



CLIENT AGREEMENT

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& CLIENT ACKNOWLEDGEMENT



## CLIENT AGREEMENT

**THIS AGREEMENT** is made on the date indicated in the Client Acknowledgement of this agreement between the following parties:

1. **GLOBAL BROKERS (NZ) LIMITED (THE COMPANY)** of AUCKLAND, NEW ZEALAND; and
2. **THE PARTY IDENTIFIED IN THE CLIENT ACKNOWLEDGEMENT OF THIS AGREEMENT** and of the address also shown in the Client Acknowledgement of this agreement (the Client).

## PREAMBLE

- A. The Client wishes THE COMPANY to deal in Foreign Exchange, Options and Futures Contracts in accordance with the terms of this agreement.
- B. THE COMPANY is an Authorised Futures Dealer pursuant to the Securities Markets Act 1988 and is an authorised Futures and Options Introducing Broker with the New Zealand Exchange (NZX).

## AGREEMENT

- A. The Client and THE COMPANY agree that the Client Agreement, Risk Disclosure Statement, Investment Advisers (Disclosure) Statement and Client Acknowledgement are the one agreement for the purposes of this agreement.
- B. The Client acknowledges that the Client Agreement, Risk Disclosure Statement Investment Advisers (Disclosure) Statement and Client Acknowledgement are the one agreement by executing the Client Acknowledgement in this agreement.

## IT IS AGREED

## DEFINITIONS AND INTERPRETATIONS

Unless otherwise stated in this Agreement, the definitions are as follows:

**Authorised Signatory** means a person who has been authorised in writing by the client to transact on the clients account.

**Client** means the person(s) who have executed this document and have been granted a facility with THE COMPANY.

**Client Funds** has the meaning given to it in the Client Fund Regulations 1990.

**Client Fund Regulations** means the Futures Industry (Client Funds) Regulations 1990.

**Discretionary Account** means an account where the client has authorized another person(s) to trade that account on the client's behalf.

**Futures Contract** has the meaning given to that term in Section 37 (1) of the Securities Markets Act 1988.

**Futures & Options Exchange** means an authorized Exchange for the purpose of trading Futures & Options.

**Investment Advisers (Disclosure) Statement** means a statement required to be issued pursuant to the Investment Advisers (Disclosure) Act 1996.

**Long Position** means where a person holds an excess of purchase over sales of the relevant commodity, currency or other investment instrument.

**New Zealand Exchange** is referred to in this document as NZX.

**Off-Exchange** means a market for trading Futures Contracts that are not executed through a Futures & Options Exchange.

**On-Exchange** means a market for trading Futures Contracts that are executed through a recognized Futures & Options Exchange.

**Regulatory Authority** means any authority, body or person having responsibility for or in connection with the regulation or supervision of Dealing in Futures Contracts or for the enforcement of any other law or regulation applicable to Dealing in Futures Contracts.

**Securities Commission** means the Securities Commission established under Section 9 of the Securities Act 1978.

**Short Position** means where a person holds excess of sales over purchase of a relevant commodity, currency or investment instrument.

## 1. Application of Rules

The Client and THE COMPANY agree that the terms of their relationship in respect of Foreign Exchange Options and Futures Contracts and any dealings between them concerning these Contracts are subject to, and are bound by:

- (a) the Securities Markets Act 1988, NZX Rules and any other legislation applicable to Futures Contracts, Options & Foreign Exchange; and
- (b) this Client Agreement.

## 2. Client to Provide Information

The Client must take all reasonable steps to deliver information or documentation to THE COMPANY, or cause information or documentation to be delivered to THE COMPANY concerning Foreign Exchange and Futures & Options Contracts which are requested by a person having a right to request such information or documentation. That THE COMPANY is authorised to produce the information or documentation to the person making the request.

## 3. Risk and Financial Objectives

3.1 The Client acknowledges that they have read and understood:

- (a) the attached Client Acknowledgement and Risk Disclosure Statement;
- (b) the document given to them which explains the nature of Foreign Exchange and Futures Contracts; and
- (c) details of the contract specifications of Foreign Exchange and Futures Contracts in which THE COMPANY will deal on behalf of the Client.

3.2 The Client acknowledges that trading in Foreign Exchange and Futures & Options incurs a risk of loss as well as a potential for profit, and may create an obligation to give or take delivery, or make a cash adjustment, in accordance with the terms of a Contract.

3.3 The Client acknowledges that it has given careful consideration to its objectives, financial situation and needs and has formed the opinion that dealing in Foreign Exchange and Futures & Options Contracts is suitable for the Client's purposes.

3.4 The Client acknowledges that THE COMPANY has explained and the Client has understood THE COMPANY's Allocation Policy.

## 4. Nature of THE COMPANY's obligations and rights of Client

4.1 THE COMPANY may deal in Foreign Exchange and Futures Contracts as principal on its own account and THE COMPANY's directors, partners or employees may deal in Foreign Exchange and Futures Contracts on their own account.

4.2 Upon placing a Order with an Executing Dealer (which may or may not be THE COMPANY), the Client acknowledges that the Executing Dealer incurs obligations as principal, even though the Foreign Exchange and Futures & Options Contract may have been entered into on the Client's instructions.

4.3 THE COMPANY is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of:

- (a) the Securities Markets Act 1988, NZX Rules or any other legislation or Exchange rule applicable to Futures Contracts;
- (b) this Client Agreement.

## 5. THE COMPANY taking opposite position

The Client acknowledges that THE COMPANY may, in certain circumstances, take the opposite position in a Foreign Exchange and Futures Contract, either acting for another client or on its own account.

## 6. Liability for margin calls

As THE COMPANY is an Introducing Broker it is not permitted to hold Client Funds but may act on behalf of the Clearing Broker to advise Clients of margin calls

and facilitate the payment thereof directly to the Clearing Broker.

6.1 Liability to pay an initial margin accrues at the time the Futures Contract is executed regardless of when a call is made.

6.2 Liability to pay a variation margin accrues at the time the margin comes into existence, regardless of when a call is made.

### 6.3 **Default**

If:

- (a) the Client fails to pay, or provide security for, amounts payable to the Futures and Options Participant or fails to perform any obligation arising pursuant to the settlement of a Futures Contract;
- (b) a guarantee or other security provided by the Client to the Futures and Options Participant is withdrawn or becomes ineffective; or
- (c) any other event occurs which the Futures and Options Participant (THE COMPANY) and the Client have agreed in their Client Agreement entitles the Futures and Options Participant to take action under this clause 6.3.

The Futures and Options Participant (THE COMPANY) may, in addition to any other rights which it may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstance in connection with Futures Contracts, Foreign exchange position entered into for the Client (including, without limitation, open positions arising from Futures Contracts) and, without limitation, the Futures and Options Participant may:

- (d) enter into one or more transactions to effect the close out of one or more open positions in accordance with the rules and regulations of the Futures and Options Exchange on which those Futures Contracts are traded;
- (e) exercise one or more Futures Contracts that are options in accordance with the rules and regulations of the Futures and Options Exchange on which those Futures Contracts that are options are traded; or

(f) exercise any other rights conferred by the NZX Futures and Options Rules, rules and regulations of the Futures and Options Exchange on which those Futures Contracts are traded, the terms and conditions governing a Futures Contract traded Off-Exchange or the Client Agreement or perform any other obligations arising under the NZX Futures and Options Rules, rules and regulations of the Futures and Options Exchange on which those Futures Contracts are traded, the terms and conditions governing a Futures Contract traded Off-Exchange or the Client Agreement in respect of those Futures Contracts,

and the Client must account to the Futures and Options Participant (THE COMPANY) as if those actions were taken on the instruction of the Client and, without limitation, is liable for any deficiency and is entitled to any surplus which may result. The Introducing broker (THE COMPANY) will have the right to take any action required to redeem any moneys Still owing.

### 7. **Commissions and fees**

The Client must pay to THE COMPANY commissions, fees, taxes and charges in connection with dealing in Foreign Exchange and Futures & Options Contracts for the Client at the rates determined by THE COMPANY from time to time and notified to the Client in writing from time to time.

### 8. **Tape recording of conversations**

The Client acknowledges that THE COMPANY may record telephone conversations between the Client and THE COMPANY. If there is a dispute or anticipated dispute between the Client and THE COMPANY, the Client has the right to listen to any recording of those conversations.

### 9. **Electronic Trading**

The Client acknowledges that if THE COMPANY provides the Client with access to an electronic order routing system, then the Client agrees and acknowledges that:

- (a) the Client has the necessary skills, facilities and procedures to operate such a system; and
- (b) the Client understands the risks and obligations attaching to the use of such a system, including the risks in trading through an electronic order routing system which is serviced by means of computer and telecommunication systems; and

- (c) the Client is bound by instructions it transmits to THE COMPANY Dealer through the system; and
- (d) such systems may not be secure and cannot be operated in all circumstances without error and errors may result in delay in telecommunications services to the Client or interrupted or terminated services to the Client; and
- (e) intellectual property rights attach to the system and to any system that provides Market Information; and
- (f) any Market Information is confidential information and the Client will not publicly display, redistribute or re-transmit the Market Information in any way without having executed an appropriate agreement with THE COMPANY ; and
- (g) Market information provided through the system may not be accurate or current and that the Client relies on Market Information at its own risk; and
- (h) the Client will maintain the confidentiality of passwords used to access the system and ensure all security procedures are implemented and followed as determined by THE COMPANY; and
- (i) the Clients ability to trade through the system will be subject to limitations imposed by THE COMPANY; and
- (j) THE COMPANY may restrict and terminate access to the system at any time without notice to the Client
- (k) THE COMPANY may require the Client to comply with other terms as required by any directive issued to THE COMPANY by the Securities Commission, New Zealand Exchange (NZX), Clearing House or by THE COMPANY itself.

Further, the Client agrees that it will not hold THE COMPANY liable in anyway whatsoever in terms of system or component failure, telecommunications, power failure or anything else.

#### 10. Exchange Rate Risk

The client agrees that in the case of the client's defaults under the terms of this Agreement, THE COMPANY may elect to convert any amount owed by the Client (including any interest) into New Zealand

currency either at the date of the Client's default or on the date on which the Client pays the amount owed to THE COMPANY in full.

#### 11. Right to refuse to deal

The Client acknowledges that THE COMPANY may at any time refuse to enter into a Foreign Exchange and Futures Contract for the Client, or may limit the Foreign Exchange and/or Futures Contracts it enters into for the Client. THE COMPANY will notify the Client of any refusal or limitation as soon as practicable.

#### 12. Termination of Client Agreement

Either the Client or THE COMPANY may terminate this Client Agreement by giving notice in writing to the other. Termination will be effective upon receipt of the notice by the other party.

#### 13. Effect of termination

Termination does not affect the existing rights and obligations of the Client or THE COMPANY at termination. All commissions payable by the Client to THE COMPANY are still payable up to and including the last day prior to termination.

#### 14. Client Funds and Property

THE COMPANY is an Introducing Broker and is not permitted to hold Client Funds or Property. The Client acknowledges this and agrees to pay ALL deposits and margins to the Clearing Broker whom THE COMPANY it has introduced the Client. Further, THE COMPANY takes no responsibility whatsoever in respect to any funds placed with any Broker who THE COMPANY has recommended to the Client. The Client should note that THE COMPANY is not associated or privy to the financial situation of any Broker who it introduces the Client to and the Client should satisfy itself before proceeding to place any funds.

#### PROVISIONS RELEVANT FOR FUTURES DEALERS THAT ARE ACTING AS EXECUTING DEALERS

#### 15. Nature of Futures Dealers obligations and rights of Client

Notwithstanding that THE COMPANY may act in accordance with the instructions of, or for the benefit of, the Client, the Client acknowledges that any

Foreign Exchange and Futures Contract arising from any order submitted by THE COMPANY will be placed directly with the Clients Clearing Broker and on the Clients own account.

account shall be given by the Client or by the Futures and Options Participant to the Executing Participant in writing.

## 16. DISCRETIONARY ACCOUNTS

The Client acknowledges that THE COMPANY does offer Clients the service of Discretionary Trading. As such a separate Discretionary Trading Agreement needs to be entered into.

## 17. Entire Agreement

The Client agrees that the Client Agreement, Risk Disclosure Statement, Investment Advisers Disclosure Statement and Client Acknowledgement constitutes the entire agreement between THE COMPANY and the Client and supersedes any prior agreement relating to the subject matter of this agreement or any prior declaration or statement both parties may have made. This agreement will become effective on the date that it is received and accepted by both parties.

## Interest on Client Funds

**18.0** Unless otherwise agreed in writing, the Client acknowledges that the Executing Participant is entitled to any interest on money and property of the Client deposited with the Executing Participant and segregated and invested by the Executing Participant.

## 18.2 Moneys payable by the Executing Participant

The Executing Participant may either:

- (a) pay any moneys owing to the Client directly to the Client at the Client's address; or
- (b) pay any such moneys into a bank account of which the Client is the sole signatory, details of which

## 19. Commission and fees

A: The Client will pay to the Executing Participant, in addition to any amount payable to the Futures and Options Participant under clause 8, commission and/or management fees at the rates notified by the Executing Participant to the Client in writing from time to time.

B: The Executing Participant may pay to the Futures and Options Participant a proportion of the commission or other fees paid by the Client to the Executing Participant in respect of Futures Contracts traded on behalf of the Client.

## 20.0 Client's Suitability To Trade

The Client has given consideration to its own objectives, financial situation and needs, and has formed the opinion that dealing in Contracts is suitable for the Client's purposes.

The client may refer grievances and /or complaints to the Company's Compliance Manager. The complaint shall be registered and investigated by the Head of Compliance and Senior Management. Should the client not be satisfied with the way the complaint has been dealt with by the Company the client may refer the matter to the governing regulator for further consideration.

The Company is regulated by New Zealand Exchange Ltd (NZX).

## 21. Governing Law

The provisions of this Agreement shall be governed by New Zealand law.

## Important Note:

**Please sign the Client Acknowledgement at the end of this document.**

## CONTRACT INFORMATION GUIDE

### IMPORTANT INFORMATION

Trading in Contracts involve a high degree of risk. THE COMPANY requires Clients to read the Client Agreement, Investments Advisers Disclosure, Risk Disclosure Statement and the Client Acknowledgement carefully. Clients are urged to ask questions, seek advice and fully satisfy themselves before committing themselves to any financial transaction with or through THE COMPANY.

### How Do Contracts Work

**Currencies:** Spot and futures contract in Australian Dollar, British Pound, Canadian Dollar, Euro, Hong Kong dollar, Japanese Yen, Korean Won, New Zealand Dollar, Swiss Franc, and United States Dollar etc.

**Margined Foreign Exchange Contracts** which are leveraged contracts for an agreed quantity of foreign exchange at an agreed exchange rate. The agreed quantity of foreign exchange underlying this contract is not deliverable. This contract is valued and renewed daily at current market closing rates and the resulting profit or loss at the renewed contract price (the roll price) is debited or credited to the clients account. The contract is continually renewed at the roll rate on a daily basis until the client closes the contract by taking an opposite position in the market for the same quantity of foreign exchange in the same currency. Margined Foreign Exchange Contracts are also known as "Rolling Spot Contracts" and may or may not be "Futures Contracts" as defined in the Securities Markets Act 1988 (NZ).

### Futures

A "futures contract" as the term is used within the financial community, is a standardised agreement, made on a recognised exchange, to buy or sell a specified quantity of a described commodity at an agreed date in the future. The purpose of such agreements is to provide those who deal in the traded commodities (which include financial commodities such as Bank Bills and Treasury Bonds) with a facility for managing the risks associated with the changing prices for those commodities (including fluctuations in interest rates and share market indices). In addition to those who deal in the markets for the purposes of risk management there are also those who trade in the hope of profiting from changing prices in the traded commodities (i.e. speculators) and those who trade in the hope of profiting without risk from market discrepancies (i.e. arbitragers).

The legal definition however of "futures contract" under New Zealand law, and for which the Futures and Options Dealer is authorised by the Securities Commission (the

Commission), is wider and includes futures contracts not made on a recognised exchange. Pursuant to section 37(1) of the Securities Markets Act 1988, a "futures contract" is defined as:

- (a) An agreement under which one party agrees to deliver to another party at a specified future time a specified commodity or a quantity of a specified commodity at a price which is fixed when the agreement is made but under which it is contemplated or understood that the obligations of the parties may be satisfied by means other than actual delivery; or
- (b) An agreement under which each party has either—
  - (i) An obligation to pay a sum of money to the other or to credit the account of the other with payment of a sum of money; or
  - (ii) A right to receive payment, or a credit, of a sum of money from the other—  
  
depending on whether at a future date the value or price of a specified commodity calculated in a manner specified by, or in accordance with, the agreement is greater or less than the value or price agreed upon by the parties when the agreement was made; or
- (c) An agreement under which each party has either—
  - (i) An obligation to pay a sum of money to the other or to credit the account of the other with payment of a sum of money; or
  - (ii) A right to receive payment, or a credit, of a sum of money from the other—  
  
depending on whether at a future date the value or level of a specified index calculated in a manner specified by, or in

accordance with, the agreement is greater or less than the value or level agreed upon by the parties when the agreement was made; or

- (d) An option or right to assume, at a specified price or value, or within a specified period, or by a specified date, rights and obligations under an agreement of a kind described in a preceding paragraph; or
- (e) An agreement, option or right which is declared by the Commission to be a “futures contract”;
- (f) An agreement, option or right which is of a class of agreements, options or rights declared by the Commission to be a class of “futures contracts”;

An agreement or option of the kind described in paragraphs (a), (b), (c), (d), (e), or (f) above is a futures contract whether or not it—

- (a) Has any other effect; or
- (b) Contains any other provisions; or
- (c) Is capable of being varied or discharged before the time fixed for performance.

The following agreements or contracts are specifically excluded from the definition of a futures contract:

- (a) A currency swap agreement to which a registered bank in New Zealand is a party.
- (b) An interest rate swap agreement to which a registered bank in New Zealand is a party.
- (c) A forward exchange rate contract to which a registered bank in New Zealand is a party.
- (d) A forward interest rate contract to which a registered bank in New Zealand is a party.

### **Types of Futures Contracts**

There are two kinds of “futures contracts” as the term is used by members of the financial community:

- (1) one is an agreement under which the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract. Such contracts will be

described in this document as *deliverable contracts*, and

- (2) the other is an agreement under which the two parties will make a cash adjustment between them according to whether the price of a commodity or security has risen or fallen since the time the contract was made. Such contracts will be described in this document as *cash settlement contracts*.

### **Futures Contract Specifications**

The terms and conditions of a futures contract are set out in the rules and regulations of the exchange on which the contract was made.

Futures exchanges exist in a number of countries and regions in addition to New Zealand, including the United States of America, Europe, Asia, and Australia. The material in this document is intended to refer to any futures contract traded on any exchange, but there may be differences in the procedure and regulation of markets from one country to another and from one exchange to another.

Futures contracts are generally made for periods of up to three years in the future, although the vast majority is made for periods of six months or less. Part of the standardisation of contracts is that the time of the delivery or settlement is one of a series of standardised maturity times. For example, in the case of the All Ordinaries Share Index futures contract traded on the Sydney Futures Exchange (“SFE”), contracts can be made for settlement at the end of March, June, September or December during a period of 18 months from the time of the trade.

Deliverable contracts involve an obligation to deliver or take delivery at maturity. It is not advisable to enter into such contracts in the last weeks before maturity unless actual delivery is contemplated.

### **Forward Contracts**

A forward contract is a commitment to a transaction in the future. It may be a **primary instrument**, but not necessarily a “security” as defined for the purposes of the Futures and Options Dealer.

**Options:** The right, but not the obligation, to purchase or sell an asset at a specified price. The option to purchase an asset is a call; the option to sell an asset is a put. All options are issued or written for a limited time. Depending on the type of option, the option holder may either exercise the option at anytime during the life of the option or only at the end of its life, at the expiry of the option. All options are derivative instruments.

**Spot Cash Contracts:** Spot cash contracts are agreements between the buyer and seller for immediate shipment or conveyance of title of a specific quantity and quality of commodity at a specific location and at an agreed price. Should there be no delivery component, it

could be quoted as a contract for differences or quite simply a spot cash contract can be reversed (squared) before delivery i.e. before 5 working days before the delivery or expiry date.

## SERVICES

### INVESTMENT PRODUCTS & SERVICES

The service I/we require is EXECUTION in respect of all products and investments indicated on the terms set out in this form and the Client Agreement.

My/Our trading activity will cover the following areas  
[Strike out contracts not applicable]:

- (i) Foreign Exchange
- (ii) Futures
- (iii) Options
- (iv) Contracts For Difference
- (v) Securities
- (vi) Warrants
- (vii) Fixed Income Securities/Bonds

### Important Note:

**Please sign the Client Acknowledgement at the end of this document.**

## RISK DISCLOSURE STATEMENT

The risk of loss in trading in Foreign Exchange and Futures Contracts can be substantial. You should therefore carefully consider whether that kind of trading is appropriate for you in the light of your financial circumstances. In deciding whether or not you will become involved in that kind of trading, you should be aware of the following matters:

- (a) you could sustain a total loss of the initial margin funds that you deposit with THE COMPANY to establish or maintain a position in Foreign Exchange and/or Futures Contract ;
  - (b) if the market price moves against your position, you may be required, at short notice, to deposit with THE COMPANY additional margin funds in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time, your position may be liquidated at a loss and in that event you will be liable for any shortfall in your account resulting from that failure;
  - (c) under certain conditions, it could become difficult or impossible for you to liquidate a position (this can, for example, happen when there is a significant change in prices over a short period);
  - (d) the placing of contingent orders (such as a "stop-loss" order) may not always limit your losses to the amounts that you may want. Conditions may make it impossible to execute such orders;
  - (e) a "spread" position is not necessarily less risky than simply "long" or "short" position;
  - (f) the high degree of leverage that is obtainable in trading Foreign Exchange and/or Futures Contracts, because of small margin requirements, can work against you as well as for you. The use of leverage can lead to large losses as well as large gains; and
  - (g) if you propose to trade in options, the maximum loss in buying an option is the amount of the premium, but the risks in selling an option are the same as in other Foreign Exchange and/or Futures Contracts.
  - (h) Market risk and financial risk are generally the two types of risk associated with owning equity securities( e.g. stocks, shares in a company) Market risk is associated with the movement of the stock market in general. Financial risk is the risk associated with the financial condition and profitability of the company in question. Companies with smaller capitalizations may experience higher growth rates and higher failure rates than companies with larger capitalization.
- (i) A warrant is the right to subscribe for securities such as shares, debentures, loans, stock or government securities and is exercisable against the original issuer of those securities. Warrants often involve a high degree of gearing so that a relatively small movement in the price of the underlying security results in a disproportionately large movement in the price of the warrant. Clients should not buy a warrant unless they are prepared to sustain a total loss of the money that they have invested plus the cost of any commission or other transaction charges.
  - (j) The two types of risks all fixed income securities are subject to are credit risk and interest rate risk. Credit risk relates to the ability of the issuer to meet the interest and principal payments on a security as they become due. Generally, higher yielding lower grade bonds have a higher credit risk than lower yielding investment grade bonds. Interest rate risk is characterized by fluctuations in the price of fixed income securities resulting from changes in the prevailing interest rates. These risks mean that investments in lower grade securities are at greater risk of not achieving the income or value gains expected from such securities and that the investments net value is at greater risk of decline.

This statement does not disclose all of the risks and other significant aspects involved in trading Foreign Exchange and Futures Contracts. You should therefore study trading in Foreign Exchange and Futures Contracts carefully before becoming involved in it.

### Important Note:

**Please sign the Client Acknowledgement at the end of this document.**

## **Background**

The Investment Advisers (Disclosure) Act provides for the disclosure of information by people who give investment advice to, or receive investment money or investment property from the public. Investment advice means a recommendation, opinion, or guidance given to an investor in relation to buying or selling (or not buying or selling) securities. Investment money means "any money received from, or on account of a member of the public in relation to buying or selling securities. Investment property has an equivalent meaning.

Under the Securities Law for advisers and Market participants Act.

Global Brokers Investment advisor disclosure: as at 23.7.2008

Global Brokers NZ Ltd. Has been in operation since August 2005. The company was set up to offer competitive Brokerage fees to its customers. Thus the companies Fee structure is designed to very competitive in the marketplace. Our **Maximum** Fees for Futures and Future options are \$50 dollars per side per lot( in the currency you trade) ie GBP or USD etc., Plus any Global Exchange Fees if applicable... FX Commission is generated from the Bid – Ask Spread There are no extra fees for self traded accounts...however we may add a **Maximum** Fee of USD \$ 25 per side per \$100k lot for phone orders....**ALL Commissions can negotiated down from these prices at the time of opening Your account...**

Staff will only provide advice on markets that they are familiar with eg. Global Futures Markets and Foreign Exchange. They will not give advice on stock investments based on company fundamentals... Staff are remunerated from the Fees and commissions as per above. Any issues or disputes should first be addressed with Nigel Bennetts who should be first contact if you have any questions... Prior to any trading clients will need to read and complete the relevant client agreement forms..

## STAFF PROFILES AND EXPERIENCE :

### Nigel Bennetts:

Started in Banking - Foreign Exchange for ANZ Bank in 1985... then traded Forex and a Forwards Book for Westpac Merchant Finance including currency and interest rate swaps managing a forward book with exposure of over \$3 Billion., Worked for Westpac, BNZ, ASB and then Banque Indosuez in NZ and in Australia....trading Forex interbank and corporate.

Then moved to Ord Minnett Jardine Fleming in 1996 trading and advising both Futures and Foreign exchange. Currently Managing Director and a shareholder in Global Brokers NZ Ltd.

No Criminal convictions and Never been a bankrupt...

NZX Qualified and Registered Maquarie University Treasury dealer certification.

### Doug Bowering:

Stared out in arbitrage software for the swaps market then worked for DFC Corp in the futures and options and arbitrage areas...Worked for Hong kong Shanghai bank in Australia in swaps and futures area... After this Worked for Ord Minnett Jardine Fleming in 1996 trading and advising both Futures and Foreign exchange. Then moved on to funds management and moved offshore for a while to Kuwait....Upon returning to NZ in 2001 Re joined Ord Minnett, and then again moved onto funds management.... No Criminal convictions and Never been a bankrupt...Started working for Global Brokers NZ Ltd in 2006.

## **Initial Disclosure Offences**

Neither the Company nor any of its Directors have been:

- (c) convicted of an offence against this Act, or of a crime involving dishonesty (as defined by the Crimes Act 1961); or
- (d) a Director or Principal officer of a body corporate at the time the body corporate committed such an offence; or
- (e) adjudged bankrupt; or
- (f) prohibited by an Act or by a court from taking part in the management of a company or a business.

## **Procedures for Dealing with Money & Property**

1. In transferring money the Client must ensure that it either pays funds directly to the executing participants account or pays with a cheque marked and crossed made payable to the executing participant.
2. Records will be kept pertaining to the activity of the account and are available to the client. Records are also kept in respect to contracts entered into by the Client with the Company and include order placement logs, phone tapes and chat logs. All of these records are available on request by the client.
3. The Company's financial records will be audited by:

### **Hayes Knight Audit (Parnell)**

Chartered Accountants

**Hayes Knight Ltd**

**100 Bush Rd**

**Albany**

**Auckland**

Telephone +64 9 414 5444

Facsimile +64 9 414 5001

### **Important Note:**

**Please sign the Client Acknowledgement at the end  
of this document.**

**CLIENT ACKNOWLEDGEMENT**

Client's Name: \_\_\_\_\_ (the Client)

Address: \_\_\_\_\_

The Client acknowledges that:

1. The Client has appointed THE COMPANY as the Client's agent for the purpose of dealing in Foreign Exchange and Futures Contracts in accordance with the terms of this Client Acknowledgement, Risk Disclosure Statement, Investment Advisers Disclosure Statement and the terms of the Client Agreement.
2. The Client agrees that the Client Agreement, Risk Disclosure Statement, Investment Advisers Disclosure Statement and Client Acknowledgement are the one agreement for the purposes of this agreement.
3. The Client confirms that it does not have any pending litigation, disputed accounts or other unresolved matters whatsoever. If the Client does have any pending litigation, disputed accounts or other unresolved matters whatsoever then the Client must advise THE COMPANY in writing of such matters and THE COMPANY must consider such matters prior to approving the opening of the account.
4. The Client acknowledges that all information provided in this agreement including all information pertaining to the Client in the Client Information section of this agreement is true and accurate. Further, the Client will immediately notify THE COMPANY in writing if any representations materially change or cease to be true and accurate.

\*I/\*We confirm that \*I/\*we have heard/read and understand this Client Agreement, Risk Disclosure Statement, Investment Advisers Disclosure Statement and Client Acknowledgement and that the trading terms and services used in it have been explained to \*me/\*us by the giver of this statement. By signing this agreement the Client agrees to be legally bound by its terms and conditions.

\_\_\_\_\_  
(Clients Signature)

\_\_\_\_\_  
(Clients Signature)

\_\_\_\_\_  
(Witnesses Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Dated)

\_\_\_\_\_  
(Dated)

\_\_\_\_\_  
(Dated)

**Accepted by Global Brokers (NZ) Limited**

Name: \_\_\_\_\_

Authorised Signatory  
Of Global Brokers (NZ) Limited: \_\_\_\_\_ Dated: \_\_\_\_\_

# CLIENT INFORMATION - INDIVIDUALS

Name  
Date of Birth  
Residential Address  
Mailing Address  
Telephone & Fax  
Email Address  
Occupation  
Employer (if self employed states name of Company)  
Employers Address  
Tax Status  
IRD Number  
Withholding Tax Rate  
Or do you have an exemption certificate  
Country of Residence  
Are you over 18 years of age  
Approximate Net Worth  
Investment Objective  
Trading Experience  
Annual Income  
Bank Account Details  
Identification: i.e. passport

First Names:  
Surname:  
Daytime:  
Evening:  
Mobile:  
Fax:  
Resident      Non Resident  
19.5%      33%      39%  
Yes      No  
Yes      No  
25,000 to 50,000  
50,001 to 100,000  
Greater than 100,001  
Speculative      Hedging  
1-3 Years      3-5 Years      Over 5 Years  
Please Provide Bank deposit slip or statement

## CLIENT INFORMATION – COMPANY’S, TRUSTS & PARTNERSHIPS

Entity Name  
Registered Address

Mailing Address

Authorised Contact Person  
Telephone & Fax

Daytime:  
Evening:  
Mobile:  
Fax:

Email Address  
Industry  
Number of Directors, Trustees,  
Partners  
**EACH DIRECTOR, TRUSTEE,  
PARTNER TO COMPLETE THE  
FOLLOWING:**

(1) Name

First Names:  
Surname:

Title: Director, Trustee, Partner  
Date of Birth  
Residential Address

Mailing Address

Telephone & Fax

Daytime:  
Evening:  
Mobile:  
Fax:

Identification: i.e. passport  
(2) Name

First Names:  
Surname:

Title: Director, Trustee, Partner  
Date of Birth  
Residential Address

Mailing Address

Telephone & Fax

Daytime:  
Evening:  
Mobile:  
Fax:

Identification: i.e. passport  
(3) Name

First Names:  
Surname:

Title: Director, Trustee, Partner

Date of Birth  
Residential Address

Mailing Address

Telephone & Fax

Daytime:  
Evening:  
Mobile:  
Fax:

Identification: i.e. passport  
(4) Name

First Names:  
Surname:

Title: Director, Trustee, Partner  
Date of Birth  
Residential Address

Mailing Address

Telephone & Fax

Daytime:  
Evening:  
Mobile:  
Fax:

Identification: i.e. passport

Tax Status

Resident      Non Resident

IRD Number

Withholding Tax Rate

DO you have an exemption certificate

Yes      No

Country Established in

Approximate Net Worth

25,000 to 50,000

50,001 to 100,000

Greater than 100,001

Investment Objective

Speculative      Hedging

Trading Experience

1-3 Years      3-5 Years      Over 5 Years

Annual Income

Bank Account Details



I, the undersigned, CERTIFY that:

(i) The Board of Directors ("Board") of

\_\_\_\_\_ (the "Company") a company duly incorporated and subject to the laws of

\_\_\_\_\_ having its registered or principal office at \_\_\_\_\_ lawfully passed the resolutions that follow below ("Resolutions");

(ii) The Resolutions were lawfully passed at a properly called meeting of the Board, held on \_\_\_\_\_ at which meeting a quorum was present, and the Resolutions are recorded in the minutes of the Board meeting, or the Resolutions were otherwise lawfully passed;

(iii) I am the duly appointed officer of the Company responsible for maintaining the minutes and records of the Company; and

(iv) The Resolutions have not been rescinded or modified.

**RESOLUTIONS**

IT IS RESOLVED by the Board of the Company that:

1. any director of the Company and/or

\_\_\_\_\_ (list names of individuals) (each an **Authorized Person**) is authorized to establish and maintain on behalf of the Company one or more accounts with THE COMPANY or its successors or assigns ("Account") for the purpose of trading in Contracts, whether for present or future delivery, for hedging, speculation or otherwise. The authority granted to each Authorized Person includes (without limitation) the power to do any and/or all of the following:

- to give written or oral instructions to THE COMPANY with respect to Foreign Exchange and/or Futures transactions;
- to bind and commit the Company to any contract, arrangement or transaction entered into with or through THE COMPANY for and on behalf of the Company;
- to affix the corporate seal to any document or agreement;
- to sign for the Company all releases and/or other documents in connection with any such Account;
- to agree to any terms or conditions for the control of the Account;
- to appoint any other person or persons to do any and all things which any of the Authorized Persons is authorized to do; and
- generally to do and take any and all action necessary in connection with the Account or any Foreign Exchange and/or Futures Contracts considered desirable;

2. any two directors of the Company (or any director and a witness) are authorized to affix the Company's seal to or otherwise execute any document to be entered into by the Company in connection with any Account with THE COMPANY or any Foreign Exchange and/or Futures Contracts entered or to be entered into in respect of any Account;

3. (or such other person as the Company may notify THE COMPANY in writing) who is not an Authorized Person is authorized to receive and verify the correctness of all written confirmations of all Foreign Exchange and/or Futures Contracts effected by THE COMPANY for the Company, and all statements of Account(s) for the Company and other pertinent records and documents;

4. any and all Foreign Exchange and/or Futures Contracts entered or purportedly entered into before the passing of these Resolutions, by or on behalf of the Company, with or through THE COMPANY, is affirmed and ratified if such Contracts would have been validly entered into on behalf of the Company if entered into after the passing of these Resolutions;

5. THE COMPANY is authorized to act upon the authority of all and any of these Resolutions until receipt by THE COMPANY of a certificate showing rescission or modification of these Resolutions signed by any director or the secretary of the Company and that THE COMPANY is also authorized to recognize, deal with and accept instructions in relation to the trading or operation of any Account or any transaction entered or to be entered into for or on behalf of the Company from any of the Authorized Persons referred to above or such other person or persons as may be notified to THE COMPANY in writing from time to time by any director or the secretary of the Company.

I FURTHER CERTIFY that the directors of the Company are

--

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Company (if any) this \_\_\_\_\_ Day of \_\_\_\_\_ 20 \_\_\_\_

DIRECTOR'S NAME	DIRECTOR'S SIGNATURE	COMPANY SEAL
WITNESS NAME	WITNESS SIGNATURE	

**Note:** The person authorised to receive confirmations of transactions in resolution (3) may not be an Authorised Person under resolution (1).

## CLIENT CHECK SHEET - INDIVIDUALS

We request that you take time to complete this check sheet to ensure that the account opening forms have been completed correctly and that all the necessary documentation is attached before submitting.

### FORMS

Page	Have You Completed	Client To Complete		Office Use Only	
		Yes	No	Yes	No
10	Client Name	Yes	No	Yes	No
10	Residential Address	Yes	No	Yes	No
10	Signed and Dated	Yes	No	Yes	No
10	Has your signature been witnessed	Yes	No	Yes	No
11	Full name and residential address	Yes	No	Yes	No
11	Occupation	Yes	No	Yes	No
11	Employer Details	Yes	No	Yes	No
11	Net Worth	Yes	No	Yes	No
11	Investment experience	Yes	No	Yes	No
11	Annual income	Yes	No	Yes	No
11	Investment objective	Yes	No	Yes	No
11	Your Bank details where funds are to sent	Yes	No	Yes	No
14	Authorised Signatories (Govt Photo ID & Bank Deposit Slip required for each signatory)	Yes	No	Yes	No

### DOCUMENTS REQUIRED

	Have You Included	Client To Complete		Office Use Only	
		Yes	No	Yes	No
	<u>Certified</u> copy of a Government issued photo ID i.e. passport	Yes	No	Yes	No
	Copy of a Bank Deposit Slip or Statement that records your name, account number and address.	Yes	No	Yes	No
	Copy of Birth Certificate if under 18 years of age	Yes	No	Yes	No
	Resident withholding tax exemption certificate or declaration confirming Non-Resident status	Yes	No	Yes	No

## CLIENT CHECK SHEET – COMPANY’S, TRUSTS, PARTNERSHIPS

We request that you take time to complete this check sheet to ensure that the account opening forms have been completed correctly and that all the necessary documentation is attached before submitting.

### FORMS

Page	Have You Completed	Client To Complete		Office Use Only	
		Yes	No	Yes	No
10	Client Name	Yes	No	Yes	No
10	Residential Address	Yes	No	Yes	No
10	Signed and Dated	Yes	No	Yes	No
10	Has your signature(s) been witnessed	Yes	No	Yes	No
12	Full name of entity & registered address	Yes	No	Yes	No
12	Type of Business	Yes	No	Yes	No
12	Net Worth	Yes	No	Yes	No
13	Trading experience	Yes	No	Yes	No
13	Annual income	Yes	No	Yes	No
13	Investment objective	Yes	No	Yes	No
13	Your Bank details where funds are to sent	Yes	No	Yes	No
14	Authorised Signatories (Govt Photo ID & Bank Deposit Slip required for <u>each</u> signatory)	Yes	No	Yes	No
15	Corporate Board Resolution	Yes	No	Yes	No

### DOCUMENTS REQUIRED

	Have You Included	Client To Complete		Office Use Only	
		Yes	No	Yes	No
	Copy of Certificate of Incorporation, Trust Deed or Partnership Agreement.	Yes	No	Yes	No
	Copy of Company Constitution.	Yes	No	Yes	No
	Certified copy of a Government issued photo ID i.e. passport for each Director, Trustee, Partner.	Yes	No	Yes	No
	Copy of a Bank Deposit Slip that records the entities name and account number.	Yes	No	Yes	No
	Resident withholding tax exemption certificate or declaration confirming Non-Resident status	Yes	No	Yes	No