



ADMIRAL MARKETS PTY LTD

POLICY DOCUMENT

CLIENT MONEY POLICY

Issued by:
Admiral Markets Pty Ltd
ABN 63 151 613 839
AFSL 410681
Level 10, 17 Castlereagh Street
Sydney NSW 2000
Phone number 1300 88 98 66



CLIENT MONEY POLICY

PROCEDURES FOR HOLDING AND PROTECTING CLIENTS' ASSETS

1. General provisions

1.1. Pursuant to the activity licence issued by ASIC, Admiral Markets Pty Ltd and its parent company Admiral Markets AS (hereinafter Firm) has the right to hold the assets and securities of clients in accordance with the conditions and procedures specified by law, on the basis of a mandate from the clients.

1.2. The procedure for holding and protecting clients' assets (hereinafter Procedure) shall be established by the Board of the Firm and it shall be implemented by the Management Board and employees of the Firm.

1.3. The Firm shall keep the client assets entrusted to it separate from its own assets and those of other clients of the Firm, unless expressly agreed otherwise in writing with the client.

1.4. Client assets managed by the Firm, including client assets held in the name of the Firm itself and any assets acquired on account of such assets, belong to the respective clients and shall not be included in the bankruptcy estate of the Firm. Any claims of the creditors of the Firm shall not be satisfied on account of such assets. To ensure this, the Firm shall maintain separate accounting records of clients' assets, keeping them separated from the accounting records of the Firm. The accounting records of the Firm shall ensure separate accounting of the assets of each client and shall ensure accuracy and truthfulness in relation to the actual assets held for clients.

1.5. The Firm shall regularly assess the correspondence of the accounting records, data and registers of third parties that hold client assets with the accounting records of the Firm. For that purpose, the Firm shall request, at least once a month, excerpts of the accounting records of such third parties in the part that covers the assets of clients of the Firm.

1.6. The Firm shall preserve the accounting records of client assets and inspection reports concerning the accounting records of third parties that hold client assets in a format, which can be reproduced in writing.

1.7. Implementation of this Procedure shall be monitored and inspected by the Compliance Officer of the Firm. Appropriateness and efficiency of this Procedure and the principles of holding client assets in the Firm shall be reviewed by the auditor of the Firm. The auditor of the Firm shall, once a year or more frequently if required, prepare a report on the efficiency of the principles of holding and protecting client assets in the Firm. The Firm shall periodically submit the aforementioned report to ASIC as required.

2. Holding clients' securities

2.1. The Firm shall hold clients' securities at a third party on an account opened in the name of the client, or together with securities of other clients on a nominee account opened in the name of the Firm, or on an account opened at a third party in the name of the Firm. The Firm shall obtain an express written consent of the client for holding the client's securities in the name of the Firm or on a nominee account. Such consent may be part of the client contract.

2.2. When selecting a particular procedure and service provider for holding securities, the Firm shall, among other things, consider the legislation regulating maintenance of securities in the relevant jurisdiction (incl. applicable guarantee schemes and legal separation of assets in case of, inter alia, bankruptcy of the service provider), market practices applied in the relevant jurisdiction, the procedure of the service provider for keeping and auditing records of securities held for clients, legal opportunities of the Firm to exercise control over the holding of clients' securities by the service provider, as well as reputation and experience of the service provider in providing the respective service in the relevant jurisdiction. By its decision, the Management Board of the Firm may establish detailed requirements for service providers (including a requirement of official rating) used for holding clients' securities.

2.3. The decision on the procedure for holding clients' securities and selection of a service provider shall be taken by the Management Board of the Firm, based on clients' best interests. The Firm shall inform the client of holding his or her securities on an account opened at a third party according to the procedure established by internal regulations of the Firm (Information Provided to Clients and the Procedure for Providing Information).

2.4. The Firm shall hold clients' securities only at such persons who, in their jurisdiction, are subject to legislation that includes separate regulations for holding securities on an account of another person, or, if there are no separate regulations for holding securities on an account of another person, the Firm shall hold clients' securities in such manner only if one of the following criteria is satisfied:



2.4.1. the nature of securities or related investment services requires that they be held at a third party located in such third country;

2.4.2. securities are held in the name of a client classified as a professional client according to the procedure specified in internal regulations of the Firm (Procedure Rules for Handling Clients) and such professional client has issued the Firm a written consent for holding such securities at a third party located in such third country.

3. Holding clients' funds

3.1. Upon receiving money from a client, the Firm shall promptly transfer it to one or more accounts with an Australian authorised deposit-taking institution (Australian ADI).

3.2. The Firm shall not hold its own funds on the same account as the funds of a client or clients. The firm complies with Section 981B of the Corporations Act, which states, that an account must be established in order to separate the firm's Money from client money. The legislation outlines that the money can only be used as permitted under the strict client money provisions.

3.3. When holding clients' funds, the Firm shall provide clients with information specified in the internal regulations of the Firm (Information Provided to Clients and the Procedure for Providing Information).

3.4. If the Firm does not hold clients' funds at an Australian ADI, it shall exercise sufficient expertise, care and diligence in the selection of an account with an approved foreign bank or a cash management trust for investing clients' funds, as well as in selection and regular monitoring of the procedure used for holding such funds. The Firm shall take into account the expertise and reputation of said institutions or entities or their management companies in order to ensure the protection of the rights of clients and to prevent any legal claims or market practices related to the holding of clients' assets that could adversely affect the rights of clients.

3.5. The decision on selection of an approved foreign bank or a cash management trust for investing clients' funds shall be taken by the Management Board of the Firm.

3.6. For the purposes of sub-clause 3.5 of this Procedure, a money market instrument shall be considered to be of high quality if it has been awarded the highest available credit rating by at least one rating agency, which has rated that instrument. If a money market instrument has been rated by several rating agencies, it must have been awarded the highest available credit rating by each rating agency. For the purposes of this clause, a rating agency shall mean a rating agency, which is entered on the list maintained by the Financial Supervision Authority and issues credit ratings in respect of money market funds regularly and on a professional basis.

3.7. The Management Board of the Firm may, by its decision, establish detailed requirements for credit institutions and money market funds eligible for a transfer of clients' funds.

3.8. Trust moneys are withdrawn to pay for the firm's Products. Moneys which are paid into the Admiral Trust Account are not kept there but are withdrawn to pay the firm for the firm's Products (and paid into a Security Trust bank account). The moneys are withdrawn as payments to the firm, so they are not retained in the Admiral Trust Account for you and you lose the benefits of holding those moneys in the Admiral Trust Account. The firm has adopted the Security Trust; please refer to the PDS on our website where this is described under Section 3.18 under "Security Trust".

In brief, the Security Trust is intended to reduce client's credit risk on the firm because the firm is obliged by the terms of the Security Trust to hold certain assets on the terms of the Security Trust and only use those assets in accordance with the terms of the Security Trust. If the Security Trust did not exist or its terms are not enforced, then the firm could use those assets in any way permitted by law.

Please note that the interpretation and enforcement of trusts can involve the exercise of discretion by the courts in Australia (and potentially outside of Australia) despite the express written terms of a trust such as the Security Trust. If a court is ever asked to consider the terms of the Security Trust and it determines that those terms, for any reason, cannot be enforced, this would have the effect of leaving clients in the same position as if there never had been a Security Trust. The features of this possibility disclosed in the PDS, for example, that the firm could use those assets in any way permitted by law (see immediately above), the disclosures and wording under "Moneys withdrawn to pay Admiral are Admiral's own moneys (and are not held for you)" in Section 3.13, all of Section 3.18 but in particular under the heading "Effect of uncertainty of trust and insolvency laws on Security Trust" and the risk of this is also disclosed in Section 4.2 in the PDS found at www.admiralmarkets.com.au

4. Use and disposal of client securities

4.1. The Firm undertakes to refrain from using clients' assets in its own interests (incl. concluding financing transactions through securities), except where a client has given an express written consent to the use of assets, and the disposal of assets is limited by the scope of the client's consent.

4.2. Within reasonable time prior to using a client's assets, the Firm shall provide the client with information specified in the internal regulations of the Firm (Information Provided to Clients and the Procedure for Providing Information).

4.3. The Firm shall not conclude securities financing transactions with securities, which are held on behalf of a client on an omnibus account of a third party or any other equivalent account; in addition, the Firm shall not otherwise, on its own account or on account of another client, use or dispose of the client's securities held in such an account, except in all cases specified if, in addition to the conditions set out in clause 4.1 of this Procedure, at least one of the following conditions is met:

4.3.1 Each client whose securities are held together in an omnibus account or an equivalent account has given prior consent;

4.3.2 The Firm has in place systems and controls, which ensure that only securities belonging to clients, who have given prior consent, are so used.

4.4 The Firm shall register the details of the clients, who have given instructions for the use of securities, and the number of securities owned by each consenting client to ensure fair distribution of any potential losses.