 traded.

Core Pro Accounts - Pro accounts feature spreads from 0.0 pip with a commission of $2.50 per 100,000 traded.

By using or continuing to use our services, you agree that:

Fees must be paid to us immediately upon execution of the trade and will be deducted from your account in accordance with the Application Terms & Conditions.

All fees and charges received by CLM as described in this PDS and the FSG (other than third party fees and charges) are a benefit given to us by you, in exchange for the market making and dealing services provided by CLM.

CLM do not charge volume-based or asset-based fees for any advice we provide.

CLM does not provide a market amongst or between clients for investments or speculations. As stated above, each product purchased (or sold) by you is an individual agreement made between you and CLM and is not transferable, negotiable or assignable to or with any third party.

CLM reserves the right to pass on administration charges such as (but not limited to) credit card merchant fees, electronic wallet fees and bank wire transfer fees. Full details on such fees are available from our website.

Bank charges and fees imposed on CLM to clear your funds or in respect of your payments will also be charged to your Trading Account.

FINANCING CHARGES/SWAPS

In the event of you holding a Margin FX Contract, or CFD position overnight you may be paid or have to pay interest depending upon your position.

For example, if you are "long" a foreign exchange contract overnight you may receive an interest payment whereas if you are "short" a foreign exchange contract overnight you will be charged interest.
If you are "long" an index CFD overnight, you will be charged interest whereas if you are "short" an index CFD overnight you may be paid interest.

Interest calculations are based on the total notional value of your open position and are calculated at LIBOR (London Interbank Offer Rate) or LIBID (London Interbank Bid Rate) plus or minus a margin. Interest is calculated daily and posted to your account at the end of each day.

All the positions which remain open until 23:59 (Server time) will be subject to interest earned/charged. The positions will be rolled over by debiting or crediting the client's trading account with the amount calculated in accordance with the Rollover/Interest fees. During the rollover period trading will be disabled to prevent widened spreads caused by the "end of day" in New York. This can last for 5 to 10 minutes and you will not be able to trade at this time. You may suffer financial loss or gain as a result. CLM does not accept or bear any liability whatsoever in relation to the rollover period.

The swap that is applied will also be tripled for positions held on the Wednesday rollover. Due to the settlement structure within the spot market, trades that are open on Wednesday will be settled on the following Monday and therefore there is a need to account for interest earned/charged over this period.

PRIVACY POLICY

Your privacy is important to us. The information you provide CLM and any other information provided by you in connection with your account will primarily be used for the processing of your account. We may use this information to send you details of other services or provide you with information that we believe may be of interest to you. Full details of our privacy policy are available from our website www.clmforex.com

DISPUTE RESOLUTION

CLM has an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to the Complaints Officer to compliance@clmforex.com.

We will provide acknowledgement of receipt of written complaints within 3 business days and seek to resolve and respond to complaints within 30 business days of receipt. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing.

If you are dissatisfied with the outcome, you have the right to engage legal counsel.

COOLING-OFF ARRANGEMENTS

There are no cooling-off arrangements for the Margin FX or CFDs offered by CLM. This means that when you enter a transaction with CLM you do not have a right to return the product and you do not have the right to request CLM to repay the money you have paid to acquire the product. Should you change your mind after entering into a transaction with CLM, you should close out your position by entering into an offsetting and opposite transaction.

TRADING HOURS

CLM provides trading facilities via its Trading Platform from 05:00pm American EST Sunday evening and close at 05:00pm, American EST on Friday. In the event that the Trading Platform is unavailable due to a systems disruption, then the services will be provided by us via the telephone.

This means that you are able to view live prices and place live orders during these hours. Outside these hours, you may still access the Trading Platform and view your account, market information, research and our other services. However, there will not be any live prices quoted and thus, you will not be able to enter into transactions. Any changes to operating hours will be displayed on the website.

What is an OTC Contract?

Unlike financial products traded on an exchange, Margin FX contracts, Binaries and CFDs are Over-the-Counter (OTC) contracts which are not standardized but are individually tailored to the particular requirements of the parties involved in the contract–in this case, you and CLM – but subject to minimum contract values.

The terms involved in the negotiation of the contract (or transaction) are:

the underlying assets to be traded;
the amount of such assets;
the maturity date of the contract; and,
the price at which the asset is to be traded.

Margin Obligations to CLM

FX contracts, and CFDs offered by CLM will be subject to margin requirements and clients must deposit funds for security / margining purposes. Accordingly, you are responsible to meet all margin requirements required by CLM. When you place a, CFD or FX transaction and while that transaction remains open you need to have sufficient free margin in your account to satisfy the margin amount for the relevant number of contracts, FX Contracts or CFDs you hold. Margin requirements may vary between customers and CLM reserves the right to change margin requirements on a per customer basis. Margin requirements can be changed for regulatory reasons, changes in your account size, currency pair or position traded, volatility, acts of God, or any unknown factors that CLM may presume in the marketplace that could negatively impact its current margin risk assessment. Please note that an increased margin requirement may mean that you are required to transfer additional funds into your account before an order for a, Foreign Exchange or CFD contract will be accepted by the CLM platforms. Also, please note that the increased margin requirement may result in a margin call or possible liquidation.

CLM currently offers one trading platform: Metatrader. The trading platform will calculate in real time both the margin requirement and the remaining free margin in your account. For Metatrader 4 you can see the margin requirements and remaining free margin in the “Trade” section of the “platform” under the columns “Margin” (Used Margin), and “Free Margin” (Usable Margin).

Margin requirements can fluctuate from intraday, to overnight, to over the weekend.

MARGIN FX CONTRACTS

What is a Margin FX Contract (“Margin FX Contract”)?

A Margin FX Contract is a product offered by CLM based on the exchange of one currency for another. An exchange rate is the price of one currency in terms of another currency. For example; if the exchange rate for the Australian Dollar against the Japanese Yen is AUD 1/JPY 83, this means that one Australian Dollar is equal to, and can be exchanged for, 83 Japanese Yen.

A Margin FX Contract does not result in the physical delivery of the currency. The foreign exchange products offered by CLM are closed out by either you or us in certain circumstances, (**See below Important Features of Margin FX Contracts**) by taking an offsetting position. The profit or loss that results from the position being closed out will be credited to or debited from your account. If a transaction is held until the nominated maturity date, it will be cash adjusted or cash settled according to the closing price of the applicable currency, as quoted by us.

How do the Margin FX Contracts work?

A Margin FX Contract is a rolling spot foreign exchange contract between you and CLM in relation to an agreed currency pair. When you propose to enter into any Margin FX Contract you will be asked to nominate an amount and the two currencies to be exchanged. In every Margin FX Contract there are two currencies as follows:

1 fixed unit of a currency = X variable units of another currency.

The fixed currency is called the "base" currency and the variable currency is called the "terms" currency. Together, these are known as the currency pair. The currencies involved in any Margin FX Contract must be currencies which are offered by CLM. As at the date of this PDS, CLM offers forty-nine different currency pairs. To find out more about the different currency pairs CLM offers, please view our website at www.clmforex.com.

There is always a long (bought) and a short (sold) side to a trade, which means that you are speculating on the prospect of one of the currencies increasing in value and one of them decreasing in value.

The Margin FX Contracts offered by CLM do not result in the physical delivery of the currency. The Margin FX Contracts are closed out by either you or us by taking an offsetting position or are cash adjusted or cash settled at the maturity date.

What exchange rate will apply?

CLM prices will be the same price at which it is offered by its counterparty, so all transactions where CLM is the market maker will be entered into on a "matched book" basis or "back to back" basis.

How are orders executed and confirmed?

Prior to entering into a transaction, you must open an account with us and deposit a minimum of $100.

When you propose to enter into a transaction, you will access the MetaTrader 4 Platform ("Trading Platform") and determine which Margin FX Contract you wish to trade and consider the prices being quoted by us. Should you decide to accept our price you will follow the steps on the Trading Platform. You must have sufficient money in your account to meet the relevant initial margin for the proposed transaction.

What Margin is Required?

Each Margin FX Contract product requires you to pay an initial margin. In addition, you may also be required to pay (or be entitled to receive from CLM) Variation Margin, which is the unrealised loss or profit on your open Margin FX Contract position.

What is the Initial Margin?

The Initial Margin is the up-front deposit you are required to provide to CLM when you enter into a transaction with us and which must be maintained throughout the term of the relevant transaction. The amount of the Initial Margin applicable to each transaction is determined by CLM in its sole discretion and current levels for each FX product are available on www.clmforex.com. It is typically 2% to 5 % of the transaction value but may be as high as 100% depending on the volatility of the relevant underlying market and the liquidity of the underlying asset. CLM may vary the Initial Margin rate at any time in its sole discretion.

Adjustment of Differences/Variation Margin

In addition to your Initial Margin, you may have to deposit an additional margin, called Variation Margin. Open positions are accounted for in real time on a mark-to-market basis to account for any market movements and to determine the current value of the Margin FX Contract on which the underlying currency is normally quoted.

Based on this determination, your account will either be debited in relation to any unrealised losses or credited in relation to any unrealised profits.

If you hold a long (or bought) position and the current value increases, CLM will credit an amount equal to the increase in value. If the current value decreases, CLM will debit you an amount equal to the decrease in value.

If you hold a short (or sold) position and the current value increases, you will be debited an amount equal to the increase in value to CLM. If the current value decreases CLM will credit your account with an amount equal to the decrease in value.

These amounts owing by you to us in order to "top up" the Initial Margin are what is known as the variation margin.

Margin calls

During the period your contract remains open with CLM, you must maintain your Initial Margin Requirement. If your account is not properly margined, CLM may Liquidate All Open Positions in the account without further notice, which may mean you will suffer losses.

If you open a position with Initial Margin, and the position moves against you and your Free Margin falls to "0", your account will be placed on Margin Call and all positions will be triggered for liquidation or closing out by CLM at the next available price. If the account equity falls below margin requirements, the MT4 system for instance will trigger an order to close some or all of the open positions. If the Free Margin column reaches zero, the positions with the largest losses will typically be closed first in order to free up additional margin. In normal circumstances CLM will endeavor to notify you of margin call by email when you are close to receiving a margin call. This email serves as a notice that your account has breached the minimum required level of funds and any open positions are at risk of being closed out. You are responsible for monitoring your own account and ensuring adequate funds are maintained at all times. We have no obligation to provide notification and this service is provided to you on a best endeavors basis. CLM reserves the right to change accounting practices at any time and it also reserves the right to offer different accounting practices.

It is your responsibility to actively monitor and manage your open positions and your obligations, including ensuring that you meet your margin requirement and that your Free Margin exceeds "0". It is also your responsibility to ensure you are aware of any changes in the margin requirements or when the Free Margin is approaching "0". CLM is under no obligation to contact you in the event of any change to the margin requirement.

CLM will attempt to notify you via email, but CLM is under no obligation to notify you when:

1. Your account becomes insufficiently margined, and/or
2. Your account is close to liquidation.

CLM can close your open positions and cancel all orders with or without giving you notice. You must ensure that you maintain an e-mail address at all times and keep us up to date and informed of your current email address. CLM will not use any other means of communication to tell you when your account reaches these risk levels unless otherwise agreed upon. You must monitor your account so that you know whether or not your Account is in risk of being liquidated. All the information you need in order to make these calculations is available on our trading platform.

You may increase the amount of Free Margin available in your account by:

Closing out or reducing one or more of your open position(s) in order to reduce your Used Margin amount; and/or depositing additional funds into your account. If you choose to deposit additional funds into your account, these additional funds must be cleared funds before they will be available. These steps may not be necessary if there is an increase in the value of your open positions due to a further market fluctuation.

CLM does not represent or warrant or give any assurance that your open positions will be closed out at any particular level. Accordingly, your losses may be higher than what they would have been had CLM exercised its right to place a liquidation order. Furthermore, you will be liable for all losses incurred, despite CLM having had the right to close out your position at a time before you incurred those additional losses. Any such loss may result in you losing all moneys that you have deposited in your account with CLM, but you will not be liable for debit balances in your account in excess of the moneys that you have deposited that is not directly resulting from trading activity.

While CLM will endeavor to notify you when your account is close to receiving a margin call, it is nonetheless your responsibility to ensure that your Free Margin does not fall below the margin call liquidation trigger level of "0", and to ensure that you do not rely on CLM to close out your positions should they be nearing, or exceed, the Margin Call level. You may do this by reviewing your account detail on the CLM platform(s) with a view to monitoring your Free Margin, bearing in mind that any additional funds that you deposit into your account will not contribute towards your account equity balance until those funds become cleared funds. You may also contact our Support staff should you have any queries about your current margin requirement obligations.

When a margin call is triggered on an account then individual positions will be liquidated until the remaining equity is sufficient to support existing position(s). In deciding what positions will be individually liquidated the largest losing position will be closed first during liquidation.

How are profits and Losses on Margin FX Contracts Calculated?

The amount of any profit or loss made on the Margin FX Contract will be calculated by keeping the units of one of the currencies constant (the Base Currency) and determining the difference in the number of units of other currency (the Terms Currency). The profit or loss is given in the units of the base currency.

What Happens if the Market is Adverse?

Where Clients experience adverse market movements against their open positions, they can close out the open position, "top up" the account, or wait for CLM to automatically close out or force liquidate the trade. CLM has a "no negative balance policy" which is intended to ensure that your position is closed out before the value of a trade declines below the required Margin to hold the position. CLM enables you to manage both adverse and favorable movement by using Stop Loss Order and Stop Limit Orders as part of their risk-management strategy.

Why Would I Use a Margin FX Contract?

Margin FX Contracts are generally used for one of two purposes – hedging or speculating. Margin FX Contracts can provide those who are dependent on overseas trade (and are therefore exposed to currency risk) with a tool for managing the risks associated with changing prices for those currencies. This strategy is known as hedging. Margin FX Contracts are also traded by speculators, who trade in the anticipation of profiting purely from changing relative values in the currency pairs.

Generally, trading Margin FX Contracts allows you to leverage your positions to take a much greater exposure than if you had to pay the full price of holding the physical currency. **Trading in Margin FX Contracts does, however, involve significant risk**. Traders and investors must understand the nature of the risks inherent in such transactions prior to entering into these transactions.

How is the Foreign Exchange Rate Determined?

The calculation of the price to be paid (or the payout to be received) for Margin FX Contract offered by CLM at the time the product is purchased or sold will be the same as the price CLM is quoted from its hedging counterparty. Price quotes are based on, and with reference to, the underlying foreign exchange market on which the Margin FX Contract is based.

CLM cannot predict future market prices of underlying currencies and our quotations are not a forecast of what we believe an underlying currency's value will be at a future date. The decision to transact at a particular rate will always be your decision.

Significant Risks of Margin FX Contracts Explained

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

Substantial or Total Losses – Despite trying to close out open positions, your loss on a transaction could be very substantial, or even total. If the price or value of one of the underlying currencies moves against your Margin FX Contract position, you will be required to "top up" your account with sufficient funds to maintain your position. The amount required may be substantial. If you fail to maintain the required account balance, your position may be closed out by CLM.

Market Risk – There is a risk that the value of your Margin FX Contract position will change as a result of a movement in the underlying currency price. You will suffer a loss if the price of the underlying currency moves unfavorably. Prices of currencies (from which the value of the Margin FX Contract is derived) depend on a number of factors including for example, interest rates, supply and demand and even the actions of governments. This will directly affect the Margin FX Contract value. Given the potential levels of volatility in the markets, it is recommended that you closely monitor your open positions at all times.

Unregulated Market – The Margin FX Contract products offered by CLM are OTC derivatives and are not covered by the protections for exchange-traded derivatives arising from any domestic or international exchange rules (such as guarantee or compensation funds). Contingent-liability transactions which are not traded on or under the rules of a regulated or designated exchange may expose you to substantially greater risks.

Execution Risk – Slippage - CLM aims to provide you with the best pricing available and to get all orders filled at the requested rate. However, there are times when, due to an increase in volatility or volume, orders may be subject to what is referred to as "slippage". This most commonly occurs during fundamental news events or gapping in the markets. The volatility in the market may create conditions where orders are difficult to execute, since the price might be many pips away due to the extreme market movement or Gapping. Execution is subject to available liquidity at any and all price levels. Although you may be looking to execute at a certain price, the market may have moved significantly or liquidity exhausted, in which instance your order would be filled at the next best price or the fair market value.

Execution Risk - Delays in Execution - A delay in execution may occur for various reasons, such as technical issues with your internet connection to the CLM servers, which may result in hanging orders. The Trading Platforms on your computer may not be maintaining a constant connection with the CLM servers due to a lack of signal strength from a wireless or dialup connection. A disturbance in the connection path can sometimes interrupt the signal, and disable the Trading Platforms, causing delays in transmission of data between your Trading Platform and CLM servers.

Automated Trading Strategies - The use of Automated Trading Strategies (Expert Advisors) on the CLM Trading Platforms is high risk. CLM has no control over the logic or code used by these systems to determine orders to trade. Trading with any system that you leave to run and trade your account without being present may cause significant financial loss and CLM does not accept or bear any liability whatsoever in relation to the operation of the Automated Strategies on the CLM Trading Platforms.

Stop orders and limit orders are not guaranteed - The placing of a stop order can potentially limit your loss; however, we do not guarantee that a stop order will do so. Similarly, a limit order can maximize your profit but there is also no guarantee of this. Foreign exchange markets can be volatile and unforeseeable events can occur which mean that it is possible that stop orders and limit orders may not be accepted or may be accepted at a price different to that specified by you. You should anticipate being stopped out at or limited at a price worse than the price you set. You may suffer losses as a result.

Credit or Counterparty Risk: - Given that you are dealing with CLM as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all

OTC financial market products. You are reliant on CLM ability to meet its counterparty obligations to you to settle the relevant contract. CLM may choose to limit this exposure by entering into opposite transactions in the wholesale market in relation to its exposures with clients.

Leverage – The Margin FX Contracts offered by CLM carry a substantial leverage risk. The high degree of leverage that is obtainable in trading the foreign exchange products offered by CLM because of the small margin requirements can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favor, but that could also mean considerable losses if the fluctuations are to your detriment. Trading in the foreign exchange products offered by CLM may result in the total loss of the amount you deposited with CLM. Leverage could lead to large losses greater than the clients initial deposit and margin payment. Given the possibility of losing an entire investment speculation in Margin FX Contracts should be conducted only with risk capital that, if lost, will not significantly affect your financial stability.

Margin risk–You could sustain a loss, greater than and not limited to, an initial Margin that you have paid to us to establish or maintain a trading position. If the Reference Security's value moves against your trading position, you are responsible for monitoring and meeting the Margin cover requirements. If you fail to provide those additional funds within the required time, your entire position may be liquidated at a loss and you will be liable for any shortfall in your Account resulting from that failure. If a position is Closed Out, all of it may be closed not just a proportion of it. There is no limit on the amount of Margin which may be called in order to meet a revised valuation of your transaction.

Current account balance – This is an important determinant of exchange rates. Currencies with increasing current account surpluses or decreasing current account deficits tend to strengthen against currencies with decreasing current account surpluses or increasing current account deficits. It is the change in the current account deficit or surplus which is relevant.

Current account surplus – A diminishing current account surplus will tend to cause a currency to depreciate, while a shrinking current account deficit will tend to cause the currency to appreciate. However, in practice exchange rates do not always move to reflect current account figures. While over time the relationship holds true there may be sustained periods during which exchange rates move in the opposite direction.

Inflation Rates – These impact upon the ability to purchase goods and services. Over a period of time, the inflationary impact on prices tends to result in price increases for goods and services to offset the impact of inflation. This means that exchange rates should change so as to reflect the relative purchasing power of two currencies.

Interest Rates - How interest rates affect the forward rates has already been described. They can also affect the flow of currencies between countries. Over a period of time it is possible for currencies with a trend towards high local interest rates to attract capital inflow and vice versa.

CONTRACTS FOR DIFFERENCE ("CFDs")

What is a Contract for Difference?

A Contract for Difference ("CFD") is a contract whereby you make a profit or take a loss from market price changes in the underlying asset. However, you do not own or have any interest in the underlying asset. A CFD is a derivative asset in that the value of the CFD is derived from the value of the underlying asset. A CFD allows you to receive many of the benefits of owning the underlying asset without actually owning it.

CLM offers CFD products on commodities such as gold, silver and crude oil. CLM may offer additional CFD products based on other commodities or market indices in the future. If CLM offers such additional products, we may amend this PDS and FSG or we may notify customers electronically, on our website, or otherwise, as required by regulatory bodies.

A CFD is an agreement between CLM and you to trade the difference in changes in the price or value of an underlying asset. CFDs have no fixed size or expiration dates. When you enter into a CFD, you will be paid the amount of money (profit) or be required to pay the amount of money (loss) arising from the change in value of the underlying asset.

Trading a CFD does not mean that you are the owner of the underlying asset. Understand that you have none of the rights to the underlying asset that an owner would have.

CFDs can be traded only during the operating hours for the market upon which that underlying asset is traded.

How Are Orders Executed and Confirmed?

Prior to entering into a transaction, you must open an account with us and deposit a minimum of $100.

When you propose to enter into a transaction, you will access the MetaTrader 4 Platform ("Trading Platforms") and determine which CFD product you wish to trade and consider the prices being quoted by us. Should you decide to accept our price you will follow the steps on the Trading Platform. You must have sufficient money in your account to meet the relevant Initial Margin for the proposed transaction.

What Margin is Required?

Each CFD product requires you to pay an Initial Margin. In addition, you may also be required to pay (or be entitled to receive from CLM) Variation Margin, which is the unrealised loss or profit on your open CFD position.

What is the Initial Margin?

The Initial Margin is the up-front deposit you are required to provide to CLM when you enter into a transaction with us and which must be maintained throughout the term of the relevant transaction. The amount of the Initial Margin applicable to each transaction is determined by CLM in its sole discretion and current levels for each CFD product are available on www.clmforex.com It is typically 2% to 5% of the transaction value but may be as high as 100% depending on the volatility of the relevant underlying market and the liquidity of the underlying asset. CLM may vary the Initial Margin rate at any time in its sole discretion.

Adjustment of Differences/Variation Margin

In addition to your Initial Margin, you may have to pay an additional margin, called Variation Margin. Open positions are accounted for in real time on a mark-to-market basis to account for any market movements and to determine the current value of the CFD on which the underlying asset is normally quoted. Based on this determination, your account will either be debited in relation to any unrealised losses or credited in relation to any unrealised profits.

If you hold a long (or bought) position and the current value increases, CLM will credit an amount equal to the increase in value. If the current value decreases, CLM will debit you an amount equal to the decrease in value.

If you hold a short (or sold) position and the current value increases, you will be debited an amount equal to the increase in value to CLM. If the current value decreases CLM will credit your account with an amount equal to the decrease in value.

These amounts owing by you to us in order to "top up" the Initial Margin are what is known as the Variation Margin.

How are profits and losses on CFDs calculated?

The amount of any profit or loss made on the CFD will be calculated by reference to the difference between the price or value of the CFD's underlying asset when the CFD is opened and the price or value of the CFD's underlying asset when the CFD is closed out, multiplied by the number of the CFDs held. The calculation of profit or loss is also affected by funding charges and any other charges.

What Happens if the Market is Adverse?

Where Clients experience adverse market movements against their open positions, they can close out the open position, "top up" the account, or wait for CLM to automatically close out or force liquidate the trade. CLM has a "no negative balance policy" which is intended to ensure that your position is closed out before the value of a trade declines below the required Margin to hold the position. CLM enables you to manage both adverse and favorable movement by using Stop Loss Order and Stop Limit Orders as part of their risk-management strategy.

Stop Limit Order

A stop limit order is a particular kind of stop loss order. A stop limit order means that the Order will not get filled at all below the limit of the Order. This means that if the new or opening price gaps beyond your stop limit order, your Order will not be filled at all.

Stop Loss Order

You would generally choose to place a stop-loss order to provide some risk protection. For example, if your open position moves towards making a loss based on a level chosen by you, the stop loss order would be triggered in order to try to close your open position or to open a position, depending on the CFD transaction you have.

These orders work in very similar ways as the limit order, except in the opposite direction. These orders are seldom used to enter a trade, and some brokers do not have this feature, but CLM does. Most stop orders are used to exit an existing trade.

Why Would I Invest Using CFDs?

CFDs are generally used for one of two purposes – hedging or speculating. CFDs can provide those who deal in the underlying asset with a tool for managing the risks associated with changing prices for those investments. This strategy is known as hedging. CFDs are also traded by speculators, who trade in the anticipation of profiting purely from changing prices in the underlying asset.

Generally, trading CFDs allows you to leverage your positions to take a much greater exposure than if you were to purchase the underlying asset. **Trading in CFDs does, however, involve significant risk**. Traders and investors must understand the nature of the risks inherent in such transactions prior to entering into these transactions.

Significant Risks of CFD Products Explained

You should be aware that trading in the CFD products offered by CLM involves risks. It is important that you carefully consider whether trading our products is appropriate for you in light of your investment objectives, financial situation and needs.

Substantial of Total Losses–Despite trying to close out open positions, your loss on a transaction could be very substantial, or even total. If the price or value of the underlying asset moves against your CFD position, you will be required to "top up" your account with sufficient funds to maintain your position. The amount required may be substantial. If you fail to maintain the required account balance, your position may be closed out by CLM.

Market Risk – There is a risk that the value of your CFD position will change as a result of a movement in the underlying market price. You will suffer a loss if the price of the underlying asset moves unfavorably. Prices of assets (from which the value of the CFD is derived) depend on a number of factors including for example, interest rates, supply and demand, and even the actions of governments. This will directly affect the CFD value. Given the potential levels of volatility in the markets, it is recommended that you closely monitor your open positions at all times.

Unregulated Market – The CFD products offered by CLM are OTC derivatives and are not covered by the protections for exchange-traded derivatives arising from any domestic or international exchange rules (such as guarantee or compensation funds). Contingent liability transactions which are not traded on or under the rules of a regulated or designated exchange may expose you to substantially greater risks.

Credit or Counterparty Risk – Given that you are dealing with CLM as counterparty to every transaction, you will have an exposure to us in relation to each transaction. This is common to all OTC financial market products. You are reliant on CLM ability to meet its counterparty obligations to you to settle the relevant contract. CLM may choose to limit this exposure by entering into opposite transactions as principal in the wholesale market in relation to its exposures with clients. In addition, CLM must comply with the financial requirements imposed under its AFS License.

Leverage – The CFD products offered by CLM carry a substantial leverage risk. The high degree of leverage that is obtainable in trading the CFD products offered by CLM because of the small Margin requirements can lead to large losses as well as large gains. The impact of leverage is that even a slight fluctuation in the market could mean substantial gains when these fluctuations are in your favor, but that could also mean considerable losses if the fluctuations are to your detriment. Trading in the CFD products offered by CLM may result in the total loss of the amount you deposited with CLM. Leverage could lead to large losses greater than the clients' initial deposit and margin payment. Given the possibility of losing an entire investment speculation in CFDs should be conducted only with risk capital that, if lost, will not significantly affect your financial stability.

Margin risk –You could sustain a loss, greater than and not limited to, an initial Margin that you have paid to us to establish or maintain a trading position. If the Reference Security's value moves against your trading position, you are responsible for monitoring and meeting the Margin cover requirements. If you fail to provide those additional funds within the required time, your entire position may be liquidated at a loss and you will be liable for any shortfall in your Account resulting from that failure.

If a position is Closed Out, all of it may be closed not just a proportion of it.

There is no limit on the amount of Margin which may be called in order to meet a revised valuation of your transaction.

How is the CFD Value Calculated?

The calculation of the price to be paid (or the payout to be received) for CFD products offered by CLM at the time the product is purchased or sold will be the same as the price CLM.

Trading is quoted from its hedging counterparty. Price quotes are based on, and with reference to the underlying contract on which the CFD product isbased.

CLM cannot predict future market prices of underlying assets and our quotations are not a forecast of what we believe an underlying asset's value will be at a future date. The decision to transact at a particular rate will always be your decision.

GENERAL RISK OF PRODUCTS

CLM strongly recommends that, if you are not fully familiar with Derivatives, you obtain independent legal, financial and taxation advice before proceeding with a transaction. Further, CLM recommends that you should consider the following:

- It is your responsibility to understand the nature and risks associated with each transaction.
- In entering into any transaction, neither CLM nor any of its representatives will advise you, or is to be taken as advising you, as to any strategy, risk profile or financial result.
- Derivatives trading is highly speculative and volatile. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealized profits or losses will remain unchanged.
- Past performance of markets and currencies in particular, is never an assurance of future performance.
- The value of your account may fluctuate according to exchange rates and interest rates, as well as other market conditions which are outside of your control and which cannot be forecast.
- Information about prices or rates may come from several sources and may not be current at the time given to you. CLM does not take responsibility for information about rates or other financial market data or statements and CLM relies on your acknowledgment that you do not rely on any such information given to you or discussed with you. CLM only undertakes to perform the transaction agreed with you at the price or rate for that transaction, and not at any other price or rate available in the market.
- The CFDs and Margin FX are valued by CLM. Typically, this is by direct reference to the market value (or, if relevant, index level) of the relevant Reference Security on the relevant

Exchange. If the Exchange fails to provide that information (for example, due to a failure in the Exchange's trading system or data information service) or trading in the Reference Security is halted or suspend, CLM may exercise its discretion to determine a value. Due to the nature of products, in common with industry practice for such financial products, CLM discretion is unfettered and so has no condition or qualification. You therefore have the risk of relying on whatever value is determined by CLM in the circumstances permitted by the Account Terms & Conditions.

Our powers on default, indemnities and limitations on liability – If you fail to pay, or provide collateral for, amounts payable to CLM or fail to perform any obligation under your transactions, CLM has extensive powers under the Account Terms & Conditions with you to take steps to protect our position including, for example, the power to Close Out positions and to charge default interest. Under the Account Terms and Conditions, you also indemnify CLM for certain losses and liabilities, including, for example, in default scenarios.

Further, CLM liability to you is expressly limited (to the extent permitted by law) to performing its obligations. You should read the Account Terms and Conditions carefully to understand these matters.

Volatility – Under certain conditions, it may become difficult or impossible for you to close out a position. This can happen when there is a rapid change in the price or value of the underlying asset over a short period of time. This may result in large losses, however your loss is generally limited to the net amount deposited with CLM to establish or maintain a contract, as CLM maintains a "**no negative balance policy**" (on OTC product offerings).

Electronic Trading Platforms – You should be aware that there are a number of risks associated with using internet-based trading platforms. These risks are not exclusive to our MetaTrader 4 Trading Platform ("Trading Platform") but also apply to other providers of trading platforms. Such risks include, but are not limited to, risks related to the use of software and/or telecommunications systems such as software errors and viruses, bugs, delays in telecommunications systems, connection or system failures, network downtime, interrupted service, data supply errors, and security breaches. A disruption to the MetaTrader 4 Trading Platform(s) could mean you are unable to trade in a product offered by CLM and that you may suffer a financial loss or an opportunity loss as a result. The occurrence of disruptive events is outside the control of CLM and, accordingly, you will have no recourse against CLM relating to losses sustained as a result of software disruptions.

Use and Access to the Website – You are responsible for providing and maintaining the means by which you access the MetaTrader 4 Trading Platform, which may include without limitation a personal computer, modem and telephone or other access line. While the internet and the World Wide Web are generally reliable, technical problems or other conditions may delay or prevent access. If you are unable to access the Internet and thus, the Trading Platform, it will mean you may be unable to trade in the products offered by CLM and you may suffer a loss as a result. **CLM cannot be held responsible for losses resulting from such service disruptions.**

Furthermore, in unforeseen and extreme market situations, CLM reserves the right to suspend the operation of the Trading Platform. In such an event, CLM may, at its sole discretion (with or without notice), close out your open positions at prices or values it considers fair and reasonable at such a time and is not responsible for any loss that arises from such actions.

When Markets Are Closed – Due to the dynamic nature of our products and the underlying assets, it is possible that the value of your open positions will change outside trading hours, while the trading function of our Trading Platform is closed, and various markets may be closed, for example during weekends. In this case, you will not be able to trade in a product offered by CLM (e.g. Open a new transaction or close out an open transaction) until trading hours resume and the trading function of the Trading Platform and the relevant market re-opens. You may suffer a financial loss or opportunity loss as a result.

Illiquid Markets - A liquid market is generally one in which there is sufficient trading activity to satisfy both buyers and sellers. An illiquid market is generally one in which it is difficult to find bids and offers. Some commodity markets are extremely illiquid, and hence CLM reserves the right to postpone offering a price for a product until a more liquid market develops.

No Cooling Off

There are no cooling-off arrangements for Derivatives. This means that when CLM arranges for the execution of a product, you do not have the right to return the product, nor request a refund of the money paid to acquire the product.

Prices – Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying asset. CLM will select closing prices to be used in determining Margin requirements and in marking to market the positions in your account. Prices used may vary from those available to other participants in the market, and consequently CLM may exercise considerable discretion in setting Margin requirements.

CYBER SECURITY RISK & DISCLAIMER OF LIABILITY

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

GLOSSARY

Account - Account of the client dealing in the products issued by CLM, which is established in accordance with the Terms & Conditions.

Account Application Terms & Conditions - The agreement provided to you by CLM, detailing the applicable terms and conditions as amended, supplemented or updated from time to time. You must complete, sign and return an Account Application Terms & Conditions, and have your account approved by CLM before you can set up an account with CLM to deal in products issued by CLM.

Application - Your request to CLM to establish an Account made using the Account Application Terms & Conditions.

Base Currency - Your account is maintained in the currency you have nominated, that is, the base currency. In relation to quoting of currency pairs, the base currency is the first currency of the pair. When quoting AUDUSD, then AUD is the base currency. When quoting USDJPY, then USD is the base currency.

Business Day - A day (other than a Saturday or Sunday or public holiday) on which trading banks in important markets are open for business.

Call Option - An Option Contract which gives the buyer the right, but not the obligation, to buy the Underlying Instrument from the seller at or before, a future point in time at a pre-defined price.

Client or Customer or You - (which terms are used interchangeably) means the party who accepts the terms of and agrees to the Client Agreement and PDS.

Close Out, Closed Out - in relation to a CFD transaction mean discharging or satisfying the obligations of the parties under the CFD transaction and this includes:
by delivering the amount or value of the Reference Security (including a dollar multiple of an index) required in accordance with the Account Terms, as a result of the matching up of the CFD Transaction with a CFD Transaction of the same kind under which you have assumed an offsetting opposite position; and making adjustments for fees and charges.

Close Out, in relation to and options: To close out an existing open position by entering into an equal and opposite offsetting position. To close out a bought or long position requires selling and closing out a sold or short position requires buying.

Confirmation - means any confirmation of a CFD or

FX Margin Contract transaction issued by us or on our behalf to you and includes an electronically transmitted confirmation.

Contract for Difference ("CFD") - means an agreement between you and CLM to trade the difference arising from movements in the price or value of an underlying asset.

Exercise Price - The price at which the buyer of an Option Contract may buy or sell the Underlying Instrument, as defined in the terms of the Option Contract.

Expiry Date - In relation to an Option Contract, the date on which the Option Contract expires or matures. This is also referred to as the Maturity Date.

FSG – CLM "Financial Services Guide" as amended, supplemented or updated from time to time.

FX – Foreign Exchange

Initial Margin - An amount required to be deposited by the client with CLM to open a Margin FX position or establish a position in a Contract.

LIBID - LIBID stands for London Interbank Bid Rate. The rate charged by one bank to another for a deposit in the wholesale money markets in London.

LIBOR - LIBOR stands for London Interbank Offer Rate. It's the rate of interest at which banks offer to lend money to one another in the wholesale money markets in London.

Limit to Buy – An order to purchase a contract at or below a specified price. A buy limit order allows traders and investors to specify the price that they are willing to pay for a contract, such as a currency pair or a CFD. By using a buy limit order, the investor is guaranteed to pay that price or better, meaning that he or she will pay the specified price or less for the purchase of the contract.

While the price is guaranteed, the filling of the order is not. In other words, if the specified price is never met, the order will not be filled, and the investor may miss out on the trading opportunity.

Limit to Sell- An order to sell a contract at or above a specified price. A sell limit order allows traders and investors to specify the price that they are willing to sell a contract for, such as a currency pair or a CFD. By using a sell limit order, the investor is guaranteed to receive that price or better, meaning that he or she will sell the contract at the specified price or higher.

While the price is guaranteed, the filling of the order is not. In other words, if the specified price is never met, the order will not be filled, and the investor may miss out on the trading opportunity.

Margin - The Initial Margin or Variation Margin or both.

Margin Call - A demand for additional funds made to the client by CLM to meet any additional margin requirement.

Margin FX - Margin foreign exchange.

Margin Foreign Exchange Contract ("Margin FX Contract") – means a rolling spot foreign exchange contract between a Client and CLM in relation to an agreed currency pair.

Over the Counter ("OTC") contract- means a contract (or product) that is traded off-market as opposed to on an exchange such as a stock exchange or exchange.

PDS- Product Disclosure Statement.

Put Option- An Option Contract where the buyer has the right, but not the obligation, to sell the Underlying Instrument at or before a future point in time at a predefined price.

Reference Security- means the reference security, other financial product, currency, commodity, index or other item (or any combination of one or more of those) which is used as the basis for the calculations for your CFD or Margin FX Contract.

Stop Limit Order- is a particular kind of Stop Loss order. A stop limit order means that the order will not get filled at all below the limit of the order.

Stop Loss Order- is an order that you place which allows you to set a price at which you would like to exit the position should the price of the Reference Security move against you.

<u>Trading Platform-</u> The MetaTrader 4 Trading Platform.

<u>Underlying Instrument-</u> a security, (stock, commodity, or other type of financial product) whose value determines the value of a derivatives investment or product.

<u>Variation Margin</u> - The amount deposited by the client with CLM including any increase or reduction arising from settlement of a closed position

<u>"CLMarkets", "Core Liquidity Markets", "Core Liquidity", "CLM" "we" or "us</u>" - CLMarkets Ltd. registered in St. Vincent and the Grenadines, IBC No. 24750-IBC-2018.