



BENEFOREX

PRODUCT DISCLOSURE STATEMENT

CONTRACTS FOR DIFFERENCE

You should read all sections of this Product Disclosure Statement before making a decision to acquire this financial product.

Benefit Zone Global Limited

Important Information

Notes and Disclaimer

Terms used in this Document have defined meanings and you should refer to 'Glossary' in the last section of this document.

Financial services are provided by Benefit Zone Global Limited, ("BENEFOREX"). This Product Disclosure Statement ("PDS") has been prepared to help you decide whether Contracts For Difference ("CFDs") are appropriate for your financial objectives, situation and needs. It has not been prepared to take into consideration your current financial needs or objectives. This PDS does not constitute a recommendation, advice or opinion. It is general information only.

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

BENEFOREX also recommends that you seek independent advice to ensure this is appropriate for your particular financial objectives, needs and circumstances.

Nothing in this PDS should be considered as a recommendation to trade in CFDs or trade in any particular product in any way.

BENEFOREX does not guarantee the investment performance of CFD products nor the investment performance of the underlying markets or instruments. Past performance is no indication or guarantee of future performance.

Use of examples in this PDS are provided for illustrative purposes only and do not necessarily reflect our actions or determinations or an investor's personal circumstances.

How to contact us:

If you have any questions, please contact BENEFOREX as follows:

Benefit Zone Group Limited
Registered company number 2448908
12E, Floor 8, Witty Com Building
1A-/1L, Tung Choi Street
Phone: 1300 858 952
Email: support@beneforex.com

Electronic Versions of the PDS

This PDS documentation is available on the internet at www.beneforex.com in electronic format. Any person receiving this documentation electronically who requests a paper copy will be sent documentation to include account opening forms, Client Agreement Terms and Conditions along with the Financial Services Guide from BENEFOREX.

Updated Information

All clients shall be bound by the contents of this PDS. Information which is not materially adverse to investors may be subject to change from time to time and will be updated on BENEFOREX's website at www.beneforex.com. If you require a paper copy of any updated information, please contact BENEFOREX.

Treatment of Overseas Applicants

The offer to which this PDS relates is available to persons receiving the PDS (electronically or otherwise) in Cyprus, who are Cyprus residents and who provide a Cyprus address for service when making their application. Application forms which do not specify an Cyprus address for service (or which are accompanied by payment drawn from a foreign bank account) may be rejected and returned. Applicants residing in countries outside Cyprus should consult their professional advisers as to whether any Governmental or other consents are required, or whether any other formalities need to be observed to enable them to open an account. Failure to comply with the applicable restrictions may constitute a violation of securities laws.

Restrictions on the distribution of documentation

Distribution of this PDS outside Cyprus may be restricted by law. This PDS is not intended to, and does not constitute an offer of securities or recommendation to trade in CFDs at any place which, or to any person to whom, the making of such offer would not be lawful under the laws of that jurisdiction.

Applications

If you wish to apply for a CFD account you must complete and return the BENEFOREX application form agreeing to the information held in this PDS. Where this PDS is made available on the internet, you must print a copy of the application form and complete and return it or complete the online form agreeing to the information held in this PDS.

Products covered in this PDS

This is a PDS for derivatives and CFD products provided by BENEFOREX. These are over the counter (“OTC”) contracts. A CFD is an agreement by which you can make a profit or loss from changes in the market price of the underlying Product of a CFD without actually owning that financial product or having any indirect interest in the financial product. Because the value of the CFD is (in part) derived from the value of the Underlying Product, a CFD is a derivative product. BENEFOREX products do not result in the physical delivery of the underlying, including some products which are deemed to be commodity contracts. All of the CFD products are cash adjusted or Closed Out by the client i.e. there is not a physical exchange of one product for another.

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1. Terms and Conditions

Information provided to you in our FSG and PDS is important and is binding on you. Additional legal terms governing our relationship are detailed in the Client Agreement. If you are applying online you must complete the application in its entirety and then electronically submit the application to BENEFOREX for processing. If you complete a hardcopy application you must complete the application in its entirety, sign and return the application form via email fax or by post, and then have your Account approved by BENEFOREX. BENEFOREX reserves the right to refuse to open a CFD Account for any person.

BENEFOREX does not guarantee the performance, return of capital from, or any particular rate of return, of a CFD product or transaction. Clients may lose more than the amount of funds in their CFD Account, and should only invest risk capital (that is, capital you can afford to lose).

Please note that the historical financial performance of any CFD or underlying instrument/market is no guarantee or indicator of future performance.

Please note that the examples provided in this PDS are only provided for illustrative purposes only and do not necessarily reflect current or future market or product movements, the values that BENEFOREX will apply to a trade, nor how such trades impact your personal circumstances. The figures used in the examples do not necessarily reflect your personal circumstances and do not restrict in any manner the way in which BENEFOREX may exercise its powers or discretions. Those examples do not constitute general or personal financial product advice to any person reading this PDS.

BENEFOREX accepts CFD transaction order instructions primarily via the electronic trading platform and will also accept order instructions via telephone.

You are required to access the electronic trading platform on a daily basis to confirm that any order instructions have in fact been received by us, reconfirm all orders that you place with us, review order confirmations we provide, to ensure their accuracy and monitor your Margin obligations. Any order discrepancies identified must be reported to us immediately.

BENEFOREX will provide all clients, via the electronic trading platform or the website, 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.

2. Advice

BENEFOREX is authorised to buy and sell CFDs and to give advice in relation thereto. We only provide you with general advice, which does not take into account your particular needs, objectives and circumstances. No personal advice will be provided to any client under any circumstances.

This PDS does not take into account your investment objectives, financial situation or needs. Accordingly, nothing in this PDS should be construed as a recommendation by us or any other person to invest in CFDs, a currency or any other financial product. You are responsible for the selection of the CFD you transact with us. We make no representation about the performance of any CFD. The performance of the CFD will depend on the investment decisions made by you.

3. Summary Table

This is a summary only of the key features and characteristics involved in dealing in our Margin Contracts and CFDs. In addition to this summary, you should ensure you have read and understood the contents of this PDS, the Client Agreement and our Financial Services Guide (FSG).

Issue	Summary
Who is the issuer of this PDS and the CFDs?	BENEFOREX is both the issuer of this PDS and the provider of CFDs.
What financial products do we provide?	CFDs.
What is a CFD?	A contract for difference or CFD is an agreement which allows you to make a profit or loss from fluctuations in the price of the CFD. The price of the CFD is based on the price of an underlying instrument (Underlying Instrument); for example, a share on an exchange. However, you do not own that Underlying Instrument or trade it on an exchange by owning a CFD. By entering into a CFD, you are either entitled to be paid

	<p>an amount of money, or required to pay an amount of money, depending on movements in the price of the CFD. The amount of any profit or loss made on a CFD will be the net of:</p> <ul style="list-style-type: none"> • the difference between the price of the CFD when the CFD position is opened and the price of the CFD when the CFD position is closed; • any adjustments made in respect of the CFD; and • any Rollover Charges, Rollover Benefits, Financing Charges and Financing Benefits relating to the CFD. The balance in your Account will also be affected by other amounts you must pay to us in respect of your Account such as exchange fees and interest on debt balances.
What is a Position?	A Position is a CFD entered into by you under the Client Agreement.
A CFD is issued “over the counter”. What does this mean?	Over the counter (“OTC”) means that you do not trade in CFDs through an exchange or market; rather, it is a transaction between you and us. This means you can only enter into contracts in relation to our products with us. You do not have the protections normally associated with trading on a regulated market. It is not possible to close a CFD by giving instructions to another provider, broker or Cyprus financial services licensee.
What charges are payable when dealing in CFDs?	<p>The common fees and charges when dealing in CFDs may incorporate any or all of the following:</p> <ul style="list-style-type: none"> • Margin adjustments and Financing Charges; • Rollover Charges calculated at BENEFOREX’s Rollover Rates; • Interest charges applied to debit balances in your Account; • Exchange fees; • Administration charges; and • Commissions in the case of Share CFD’s; In addition, we will apply a bid / offer spread in respect of our CFDs, which will also affect the profits or losses you make when dealing in CFDs.
How do I open an Account?	<p>Read this PDS, the Client Agreement and our FSG, and then complete an Application Form. You may obtain these documents by:</p> <p>Visiting our website: www.beneforex.com</p>
What is the minimum balance to open an account?	USD\$100 or equivalent. Unless otherwise specified, all dollar amounts referred to in this PDS are denominated in US Dollars.
How do you deal in CFDs with us?	<p>You may place orders to deal in CFDs:</p> <ul style="list-style-type: none"> • using our Trading Platform through a computer connected to the internet or your mobile telephone.
What are “long” and “short” positions?	<p>You go “long” when you buy a CFD or place an order to open a Position in the expectation that the price of the Underlying Instrument will increase, which would have the effect that the Position’s price will increase. You go “short” when you sell a CFD or place an order to open a Position in the expectation that the price of the Underlying Instrument will decline, which would have the effect that the Position price will decline. If this occurs, because you have sold a CFD (rather than bought a CFD), you would make a profit if you closed the position at this point, subject to our fees and charges.</p>
How do I close-out a position?	You close a Position in a CFD by you taking an equal and opposite Position with us either by single Position Closing or opposite Position closing.
How do we deal with your money?	Money which you deposit with us will be regulated in accordance with the requirements of the Company Law 144(I)2007;
What is my “Total Equity”?	<p>Your “Total Equity” is the aggregate of:</p> <ul style="list-style-type: none"> • the current cash balance in your Account; and • your current unrealized profits and losses.
What is my “Free Equity”?	Your “Free Equity” is your <i>Total Equity</i> less your current Total Margin Requirement. The <i>Free Equity</i> is the amount that you may withdraw from your Account or use to cover additional Margin requirements.
What is Margin?	Margin is initially the amount that you must have in your Account to enter into a CFD with us. The level of Margin required to open and maintain these contracts is called the “Initial Margin Requirement”. The sum of your Margin Requirements for all of

	your open Positions is called the “Total Margin Requirement”. Margin Requirements will fluctuate with the value of the Underlying Instrument on which the contract is based. Further, where you deal in a contract that is denominated in a currency other than the Base Currency of your Account, your Margin Requirement may also be affected by fluctuations in the relevant foreign exchange rate.
What is a Margin Call by us?	A Margin Call is a demand for additional funds to be deposited into your Account to meet your Total Margin Requirement because of adverse price movements on your open Positions.
How are payments made in and out of my Account?	You may deposit funds by credit card, electronic transfer. All funds must be Cleared Funds in your Account before they are treated as satisfying a Margin Call or can be made available for you to use in dealing in CFDs.
Do I receive interest on moneys held in my Account or pay interest on moneys I owe to you?	BENEF OREX does not pay interest on credit balances in currency ledgers on your Account. We will charge interest on any debit balances in a currency ledger on your Account. Any amounts of interest payable to us will be deducted from any amounts payable to you.
Do I pay any Financing or Rollover Charges?	You may be required to pay a Financing or Rollover Charge on long Positions that remain open overnight. However, you should note that on occasions when you have long Positions in CFDs and Bullion CFDs you may in fact receive Rollover Benefits. If you have a Swap Free Account, then you will not pay any Financing or Rollover Charges but you will have to pay an administration fee.
Do I receive any Financing or Rollover Benefits?	You may receive a Financing Benefit or Rollover Benefit on short Positions that remain open overnight. However, you should note that on occasions when you have short Positions in Bullion CFDs you may in fact pay Rollover Charges. If you have a Swap Free Account, then you will not receive any Financing or Rollover Benefit.
What are the key benefits?	Some of the key benefits for each type of CFDs offered by us in this PDS are set out in Section 6.
What are the risks of CFDs?	CFDs are derivative products that are speculative, highly leveraged, and carry significantly greater risk than non-g geared investments such as shares. You may incur losses to the extent of your total exposure to us and any additional fees and charges that apply. These losses may be far greater than the money that you have deposited into your Account or are required to deposit to satisfy Margin Requirements. You should obtain your own independent financial, legal, taxation and other professional advice as to whether CFDs are an appropriate investment for you.
What procedures are in place to deal with your complaints?	We provide a complaints handling and dispute resolution process for our clients; If you wish to make a complaint please see section 18.
What are the taxation implications of entering into CFDs?	The taxation consequences of CFD transactions depend on your personal circumstances. Some general taxation consequences are set out in Section 15. The taxation consequences can be complex and will differ for each individuals’ financial circumstances. We recommend that you obtain independent taxation and accounting advice in relation to the impact of CFD transactions and products on your particular financial situation.
What are your trading and office hours?	Trading Hours Trading hours for CFDs will depend on the relevant Underlying Instrument Market’s hours of operation, and are set out on our website. Office Hours Our office hours are Monday to Friday, 9.30am to 6.30pm (GMT+8), subject to public holidays.
What if I need further information?	You should speak to your financial advisor, or, alternatively, you can contact us by: <ul style="list-style-type: none"> • Phone: 1300 858 952 • email: support@beneforex.com • internet: www.beneforex.com
What additional fees and	Whilst we endeavour to include all fees and charges in the spread quoted, in some

charges are payable in respect of CFDs?

circumstances you may incur fees and charges which are set out in this PDS. See section 14.

4. Key Features of BENEFOREX CFDs

Contracts For Difference

A CFD (Contract for Difference) is a product that allows you to trade on the upward or downward price movements of financial markets around the world without buying or selling the underlying asset directly.

CFDs provide the opportunity to make profits (or losses) from a wide range of markets including indices and commodities. CFDs are a flexible alternative to traditional trading.

For example, an exchange traded future. However, you do not own that Underlying Instrument or trade it on an exchange by owning a CFD.

By entering into a CFD, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the CFD.

The amount of any profit or loss made on a CFD will be the net of:

- the difference between the price of the CFD when the CFD position is opened and the price of the CFD when the CFD position is closed;
- any Rollover Charges, Rollover Benefits, Financing Charges and Financing Benefits relating to the CFD the balance in your Account (will also be affected by other amounts you must pay to us in respect of your Account such as exchange fees and interest on debt balances.

Note that holders of a Swap Free Account will be charged an administration fee instead of paying or receiving Financing and Rollover Charges and Benefits.

The CFD is a contract between you and BENEFOREX, which means both parties act as principals to the transaction and have a direct credit exposure to each other. You do not trade through an Exchange and are not afforded the protections normally associated with exchange- traded derivatives, such as guarantee arrangements.

Types of CFDs Issued by Us

In this PDS, we offer CFDs based on the following Underlying Instruments:

- gold and silver (Bullion CFDs);
- commodities (Commodity CFDs);and
- equity index futures contracts (Index Futures CFDs)
- equity index cash market contracts (Index Cash CFDs)

Calculating Profit and Loss

The profit or loss from a CFD transaction is calculated by reference to the difference in the prices of the opening and closing Positions.

Leveraging

With a CFD Contract, you are only required to provide a margin in order to secure an exposure to the underlying subject of the CFD Contract. You are not required to provide the amount of the contract value to which the CFDs relates.

Leveraging has the effect of magnifying any profits but also magnifies any losses and consequently carries great risk as set out in section 4.

Islamic (Swap Free) Accounts

The BENEFOREX Swap Free Account is designed specifically for, and available only to, clients who cannot receive or pay swaps or rollover interest on overnight positions for religious reasons. Instead of being credited or debited with Financing and Rollover Charges and Benefits when holding a position overnight, a Swap Free Account will be charged an administration fee – see the table of administration charges in the (<https://www.beforex.com/>) section on our website (www.beforex.com), and which is available on request at no charge. We reserve the right to change the table of administration charges from time to time. Apart from this difference, Swap Free Accounts have exactly the same trading conditions and terms as our regular CFD Account.

If you would like to open a Swap Free Account you must open a CFD Account and then make a request for your account to be converted into a Swap Free Account. Such requests must be made by completing and submitting the 'Islamic (Swap Free) Account Request Form', which is accessible on our website at (<https://www.beneforex.com/>). We will evaluate your request and provide you with an email confirmation as to whether the request is accepted or not. If accepted, all subsequent trading accounts opened by you with us will be automatically occur on a 'swap free' basis without any further action by you.

Terms of use

Swap Free Accounts are to be used in good faith and, clients may not use the Swap Free Account to make profits from not paying swap charges. We will not pay any Swap Credit amounts that have been lost as a result of converting your CFD Account(s) into one or more Swap Free Accounts for the period during which your CFD Account(s) have been converted into one or more Swap Free Accounts.

Our Swap Free Accounts are available only to those clients who cannot use 'swaps' owing to their religious beliefs. We therefore reserve the right to revoke an account's 'swap free' status at any time and for any reason. If we decide that a Swap Free Account is being abused for any reason, including through fraud, manipulation, cash-back arbitrage, carry trades, or other forms of deceitful or fraudulent activity, then we reserve the right to take any of the following action:

- (a) with immediate effect, revoking the 'swap free' status of all live trading accounts that are under suspicion;
- (b) correction and recovery of accrued swaps and related accrued interest expenses and/or costs pertaining to and all of the client's Swap Free Accounts for the period which the accounts were converted into Swap Free Accounts;
- (c) termination of the client agreement; and/or
- (d) with immediate effect, nullifying all trades carried out on client's trading accounts and, cancelling any profits earned or losses incurred on such client's trading accounts.

5. Benefits of trading BENEFOREX CFDs

CFDs offer the following benefits:

Hedging:

You can use CFDs to counteract the risk of an investment moving against you. For example, if you own a particular share and anticipate its price falling rather than selling the share you may elect to open a short CFD position over that share. If the price of the share does fall, any losses incurred from ownership of the share will be partially or wholly offset by the profit made on the CFD position.

Leverage

CFDs enable you to obtain full exposure to a share, currency or commodity for a fraction of the price of buying the Underlying Financial Instrument itself. This is because CFDs require you to outlay only a relatively small Initial Margin as a trading deposit. However, it is important to note that as well as working for you, this leverage may work against you. The risk of loss from trading in derivatives and leveraged products can be substantial, and you should carefully consider these risks in light of your specific financial objectives, needs and circumstances.

Market positions and strategies

You can use CFD trading strategies to profit from both rising and falling markets. However, given the uncertainty of market movements, there is no guarantee that the employment of CFD trading strategies will lead to profits and from time to time the employment of trading strategies may lead to losses. It is also important to note that some trading strategies are more complex than others and may have different levels of risk associated with them.

Speculation

You may use CFDs to speculate on the price of the Underlying Financial Instrument, for example a currency or commodity, with a view to profiting from fluctuations in its price without the need to buy or sell the Underlying Financial Instrument itself.

Trade in small amounts

The BENEFOREX system enables you to make transactions in small amounts. You can start using BENEFOREX even with an opening balance as little as USD\$100. When trading in a CFD offered by BENEFOREX you may deposit the sum that suits you, or the amount which is in line with the amount you are willing to risk. With BENEFOREX you are in full control of your funds. BENEFOREX allows trading with as little as \$10 margin requirements.

Profit potential in falling markets

Profit potential in falling markets –Since the market is constantly moving, there are always trading opportunities, whether a currency is strengthening or weakening in relation to another currency. When you trade currencies, they literally work against each other. If you think one currency will weaken relative to another, you would sell it and then later, if your view has proved correct, buy it back at a lower price and take your profits.

Competitive spreads no commissions

With BENEFOREX you do not pay commissions for the trades you enter. BENEFOREX aims to have the tightest spreads available.

Real time streaming quotes and tradable prices

Real time streaming quotes and tradable prices – The BENEFOREX execution system uses the latest highly sophisticated technologies in order to offer you up-to-the minute quotes. You may check your accounts and positions in real time and you may do so 24 hours a day on any global market which is open for trading and make a trade based on real-time information. Subject to satisfying the execution limits, all orders are automatically accepted without intervention from BENEFOREX. The execution limits are set out on our website (www.beneforex.com) or are available by calling us. The execution limits are subject to change at any time.

6. Risks of trading CFDs

This section does not detail ALL risks applicable to CFDs but rather seeks to highlight the key significant risks involved in trading in CFDs. Trading in CFDs carries a high level of risk and returns are volatile. BENEFOREX recommends that you obtain independent professional advice and carefully consider whether CFDs are appropriate for you in light of your knowledge, experience and financial needs and circumstances. Trading in CFDs should not be undertaken unless you understand and are comfortable with the risks of geared investments.

Derivatives Risk

The risk of loss in trading derivatives can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. In considering whether to trade you should be aware of the following:

You could sustain a total loss greater than the amount that you deposit with BENEFOREX to establish or maintain a contract.

If the derivatives market moves against your position, you may be required to immediately deposit additional funds as additional Margin in order to maintain your position i.e. to “top up” your Account. Those additional funds may be substantial. If you fail to provide those additional funds, BENEFOREX may Close Out your Open Positions. You will also be liable for any shortfall resulting from that closure.

Under certain market conditions, it could become difficult or impossible for you to manage the risk of Open Positions by entering into opposite positions in another contract or Close Out existing positions.

Under certain market conditions the prices of contracts may not maintain their usual relationship with the underlying market. The CFDs offered by BENEFOREX involve risk. However, the placing of contingent orders such as a Stop-Loss Order will potentially limit your loss. A Stop- Loss Order will be executed at or near the Exchange Rate requested by the client but is not guaranteed at the exact level. Accordingly, Stop-Loss Orders may not limit your losses to the exact

amounts specified. A contract of this nature will be executed as soon as the Exchange Rate is identical to the order given by you. Stop-Loss Orders are offered at the discretion of BENEFOREX and BENEFOREX makes no guarantee that these orders will be available at all times or at all price levels.

Leverage

A high degree of leverage is obtainable in trading CFDs because of the small margin requirements which can work against you as well as for you.

The use of leverage 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 favour, but that could also mean considerable losses if the fluctuations are to your detriment.

BENEFOREX Risk / Counterparty Risk

As BENEFOREX is the market maker i.e. the issuer of the CFD products described in this PDS, BENEFOREX is the counterparty

to every contract. You will have an exposure to us in relation to each contract as is common to all OTC financial market products. You are therefore exposed to the financial and business risks, including credit risk, associated in dealing with BENEFOREX and reliant on BENEFOREX's ability to meet its counterparty obligations to you to settle the relevant contract. Our ability to fulfil our obligations is linked to our financial wellbeing, which is commonly referred to as credit or counterparty risk. You must make your own assessment of our ability to meet our obligations. BENEFOREX has not been rated by an external credit rating agency. If we were to become insolvent, we may be unable to meet our obligations to you. BENEFOREX may become unable to operate its CFD market as a result of a regulatory impediment (for example BENEFOREX ceasing to be authorised representative of Novox Capital or because CySec imposes a stop order on the PDS issued by BENEFOREX).

BENEFOREX enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements, and avails monies received for Margin Calls and settlements to such providers for this purpose. Accordingly, clients are indirectly exposed to the financial risks of our counterparties and organisations with which BENEFOREX holds client funds. If the financial condition of BENEFOREX or assets of our counterparties or the parties with which we hold client assets deteriorate, then clients could suffer loss because the return of the client capital could become difficult.

You are reliant on BENEFOREX's ability to meet its counterparty obligations to you to settle the relevant contract. BENEFOREX 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, BENEFOREX must comply with the financial requirements imposed under its authorised representative agreement.

Please contact us in writing at the address/email provided herein, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.

Market Volatility

OTC and CFD markets are subject to many influences which may result in rapid price fluctuations and reflect unforeseen events or changes in conditions with the inevitable consequence being market volatility. Given the potential levels of volatility in the CFD markets, it is therefore recommended that you closely monitor your positions with BENEFOREX at all times. CFD markets are highly volatile and are very difficult to predict. Due to such volatility, in addition to the spread that BENEFOREX adds to all calculations and quotes, no such CFD offered by BENEFOREX, or any other financial services provider, may be considered as a safe trade.

All derivatives involve risk and there is no trading strategy that can eliminate it. You could lose all of the Initial Margin that you deposit to establish or maintain a CFD position.

In cases where you are speculating we suggest that you do not risk more capital than you can afford to lose. A good general rule is never to speculate with money which, if lost, would alter your standard of living.

Foreign Exchange Risk

Your profits and losses may be affected by fluctuations in the relevant foreign exchange rate between the time the order is placed and the time the CFD is closed out. For example, what may appear as a profit from the CFD may actually constitute a loss in the chosen base currency due to currency fluctuations. Until the foreign currency balance is converted to the base currency, fluctuations in the relevant foreign exchange rate may affect the Unrealised Profit or loss made on the CFD. Foreign currency markets can change rapidly. Exchange rates depend on a number of factors including, for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. There is always operational risk associated with the currency conversion calculation process that is undertaken for CFDs. For example, disruptions in our operational processes such as communications, computers and computer networks, or external events may lead to delays in the execution and settlement of a transaction.

Clients' Money

Your funds are held in our client trust account and are comingled with the funds of all of our other clients. Subject to the Company Law regulations, your funds kept in our client trust account can be used for the purposes of covering payments for other clients and meeting our Margin requirements with our OTC Derivatives Providers. This means that you may potentially suffer losses as a result of default by another client where money from the client trust accounts is applied to cover that client's payment obligations. Moreover, you may not receive all the money held by us on your behalf in the client trust account if there is a deficit in the client trust account and we become insolvent or are otherwise unable to pay the deficiency.

Margins

Each open CFD will require you to maintain a certain amount of margin with us. In the case of a CFD, the margin is calculated at 1% of the Contract Value of the CFD at any time. Please note that if the price of the CFD moves against you, you may be required, at short notice, to deposit with us additional cash in order to maintain your position. Due to the volatile nature of global markets, the time in which you are required to deposit additional cash may vary significantly. Due to the highly volatile nature of global markets, we cannot give you definite timeframes for you to meet your margin requirements. In some circumstances, we may need to close out your open positions immediately if you fail to meet margin requirements in order to minimise our risk exposure. Under the Client Agreement, a failure to meet our margin requirements is an event of default and we have the right to immediately close out your CFD position. You must regularly monitor your own margin requirements.

In order to manage the risk that you would not have sufficient funds in your account to maintain your CFD positions open, we may take the following measures:

- If the margin required to maintain your CFD positions open takes up 100% of the funds shown in your CFD account, you are regarded as being on margin call;
- If the funds available in your CFD account only covers 80% or less of the margin requirements for your open CFDs, you will receive a visual message automatically on the BENEFOREX Trader platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- If the funds available in your CFD account only covers 50% of the margin requirements for your open CFDs, your worst offending CFD (i.e. the contract with the largest margin requirements) will be automatically closed out. However, irrespective of the steps we take, it is your responsibility to ensure that you have paid to us sufficient funds in order to satisfy our margin requirements. If you fail to have

sufficient margin at any time, your CFD may be closed out by us, without notice, at a loss to you and you may be charged default

interest. We have sole discretion to determine how much margin is required.

Example – Closing out CFDs as a result of breach of margin requirements:

This example assumes that the applicable margin percentage rate is 1% of the Contract Value of your open CFDs.

The CFD account balance is USD\$1,500.

The trader buys (long) 1 Standard contract of CL-Oil (1000 Barrels) at \$100.00 and the margin requirement is USD \$1,000. The Margin Percentage currently held is 150% (CFD account balance/margin x 100) i.e. the client has 1.5 times the margin requirement.

If the price of Crude Oil falls to \$99.40, the CFD Account balance becomes USD \$1,000 whilst the margin requirement is now US=\$994 (contract value now \$99,400 due to fall in the price of crude oil). The traders CFD account balance is calculated by deducting the loss of USD \$600 from

\$1,500. The Margin Percentage is now 90.54% and is deemed to be in margin call as the CFD account balance covers less than 100% of margin requirement.

If the price of crude oil continues to fall and reaches \$99.25. The CFD account balance is now \$750 and Margin Percentage is now 75.56%. As the account is below 80% the trader will see a visual reminder on the trading platform.

If crude oil falls further and reaches \$98.79. The CFD account balance falls to \$290 and margin percentage is now 29.35%. As the account is below 50% margin coverage, the position will be closed out at the first available opportunity.

If the trader has a number of open CFDs and the Margin Percentage is below 50%, the CFD with the largest margin requirement will be automatically closed first. Other CFDs in order of the largest margin requirement will also be closed until the Margin Percentage is restored above 50%.

The BENEFOREX margin requirements are subject to change on our ongoing assessment of our risk of loss from a failure to recover losses. If we change our margin requirements, we will contact you directly via email or by calling you.

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 maximise your profit but there is also no guarantee of this. This is because, for example, global markets can be volatile and unforeseeable events can occur. This means 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.

Interest, Rollover Charges and Rollover Credits

Financing costs, Rollover Charges, Rollover Credits and administration fees (in the case of Swap Free Accounts) can impact on the overall return of a CFD. Please see to section 14 for an explanation of Rollover Charges and Rollover Credits.

Gapping

In fast moving or illiquid markets “gapping” may occur. Gapping occurs when market prices do not follow a “smooth” or continuous trend and are typically caused by external factors such as world, political, economic and corporate related events. Should gapping occur in the underlying product on which your CFD is based, you may not be able to close out your position or open a new position at the price at which you have placed your order.

You may not be able to manage risk

It could become difficult or impossible for you to manage the risk of an open CFD by entering into an opposite position in another CFD to close out the existing CFD. This is because:

We have discretion to refuse to accept an order requested by you. For example, we may refuse to accept an order when there is a significant change in prices over a short period or a lack of liquidity due to significant volatility or uncertainty of trading; or

The relevant index or commodity may no longer be on our list of available tradable products. We may decide to cease offering a product if, amongst other things:

- Our OTC derivatives provider is not able to get quotes from the banks and institutions in respect of the relevant currency or currency pairs;
- Liquidity for the product is poor and/or that trading in the product would no longer be prudent as spreads could be wide;

We will inform you via our website and notifications on the BENEFORX Trader platform within one month of making a decision to cease trading in product or becoming aware that the index or commodity will not otherwise be available for trading.

Operational risks

This PDS does not take into account your investment objectives, financial situation or needs. Accordingly, nothing in this PDS should be construed as a recommendation by us or any other person to invest in CFDs, a currency or any other financial product. You are responsible for the selection of the CFD you transact with us. We make no representation about the performance of any product. The performance of the CFD will depend on the investment decisions made by you.

Consequences of your default

If you fail to maintain the required margin, pay other amounts payable to us or fail to perform any obligation under your CFDs, we have extensive powers under our Client Agreement with you to take steps to protect our position including, for example, the power to close out CFDs and to charge default interest. Under the Client Agreement you also indemnify us for certain losses and liabilities, including, for example, any default by you under the Client Agreement. Further our liability to you is expressly limited. You should read the Client Agreement carefully and obtain advice to make sure you understand these matters.

Our right to exercise certain discretions

You should note that there are a number of provisions in the Client Agreement that confer discretion on us which could affect your CFDs. These discretions include:

Setting the price of the Base Currency used to open a CFD and close out a CFD. The price of a Base Currency is set with reference to the current market price offered to us from our hedging partners. However, in certain circumstances, the price we set may be different from the current market price. In particular:

- We act as a market maker, mainly due to system failure and accordingly, set prices at which we are prepared to deal with you; and
- If we cannot determine a price because trading is limited, then the price will be the price: immediately preceding such limitation; or
- determined by us in our absolute discretion, acting reasonably, but having regard to the prevailing market conditions affecting trading as a whole or trading in such currency;

To close out all or part of your CFDs, limit the total value of the CFD you can open, refuse an order or terminate the agreement between us if certain circumstances arise including where we:

- so decide in our absolute discretion provided we give you prior written notice of such decision; or
- reasonably consider it necessary for the protection of our rights under the Client Agreement.

You do not have the power to direct us in the exercise of our discretions.

Information we make available

We may make information available to you that is generated by us or obtained from third parties. This includes, but is not limited to, market information such as financial market data, quotes, news, analyst opinions and research reports, graphs or data.

This market information:

- Is not intended to be advice;
- Is not endorsed or approved by us and we do not guarantee the accuracy, timeliness, completeness or correct sequencing of the market information;
- Is available as a service for your own convenience only;

- May quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances; and is not necessarily up to date.

Except as required by law, we do not warrant any results from your use or reliance on the market information. We may discontinue offering this market information at any time without notice.

Execution risk

A delay in execution may occur for various reasons, such as technical issues with your internet connection to our trading servers. The BENEFOREX Trader Platforms may not be maintaining a constant connection with our trading servers. In those circumstances, the price offered

Electronic Trading platform risk

You shall be responsible for providing and maintaining the means by which to access the electronic 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 thereto. If you are unable to access the internet and thus, the electronic trading platform, it will mean you may be unable to trade in a CFD product offered by BENEFOREX when desired and you may suffer a

loss as a result. Should the system be unavailable, clients may place their closing orders via telephone with a representative of BENEFOREX. Furthermore, in unforeseen and extreme market situations, such as an event like September 11, or a global catastrophe, BENEFOREX reserves the right to suspend the operation of the electronic trading platform or any part or sections of it. In such an event, BENEFOREX may, at its sole discretion (with or without notice), close out your open contracts at prices it considers fair and reasonable at such a time. BENEFOREX may impose volume limits on client accounts, at its sole discretion. Please note that such measures would only be implemented in extreme market conditions, and such discretion only reasonably exercised in the best interests of the client.

Regulatory Risk

Changes in taxation and other laws, government, fiscal, monetary and regulatory policies may have a material adverse effect on your dealings in CFDs, as may any regulatory action taken against BENEFOREX.

No Cooling Off

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

Superannuation Funds

It should be noted that complying superannuation funds are subject to numerous guidelines and restrictions in relation to their investment activities which are contained in associated regulations and regulatory guidance material.

Without being an exhaustive list, following are some of the issues that should be considered by a Trustee of a complying superannuation fund:

- Restrictions on borrowing and charging assets and whether dealing in CFD products would breach those borrowing and charging restrictions;
- The purpose of dealing in CFD products in the context of a complying superannuation fund's investment strategy as well as the fiduciary duties and other obligations owed by Trustees of those funds;
- The necessity for a Trustees of a complying superannuation fund to be familiar with the risk involved in dealing in CFD products and the need to have in place adequate risk management procedures to manage the risks associated in dealing in those products; and
- The consequences of including adverse taxation consequences if a superannuation fund fails to meet the requirements for it to continue to hold complying status.

7. CFD Examples

The examples below are for illustrative purposes only. The rates and figures quoted are hypothetical and do not represent actual rates or figures.

Long Position – SPI200 Contract

You are of the opinion that SPI200 index will rise in the coming days. You will attempt to benefit from this by buying SPI200.

The BENEFOREX quote on the SPI200 is bid 3200 and ask 3201.

You purchase 100 contracts at the ask rate of 3201.

Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before BENEFOREX will accept the order. In this case the value of the contract when it is opened is USD\$320100. You would be required to have USD\$3201 (representing 1% of USD\$320100) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by BENEFOREX.

The position will remain open until:

- You instruct us to Close Out the position;
- Your Account becomes Margin deficient and BENEFOREX Exercises its discretion to Close out the Open Position; or
- The equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than USD1600.50 (being 50% of USD\$3201).

If the S&P200 increases in value and you Close Out your position, you make a profit.

For example, if the SPI200 rises and the SPI200 is now quoted at bid 3251 and ask 3252 you sell the SPI200 at the bid price of 3251 and make the following profit:

USD\$5000 (100 multiplied by (3251 minus 3201)).

Short Position –SPI200 Contract

You are of the opinion that S&P 200 index will fall in the coming days. You will attempt to benefit from this by selling SPI200.

The BENEFOREX quote on the SPI200 is bid 3200 and ask 3201.

You sell 100 contracts at the bid rate of 3200.

Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before BENEFOREX will accept the order. In this case the value of the contract when it is opened is USD\$320000. You would be required to have USD\$3200 (representing 1% of USD\$320000) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by BENEFOREX.

The position will remain open until:

- You instruct us to Close Out the position;
- Your Account becomes Margin deficient and BENEFOREX Exercises its discretion to Close out the Open Position; or
- The equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than USD\$1600.50. (Being 50% of USD\$3200).

If the S&P200 falls in value and you Close Out your position, you make a profit.

For example, if the SPI200 rises and the SPI200 is now quoted at bid 3150 and ask 3151 you buy the SPI200 at the ask price of 3151 and make the following profit:

USD\$5000 (100 multiplied by (3200 minus 3151)).

Long Position – CL-Oil Contract

You are of the opinion that Crude Oil will appreciate in value. You will attempt to benefit from this by buying CL-Oil. The BENEFOREX quote on the CL-Oil contract is bid 75.45 and ask 75.50.

You purchase 10 contracts which equals 10,000 barrels of Oil at the ask rate of 75.50.

Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before BENEFOREX will accept the order. In this case the value of the contract when it is opened is USD755000. You would be required to have USD7550 (representing 1% of USD755000) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by BENEFOREX.

The position will remain open until:

- You instruct us to Close Out the position;
- Your Account becomes Margin deficient and BENEFOREX Exercises its discretion to Close out the Open Position; or
- ❓ The equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than USD3775. (Being 50% of USDD\$7550).

If the price of Crude Oil increases in value and you Close Out your position, you make a profit.

For example, if the price of Crude oil rises and the CL-Oil is now quoted at bid 76.00 and ask 76.05 you sell CL-Oil at the bid price of 76.00 and make the following profit:

USD\$5000 (10,000 multiplied by (76.00 minus 75.50)).

Short Position – CL-Oil Contract

You are of the opinion that Crude Oil will fall in value. You will attempt to benefit from this by selling CL-Oil.

The BENEFOREX quote on the CL-Oil contract is bid 75.50 and ask 75.55.

You sell 10 contracts which equals 10,000 barrels of Oil at the bid rate of 75.50.

Assuming the Initial Margin Requirement is 1%, you are required to hold 1% of the value of the open contract in your Account before BENEFOREX will accept the order. In this case the value of the contract when it is opened is USD755000. You would be required to have USD7550 (representing 1% of USD755000) in equity in your Account in order to enter this transaction. If you do not have the Initial Margin Requirement the order will not be accepted by BENEFOREX.

The position will remain open until:

- You instruct us to Close Out the position;
- Your Account becomes Margin deficient and BENEFOREX Exercises its discretion to Close out the Open Position; or
- The equity in your Account falls to or below 50% of the Margin Requirement and your Open Positions are automatically Closed Out. In this example, the Open Position would be automatically Closed Out if the equity in the Account is less than USD3775. (Being 50% of USD\$7550). If the price of Crude Oil falls in value and you Close Out your position, you make a profit.

For example, if the price of Crude oil falls and the CL-Oil is now quoted at bid 74.95 and ask 75.00 you purchase CL-Oil at the ask price of 75.00 and make the following profit:
USD\$5000 (10,000 multiplied by (75.50 minus 75.00)).

9. CYSEC REGULATORY GUIDE DISCLOSURE BENCHMARKS

Under CySec regulations, it is required that Margin FX and CFD issuers to publish certain information addressing a range of disclosure benchmarks. These benchmarks are required to be addressed on an 'if not, why not' basis, and are intended to assist retail investors to properly understand the complexity and risks of trading in OTC derivative products, particularly with regard to leverage.

There are 7 disclosure benchmarks required to be address, all of which we are of the view, have been met by BENEFOREX's compliance with each benchmark is addressed in the following table:

Benchmark description	How does BENEFOREX meet this benchmark?	Relevant sections of the PDS which provide further relevant information
Client qualification	<p>BENEFOREX maintains and applies a written policy which sets out the minimum qualification criteria that prospective retail investors will need to demonstrate before we will open a trading account for you. BENEFOREX also maintains a written policy/procedure to ensure such criteria are properly applied, and unsuitable investors are not accepted. We also maintain records of our assessments.</p> <p>Please note that we do not provide personal advice regarding the suitability of trading in these products for your personal financial circumstances and objectives.</p> <p>However, BENEFOREX does not accept retail investors unless they are able to satisfactorily answer the questionnaire (to be included shortly) in our trading account application form which addresses the following criteria:</p> <ul style="list-style-type: none"> • Previous trading experience in financial products • Understanding of leverage, margins and volatility • Understanding of the key features of the product • Understanding the trading process and relevant technology • Ability to monitor and manage the risks of trading • Understanding that only risk capital should be traded 	<p>2. Terms and Conditions 3. Advice 5. Key Features of the BENEFOREX CFDs 20. Client Agreement</p>
Opening collateral	<p>BENEFOREX only permits clients to open an Account and trade with cleared funds (i.e. transfer of cash from your banking account to your trading account). Please note that an Account may be opened with a cash transfer from your bank account by EFT, BPAY, SWIT wire, cheque or with a credit card (but only to a maximum amount of \$1,000 for initial deposit from credit cards, from March 2012). Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our trust account are cleared in sufficient time to meet all the payment obligations you have under the Client Agreement. A failure to do so could result in your orders being cancelled and your CFDs being closed out and being charged default interest. If you are not sure how long it will take for your payments to clear, you should contact</p>	<p>2. Terms and Conditions 11. The CFD Account 12. Operating an Account 13. Margin Requirements</p>

| your financial institution. |

	No other financial products will be accepted as collateral to open a trading Account, although we may accept such as collateral to meet subsequent Margin Calls in special agreed circumstances.	
Counterparty risk – hedging	<p>BENEF OREX maintains and applies a written policy to manage our exposure to market risk from client positions. This includes strict risk management controls to monitor and manage (hedge) our trading exposures on an intraday basis, and includes a process for assessing our hedging counterparties (to ensure they are of sufficient financial standing, are licensed by a comparable regulator, and are of sound reputation).</p> <p>A summary of our policy, which notes our current approved hedging counterparties, is available on our website (and may be updated from time to time as counterparties change).</p>	7. Risks of trading CFDs www.beneforex.com
Counterparty risk – financial resources	<p>BENEF OREX maintains and applies a written policy to ensure the ongoing maintenance of adequate financial resources. We further maintain a detailed Risk Register, in which the key risks of our business are addressed and reviewed. Please note that we have a designated compliance officer who monitors our compliance with our licence conditions and (financial) obligations, as well as review and input from our independent external legal and accounting advisers. Further, our external independent auditor conducts an audit at the conclusion of every financial year, a copy of which can be provided to you upon written request. Please contact us in writing at the address/email provided herein, should you wish to obtain a free-of-charge copy of our latest audited financial statements which may assist in your assessment of credit risk.</p> <p>Please note we do not undertake stress testing in relation to unhedged market exposures. All hedged positions are with counterparties who are reputable licensed third party financial services providers.</p>	7. Risks of trading CFDs – BENEF OREX/Counterparty Risk
Client money	<p>BENEF OREX maintains and applies a clear policy with regard to the use of client money. Please note that money you deposit into your trading Account is co-mingled with other client money in our client trust account. Such monies are only applied to client trades/settlement obligations and to pay agreed fees etc, in line with Cyprus Company Law requirements.</p> <p>Please note that monies deposited into your trading Account to meet Margins, deposits, fees, transaction settlements, or other costs shall be immediately on-forwarded (where applicable) to our licensed third party clearing and execution providers, and applied against your margin, exchange, fee and settlement obligations. Client monies which are held pending future transactions and payments, are retained in our segregated account in accordance with the Company Laws. It is important to note that holding your money in one or more segregated accounts may not afford you absolute protection.</p> <p>BENEF OREX enters into arrangements with third party execution and clearing providers for the facilitation of transactions and settlements, and avails monies received for Margin Calls and settlements to such providers for this purpose. Accordingly clients are indirectly exposed to the financial risks of our counterparties and organisations with whom BENEF OREX holds client funds. If the financial condition of BENEF OREX or assets of our counterparties or the parties with which we hold client assets deteriorate, then clients could suffer loss because the return of the client capital could become difficult.</p> <p>Your funds will be kept together with the funds of other clients in our client trust account. Your funds kept in our client trust accounts can be used to meet the payment obligations of our</p>	7. Risks of trading CFDs – Clients’ Money 7. Risks of trading CFDs – BENEF OREX/Counterparty Risk 11. The CFD Account

other clients. This means that you may also potentially suffer a

	<p>loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account. In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive of all the money held by us on your behalf if there is a deficit in the client trust account.</p>	
<p>Suspended or halted underlying assets</p>	<p>An underlying financial product may be placed in a trading halt on the relevant exchange in various circumstances. Additionally, it may be suspended or delisted in certain circumstances. Exchange rates depend on a number of factors including, for example, interest rates, currency supply and demand and actions of government. In some situations, exchanges of currency may be suspended. BENEFOREX may, in its absolute discretion, cancel your order in respect of a CFD transaction which has not yet been opened, or close any open Position, where the underlying financial product is the subject of a trading halt, suspension or delisting. When you place an order for a CFD with us, it is likely that we will place a corresponding order to purchase or sell the relevant product to hedge our market risk. BENEFOREX has the discretion as to when and if it will accept an order. Without limiting this discretion, it is likely that we will elect not to accept an order in circumstances where our corresponding order cannot be filled. Accordingly, BENEFOREX may at any time determine, in our absolute discretion, that we will not permit the entry into CFDs over one or more underlying currencies.</p>	<p>2. Terms and Conditions 12. Operating an Account 20. Client Agreement</p>
<p>Margin calls</p>	<p>BENEFOREX maintains and applies a written policy detailing our margining practices. This details how we monitor client accounts to ensure you receive as much notice as possible regarding Margin Calls, our rights regarding the levying of Margin Calls and closing out of positions when such calls are not met in a timely manner, and what factors we consider when exercising such close-out rights.</p> <p>All open positions are monitored on a real-time basis intraday 5 days per week, to ensure changing Margin requirements are identified in a timely manner.</p> <p>BENEFOREX seek to provide you with timely and sufficient notice of Margin Calls, to facilitate your ability to meet them. However, please note that certain market conditions or events may trigger extreme volatility, requiring urgent funds to be applied to retain your open positions. Please note that all Margin Calls will be communicated to you via the trading platform and it is your obligation to ensure you are always available to receive and action such Margin Calls when you have open Positions with us. However, we reserve our full rights to immediately close positions in relation to which Margin Calls have not been met, in order to protect against exposure to further losses in the positions.</p> <p>We reiterate that trading in CFD products carries a high level of risk and returns are volatile. The risk of loss in trading can be substantial, and you can incur losses in excess of the capital you have invested. Accordingly, you should only trade with risk capital i.e. money you can afford to lose, and which is excess to your financial needs/obligations.</p>	<p>13. Key risks of trading CFDs 11. The CFD Account 12. Operating an account 13. Margin Requirements</p>

10. Opening an Account

Prior to transacting in CFDs, you must read and understand our FSG, this PDS and the Client Agreement.

Before opening an Account, you must sign our Client Agreement. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by BENEFOREX.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed in this agreement are important and affect your dealings with us.

You must complete, sign and return a Client Agreement, and have your application to open an Account approved by BENEFOREX. BENEFOREX may refuse to open an Account for any person.

All deposits are accounted for in the Base Currency which the client has a choice of. When sending funds to BENEFOREX, please send the same currency as the Base Currency of your Account.

If your application is accepted, we may require you to pay to us, and maintain at all times, a balance in your CFD account representing Cleared Funds. Cleared Funds are amounts deposited or credited to your CFD account which are able to be withdrawn by us for the purposes of acquiring CFD Contracts and making margin or other payments.

11. The CFD Account

What is a CFD account?

A CFD account is a record, or a series of records, maintained by us (or on our behalf) that shows, at any point in time, the net position of the payments you have made or are required to make to us and the payments we have made or are required to make to you. The CFD account is not a deposit account with us and no money is held in the CFD account. Money paid by you is initially deposited in our trust account and dealt with as set out in section 7.

Under the Client Agreement you authorise us to:

- credit your CFD account with any amounts deposited by you in our trust account and the amounts we are required to credit to you; and
- debit your CFD account with the amounts set out in sections 9 and 10 and any amounts withdrawn by you; and
- designate the amounts in the CFD account as either Free Balance or margin depending on the amount of funds you have deposited with us, your orders, open CFD Contracts and market movements.

How are the funds you deposit with us held?

Under the Client Agreement, you agree to pay to us sufficient funds at all times to satisfy all amounts payable by you under the Client Agreement. Any money that you pay to us may for a period be held, separately from our money, in a client trust account or invested by us. Such money will be held, dealt with and invested in accordance regulations and the terms of the Client Agreement.

Under the terms of the Client Agreement, you agree that:

- your money in our client trust account is not kept separate from the money of other clients;
- we may withdraw your money from the trust account in any of the following circumstances:
 - making a payment to, or in accordance with your written directions for purposes of entering into Contracts (including but not limited to mark to market payments);
 - defraying brokerage and other proper charges;
 - paying to us money to which we are entitled;
 - making a payment that is otherwise authorised by law;
 - paying to us money to which we are entitled pursuant to the operating rules of a financial market; and
 - making a payment to another licensee provided that the receiving licensee is notified that the money has been withdrawn from the trust account and pays it into their trust account;
- amounts withdrawn from the client trust account under the above clause:
 - belong to us; and
 - will no longer be your funds or be held for you.
- we are entitled to invest the money in the client trust account in accordance with Cyprus Company Law;
- unless otherwise agreed in writing with you:

- we are solely entitled to any interest or earnings derived from your money being deposited in our client trust account, the trust account of our OTC Derivatives Provider or invested by us in accordance with regulation. Such interest or earnings are payable to us from the relevant trust account or investment account, as the case requires, as and when we determine;
 - upon realisation of an investment of your funds, the initial capital invested must either be invested in another investment permitted by regulation or deposited by us into the client trust account operated in accordance with regulations;
 - in the event that the amount received upon realisation of an investment of your funds is less than the initial capital invested, we must pay an amount equal to the difference into the client trust account for your benefit, except where any such difference is the result of amounts paid out of the investment to us in accordance with the Client Agreement; and
 - we will not charge a fee for investing the money in the client trust account; and
- we may use the money in the trust account for the purpose of meeting obligations incurred by us in connection with margining, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives by us (including dealings with our OTC Derivatives Provider), including dealings on behalf of other clients. If used for this purpose, the money will be held in one or more accounts in the OTC Derivatives Providers' name in accordance with regulations.

Holding your money in one or more client trust accounts may not afford you absolute protection. The purpose of a client trust account is to segregate our clients' money, including your money, from our own funds. If the amount held in a trust account for you does not satisfy or fully satisfy moneys we owe to you and we become insolvent, you will be an unsecured creditor in relation to the balance of the moneys owing to you.

Your funds will be kept together with the funds of other clients in our client trust account. Your funds kept in our client trust accounts can be used to meet the payment obligations of our other clients. This means that you may also potentially suffer a loss as a result of default by another client where money from the client trust account is applied to meet the payment obligations of that client and there is a deficiency in the client trust account. In the event of our insolvency, your entitlements as a creditor will rank equally with all other clients and you may not receive of all the money held by us on your behalf if there is a deficit in the client trust account.

BENEFORFX 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 BENEFORFX on this account is determined by the provider of the deposit facility.

How do you get funds in and out of your CFD Account?

You can deposit funds to our trust account by sending us a cheque or using electronic funds transfers, or credit card. Those funds will be credited to your CFD Account.

Funds deposited with us may take up to three days or more to clear. It is your responsibility to ensure that the amounts transferred to our trust account are cleared in sufficient time to meet all the payment obligations you have under the Client Agreement. A failure to do so could result in your orders being cancelled and your CFDs being closed out and being charged default interest. If you are not sure how long it will take for your payments to clear, you should contact your financial institution.

Free Balance means the cash balance in your CFD Account plus or minus any Unrealised Profit/Loss less any Margin requirements. You can, subject to our terms and conditions withdraw funds up to the amount, if any, of your 'Free Balance' Unrealised Profit/Loss is profit or loss that has been made or lost but is not yet realised through a transaction. For example, if you buy 1 lot of GBP/AUD at 1.6500 and it rises to 1.6550 but you have not yet closed the Position, you will have an Unrealised Profit of \$500. Once the trade is closed the Unrealised Profit would be realised and reflected in the cash balance. The Unrealised Profit/Loss is not included in the Margin for a CFD.

Example – Free Equity

For example, you have cash balances of \$5,000 in your CFD account of which \$3,000 is needed to meet your Margin requirements for the opened CFDs and an Unrealised Profit of \$1,000. In that case, your Free Equity is \$3,000 and you will be able to withdraw up to this amount from your CFD Account.

Do you get interest on my CFD Account balance?

You will not receive any interest on balances in your CFD Account.

12. Operating an Account

How do you open a CFD position?

CFD positions can be opened by:

- placing an order on the BENEFOREX Trader platforms; or
- calling us.

To open a CFD position you will need to provide us with specific information including the CFD, the quantity of Base Currency, the type of orders requested and whether you intend to be the long or short party.

All quotes are indicative and no CFD position will be entered into until your order is accepted in accordance with the Client Agreement. Due to transmission delays which may occur between when you send us your order and our trading server accepting your order, the price offered by us may change before we receive your order. If you place an order and the price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted. We cannot predict future price movements and our quotations are not a forecast of where we believe currency prices will be at a future time.

Types of orders

You may place any of the following orders with us:

- **Market Order** – an instruction to buy or sell a CFD at the current bid or offer price of the underlying security or trading instrument quoted by BENEFOREX. BENEFOREX in its absolute discretion can accept or reject the Market Order.
- **Limit Order** – an instruction to either buy or sell a Margin CFD at the price threshold you have specified or at a price that is more favourable than the price threshold you have specified for the specified contract or option. There is a possibility that this kind of order will not be filled.
- **Stop-Loss Order** – an instruction to Close Out or enter into the CFD at the best available price after a pre-determined price threshold is reached. Putting a Stop-Loss Order on your position will allow you to potentially limit potential losses from adverse market fluctuations by closing your position at the best available price after the market price passes the price threshold you have set.
- **Contingent order** – an instruction to place a Limit Order or a Stop-Loss Order to open a new position, while at the same time, another order is placed (Second Order). However this Second Order will only be effective if the parent order is executed. A contingent order cannot be attached to an existing Open Position. It must be placed when you open your position.
- **Order Cancels Order (OCO)** - two separate Stop-Loss or Limit Orders that are linked together and placed as one order. When one of the linked orders is executed, the other order is automatically cancelled.

A DO (Day Only) means that the order you place will be cancelled at 9.00am GMT+8. If you want to maintain that order in the market after that time, you will have to resubmit that order.

A GTC (Good Til Cancelled) order means that the order you place will remain in the market until it is either executed according to the terms of that order, or is cancelled by you.

Acceptance of orders

If we accept your order, then the CFD position is opened and we will send a confirmation to you as follows:

- if you have entered an order through the BENEFOREX Trader platforms, the platforms will automatically give you a summary of the main elements of your order which can be printed by you so that you can check the order is correct. This summary is not a confirmation. Once your order has been executed, you can access your 'Trades Booked' statement online. The 'Trades Booked' statement is your confirmation. You will be asked to accept this 'standing facility' method of receiving confirmations in the Client Agreement;
- if you have placed an order by calling us, you can access your 'Trades Booked' statement online which is your confirmation as set out above; and
- if requested, we will send a confirmation to you by ordinary post.

We have absolute discretion whether to accept an order. In general, we will use reasonable endeavours to accept an order. However, we may not accept an order if, for example, it is not reasonably practicable for us to do so.

How do you close out a CFD position?

A CFD position can be closed out by you if you place an order for a CFD that is an offsetting opposite position to an existing CFD position and that order is accepted by us.

The order to close out a CFD position can be placed on the BENEFOREX Trader platforms or by calling us. Prior to placing an order, we can provide you with a quote for the price of the Base Currency as against the Terms Currency. All quotes are indicative and no CFD position will be entered into until your order is accepted in accordance with the Client Agreement. Due to transmission delays between us, the price offered by us may change before we receive your order. If you place an order and our price changes before the order is received, the order will be accepted by us at the new price. This means the price at which your order is accepted may be different from the price you were quoted.

If we accept your order to close out the CFD position, the existing CFD position is closed out and:

- we determine any debits or credits required to your CFD account; and
- a confirmation is sent to you as set out above.

There are some circumstances set out in the Client Agreement in which we may close out a CFD position in our sole discretion. For example, we may do this where you fail to maintain your required margin. This is explained further sections 4 and 5 of this PDS.

What happens on the value date of a CFD?

Where a CFD position is held at the close of business on the day before its value date, it will be rolled over to a new value date on the terms set out in the Client Agreement. A CFD position will be continuously rolled over until it is closed out.

BENEFOREX Trader platforms

We will provide you with access to an online trading platform which will enable you to trade in our CFDs over the internet.

The BENEFOREX Trader platforms enable you to:

- trade CFDs generally 24 hours a day from Monday 7.00 am GMT+8 (9.00am GMT+8) to Saturday 9.00 am GMT+8 (7.00am GMT+8); and
- access information on a wide range of global markets generally 24 hours a day.

The significant features of the BENEFOREX Trader platforms are as follows:

- real time prices. However, due to transmission delays between when your order is sent to us and when the order is automatically accepted by our trading server, your order may be accepted at a different price than what was quoted at the time of your order. See section 8 for further details;
- real time news feeds;
- technical analysis;
- account summaries;
- support; and
- a secure website.

13. Margin Requirements

What is margin?

You are required to maintain a specified amount of cash deposit with us in respect of each open CFD position, referred to as the margin. The margin paid by you is initially deposited in our trust account but is then dealt with as set out in section 7. The amount of required margin is determined as a percentage determined by us, at our sole discretion, of the Contract Value at any point in time. This PDS does not specify the margin percentage rates because the margin percentage rate applicable to a currency pair is determined by us by reference to a number of variable factors including the liquidity and volatility of the currencies. The current margin percentage rates for particular currencies are published on our website www.beneforex.com or can be obtained by calling us.

Example – Margin Requirements

The applicable margin percentage rate is generally between 1% to 20% of the Contract Value of your open position. If the Contract Value of the CFD to buy 100,000 AUD is USD 89,000 and the applicable margin percentage rate is 2%, the amount of initial margin is USD 1,780, being 2% of USD 89,000, (or \$2,000 which is USD 1,780 divided by 0.8900 to convert to AUD).

The Contract Value of a CFD is calculated as follows:

the rate at which a single unit of the Base Currency may be bought with or, as the case may be, sold in, units of the Terms Currency multiplied by the amount of the Base Currency to be traded

The margin you are required to maintain with us is the ‘initial margin’ plus, if required, the ‘variation margin’.

Initial margin

Initial margin is the amount of the margin required to open a CFD position.

Variation margin

The variation margin is the additional margin we require to ensure that our margin requirements for a CFD position are met at all times. Variation margin will be required if either:

- the price of the Base Currency moves against you during the term of the CFD position; or
- we increase the applicable margin percentage.

You are responsible for satisfying the margin requirements

If the required amount of margin for all your CFD orders exceeds the balance of your CFD account, you must either deposit additional cash with us or alternatively close out CFD positions to reduce your required margin to a level acceptable to us. Due to the highly volatile nature of foreign exchange markets, we cannot give you definite timeframes for you to meet your margin requirements. In some circumstances, we may need to close out your open CFD positions immediately if you fail to meet margin requirements in order to minimise our risk exposure. Under the Client Agreement, a failure to meet our margin requirements is an event of default and we have the right to immediately close out your CFD positions.

You must regularly monitor your own margin requirements.

In order to manage the risk that you would not have sufficient funds in your account to maintain your open CFD positions, we may take the following measures:

- if the margin required to keep your CFD positions open takes up 100% of the funds shown in your CFD account, you are regarded as being on margin call;
- if the funds available in your CFD account only covers 80% or less of the margin requirements for your open CFD positions, you will receive a visual warning automatically on the BENEFOREX Trader platform for you to consider taking appropriate action which can include depositing further funds or reducing exposure; and
- if the funds available in your CFD account only covers 50% of the margin requirements for your open CFD positions, your worst offending CFD position (i.e. the CFD with the largest margin requirement) will be automatically closed out.

You are responsible for ensuring that you have sufficient margin. CFDs can be highly volatile and you should ensure that you are always contactable by us.

Your obligation to maintain sufficient margin arises irrespective of whether we make a margin call. In other words, all trades are your responsibility so you should always be aware of your margin requirements and act accordingly.

We are not required to make margin calls. If you do not meet the required margin requirements, then we may, in our absolute discretion:

- **cancel any orders; and**
- **close out, without notice, all or some of your open CFDs. Any losses resulting from us closing a CFD will be debited to your CFD account and may require you to deposit additional cash with us. Default interest may apply on the amount of any cash shortfall.**

Please see the example in Section 4 for further details on closing out CFDs as a result of breach of margin requirements.

We may change your margin requirements at any time by giving you prior notice by contacting you directly via email or by calling you.

14. Fees and Other Costs

Mark to market payments that represent the Unrealised Profit on an open CFD position

At the close of business on each business day during the term of the CFD position, we will determine the Contract Value of the CFD. The Contract Value is calculated as the rate at which a single unit of the Base Currency may be bought with or, as the case may be, sold in, units of the Terms Currency multiplied by the amount of the Base Currency to be traded.

If the new Contract Value at the close of business is, in monetary terms:

- less than the Contract Value determined for the previous day and you hold a Short CFD position; or
- greater than the Contract Value determined for the previous day and you hold a Long CFD position,

we will credit the difference to you. The difference is referred to as the 'mark to market payment'. The mark to market payment is credited to your CFD account on the same business day it is calculated.

Spreads

The calculation of the price to be paid (or the payout to be received) for the CFD, at the time the position is opened or closed, will be based on market prices available at the time 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 favour of BENEFOREX.

Spreads will differ depending on the CFDs traded.

Spread means the difference between the bid price (price offered) and the ask price (price requested) for the Base Currency expressed as against the Terms Currency. The spread is incorporated into the price of the CFD quoted to you and is not an additional fee or charge payable by you. BENEFOREX makes its income from rebates derived from the spread in the prices of the base currencies.

The spreads we quote are generally wider than the spreads available in the physical market and the additional spread represents spreads paid to us. In other words, we:

- add an amount to the market ask price when you open a Long CFD position; and
- subtract an amount from the market bid price when you open a Short CFD position.

This means you pay more to buy a CFD and receive less when you sell a CFD. The current spreads are published by us on our website www.beneforex.com or can be found out by calling us.

The spreads we quote are a number of points between the bid price and the ask price. A point is the last decimal place to which a CFD is quoted. The spreads we quote are determined by our OTC derivatives provider. The spread will be influenced by estimated current spot and futures prices, the size of your transaction, the frequency of which you enter into CFD positions with us, expected levels of interest rates, implied volatilities and other market conditions during the life of the CFD along with the time zone in which you choose to trade. The spreads we publish are our best possible target spreads used in normal market conditions. The spreads range from between 0.01 Points to 600 Points. In quiet market conditions, the spread may be even narrower than the spreads quoted. But in periods of volatile markets, the spread may be increased. BENEFOREX will quote 2 decimal places for most CFDs.

We receive a portion of the spread you pay as a rebate from our OTC derivatives provider. As at the date of this PDS, the rebate we receive for each trade (i.e. opening and closing of a CFD) is USD\$8 for each Standard Lot traded. The rebate we receive from our OTC derivatives provider may change from time to time. We will give you notice if there is a change in the amount of the rebate.

Default interest

If you fail to pay when due any amount payable under the Client Agreement, we may debit from your CFD account default interest on that amount.

Default interest will be charged from and including the due date to the date of actual payment (after as well as before judgment). All such interest will be calculated using an interest rate which is central bank target cash rate for that currency plus 3% per annum. Default interest is charged in arrears at the end of each business day.

For example, assume that your actual margin is \$1,000 less than your required margin. If the \$1,000 is not deposited with us then, assuming a default interest rate of 8.5% per annum (3% per annum above central bank target cash rate for that currency assuming that rate is 5.5% per annum), default interest of \$0.23 per day would be charged and added to the amount owing to us.

Default interest rates are subject to change. The default interest rate that applies is published on our website www.beneforex.com and will be shown on your daily statements. You may also contact us for details of the applicable interest rate.

Rollover Credit and Rollover Charge for CFDs

This section does not apply to Swap Free Accounts.

Where a CFD position is held at the close of business on a Trading Day, a Rollover Credit or a Rollover Charge will be made to your Unrealised Profit/Loss. Contracts are automatically rolled over to the next Trading Day at the same time that the swap charge/credit is calculated.

Each CFD has an interest rate component attached to it. The Rollover Credit or Rollover Charge accounts for the difference in the interest rates between the Base Currency and the Terms Currency when a CFD is held overnight (i.e. rolled over to the next business day).

A credit will be made to your Unrealised Profit/Loss (i.e. your Unrealised Profit will increase or your Unrealised Loss will decrease) if at the close of business on the relevant Trading Day:

When you close out your CFD position, the net amount of the Rollover Charges and Rollover Credits (which forms a part of your Unrealised Profit/Loss) will be credited or debited from your CFD account. No Rollover Charge is payable to us and no Rollover Credit is paid by us if you open and close out a CFD position in the same day. The interest rate that applies to a particular open CFD position will be published on our website www.beneforex.com and shown on your daily statements. You may also contact us for details of the applicable interest rate. We receive a transaction fee for providing the Rollover Charges or Rollover Credits to you. Our transaction fee can be up to 1% of the value of the Rollover Charge or Rollover Credit.

Administration fees (Swap Free Accounts only)

Swap Free Accounts do not pay or receive Financing and Rollover Charges and Benefits. Swap Free Accounts will instead be charged an administration fee - see the table of administration charges in the (<https://www.beneforex.com/>) section on our website (www.beneforex.com). This information is available on request at no extra charge. We reserve the right to change the table of administration charges from time to time. Apart from this difference, Swap Free Accounts have exactly the same trading conditions and terms as our regular CFD Account.

Currency conversion calculation fee

Funds can be deposited to us and held in the following currencies: Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars. Your CFD Account can be denominated in any of the five stated currencies.

- Under the Client Agreement, we are entitled to charge you a conversion calculation fee of up to 0.5 per cent for converting amounts into your nominated currency when you deal in a CFD denominated in a currency other than Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars and:
- funds are transferred from our client trust account and converted at the current spot rate for the conversion of the relevant funds into your nominated currency (being Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars); or

- realised profits and losses are converted to your nominated currency (being either Australian dollars, Euros, British Pound Sterling, Japanese Yen, New Zealand Dollars, Singapore Dollars or US Dollars) immediately on closing the CFD.

Example – Conversion Calculation Fee

If following the termination of a CFD, you realise a profit of 100,000 Japanese Yen and your account is denominated in Australian Dollars, and the exchange rate is 1 AUD : 77 Yen, you will receive AUD \$1,298.70 and we will charge you a conversion calculation fee of AUD \$6.49.

- Currently, we have waived the conversion calculation fee for all currency conversions. However, we may, at our discretion, charge the conversion calculation fee by giving you 30 days prior notice.
- All mark to market payments, margins, spreads, Swap Charges and interest charges in relation to the CFD position will be calculated using the Terms Currency. To show the effect of these transactions on your CFD account, we will notionally convert these transactions to your account currency at the current spot rate. No conversion calculation fee is charged to you for these notional conversions.

Margin

You are required to maintain the margin as set out in section 9. The margin is not a fee but rather a security deposit that you are required to keep with us.

Variation of fees and costs

Under the Client Agreement, we may charge you an additional fee and/or spread or increase the current fees and/or spread set out in this PDS provided we have given you 30 days prior notice.

15. Taxation

Taxation Advice

BENEFORX DOES NOT PROVIDE ANY TAXATION ADVICE.

If you trade in CFDs, you may be subject to Cyprus taxation. This section outlines general information about significant Cyprus income tax and GST implication of trading derivatives.

The information contained in this section is of a general nature only and is not intended to constitute legal or taxation advice and should not be relied upon as such. The taxation implications of your transactions will depend on your own individual circumstances and BENEFORX recommends that you obtain independent professional taxation advice on the full range of taxation implications applicable to your own personal facts and circumstances.

Taxation laws are complex in nature and their interpretation and administration may change over the term of your transacting. We will not advise you of any changes in taxation laws should they occur. You must take full responsibility for the taxation implications arising from your own transacting, and any changes in those taxation implications during the course of your transacting.

The following is a general summary of the main income tax consequences of opening a CFD. This summary only considers the position of a tax resident individual who does not carry on business and opens a CFD with the intention of making a profit. It does not take into account the position of other persons who open a CFD.

Profit or Loss

The availability of tax deductions or losses incurred as a result of transacting in derivatives to offset current and future year income will depend on your personal circumstances and you will need to seek advice from your tax advisor in this regard.

Generally, any profit derived or loss incurred in respect of a CFD should be included in your assessable income or allowed as a deduction, as the case may be, at the time you close out your CFD. In calculating the amount of any profit or loss, you should take into account any Profit or Loss (as defined in the Client Agreement), any spreads, any interest on open CFD and any currency conversion calculation fees debited or credited to your CFD Account.

Certain expenses incurred by you in connection with trading in CFDs may be deductible to the extent that they are incurred for the purpose of deriving your assessable income. The deductibility of these expenses will depend on your own personal circumstances. You should obtain your own advice as to whether such expenses will be deductible to you.

Capital Gains Tax

CFD positions may constitute a capital gains tax (CGT) asset held by you for the purposes of applying the CGT provisions to any capital gain or capital loss realised by you

Goods and services (GST) tax

No GST should be payable in relation to your trading of CFDs with BENEFOREX. This is on the basis that they are considered to be 'financial supplies' under Cyprus tax system. Consequently, they are input taxed and no GST payable on their supply. However, independent advice should be sought from your accountant or financial adviser confirming this, before acting in reliance thereon. Clients should seek their own GST advice on the implication of entering into CFDs.

16. Disclosure of Interests

We do not have any relationships or associations which might influence us in providing you with our services. However, BENEFOREX may share fees and charges with its associates or other third parties or receive remuneration from them with respect to your dealings with us.

In particular, BENEFOREX is a market maker, not a broker, and accordingly will always act as principal for its own benefit in respect of all CFD transactions with you. BENEFOREX may conduct transactions to hedge its liability to you in respect of your CFD positions by undertaking transactions in the underlying products. Such trading activities may impact (positively or negatively) the prices at which you may trade CFD products.

You may have been referred to us by a service provider who may receive financial or non-financial benefits from us. These should have been disclosed to you by the service provider in question. Please note that such benefits will not impact fees or the rates you will be offered for financial products or services undertaken with BENEFOREX.

17. Privacy Policy

Your privacy is important to us. The information you provide BENEFOREX and any other information provided by you in connection with your Account will primarily be used for the processing of your Account application and for complying with certain laws and regulations. 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.beforex.com

18. Dispute Resolution

We want to know about any problems or concerns you may have with our services so we can take steps to resolve the issue. We have internal and external dispute resolution procedures to resolve complaints from clients. A copy of these procedures may be obtained by contacting us and requesting a copy.

Initially, all complaints will be handled and investigated internally to resolve any complaints or concerns you may have, as quickly and fairly as possible in the circumstances. Any complaints or concerns should be directed to us (by telephone,

email, or letter) at the address and telephone numbers provided in section 1 of this PDS. We will seek to resolve your complaint within 7 days or such further time period that may reasonably be required given the nature of the complaint. We will investigate your complaint, and provide you with our decision, and the reasons on which it is based, in writing. Should you feel dissatisfied with the outcome, you have the ability to escalate your concerns to an external body for a resolution.

If you have a complaint about the financial services provided to you, please take the following steps:

Contact Benefit Zone Group Limited to inform us about your complaint. You may do this by telephone, email or letter.

19. Anti-money laundering and Counter-terrorism financing

By applying for a CFD Account you are taken to agree to the following terms:

- you are not aware and have no reason to suspect that:
 - the money used to fund your CFD Account or has been or will be derived from or related to any money laundering, terrorist financing or other activities deemed illegal under the applicable laws or otherwise prohibited under any international convention or agreement ('illegal activities'); or
 - the proceeds of your CFD Account will be used to finance illegal activities; and
- you agree to promptly provide us with all information that we reasonably request in order to comply with our obligations under all applicable laws.

BENEFORX does not accept payments from or make payments to any third parties. ***In no circumstances does BENEFORX accept cash deposits.***

In accordance with applicable laws, BENEFORX reports, where necessary, any suspicious matters to relevant authorities.

20. Client Agreement

In order to open an Account, you are required to sign our Client Agreement. This is an important legal document containing the terms and conditions which govern our relationship with you. It is provided to you separately by BENEFOREX.

We recommend that you consider seeking independent legal advice before entering into the Client Agreement, as the terms and conditions detailed therein are important and affect your dealings with us.

We note the following key terms in the Client Agreement, some of which have been summarised throughout this PDS:

- Client acknowledgements regarding knowledge and suitability of CFD products;
- Client representations and warranties;
- Client account operating details;
- CFD trading requirements;
- Margin requirements and BENEFOREX's rights in respect thereof;
- Client obligations regarding confirmations (discrepancies);
- Process for closing out a trade, and BENEFOREX's rights in relation to price calculation;
- Interest payable/receivable on open Positions;
- Requirements regarding the appointment of authorised persons by the client;
- Default events;
- BENEFOREX's rights following a default event;
- Amendment and termination rights;
- Client Indemnity in favour of BENEFOREX
- BENEFOREX's limitation of liability;
- Fees and charges;
- Restrictions on assignment of agreement;
- Telephone recordings;
- Provision of general advice;
- Governing law(Cyprus); and
- Electronic trading platform conditions/process.

21. Glossary

Throughout the PDS.

Feature	Description
'Account'	Account of the client dealing in the products issued by BENEFOREX, which is established in accordance with the terms and conditions of the Client Agreement
'Base currency'	The first currency in a currency pair. The Base Currency is assigned a value of 1 when calculating exchange rates. The Contract Value of your CFD is dependent upon the movement of the Base Currency against the Terms Currency.
'Cleared Funds'	Amounts deposited or credited to your CFD account which are able to be withdrawn by us for the purposes of acquiring CFDs, making margin or other payments
'Client Agreement'	The agreement between you and BENEFOREX in respect of your trading in your CFD account. Both you and BENEFOREX are bound by the terms of the Client Agreement.
'Closing a CFD Position'	To enter into and execute an equal and opposite CFD in respect of an opened CFD position
'CFD'	Contract For Difference.
'Contract Value'	Calculated as the rate at which a single unit of the Base Currency may be bought with or, as the case may be sold, in units of the Terms Currency multiplied by the amount of the Base Currency to be traded. For example, if you buy 1 Standard Lot of AUD/USD at a price of 0.8950, the Contract Value will be USD \$100,000.
'Currency Pair'	Base Currency and a Terms Currency
'Deal' or 'Dealing'	Means dealing as defined by regulations;

‘Derivative’	An instrument which derives its value from the value of an underlying instrument (such as shares, commodities, currencies etc).
‘DO’ or ‘Day Only’	means that the order you place will be cancelled at 9.00 AM GMT+8. If you want to maintain that order in the market after that time, you will have to resubmit that order.
‘BENEFORFX’, ‘we’, ‘us, or ‘our’	means Benefit Zone Group Limited
‘Free Equity’	The cash balance in your CFD Account plus or minus any Unrealised Profit/Loss less any Margin requirements. You can, subject to our terms and conditions, withdraw funds up to the amount, if any, of your ‘Free Equity’.
‘GMT’	Greenwich Mean Time
‘GTC’ or ‘Good ‘Til Cancelled’	An order placed that will remain in the market until it is either executed according to the terms of that order, or is cancelled by you.
‘Hedging’	A strategy employed to manage exposure to the risk of foreign exchange rate fluctuations by taking a position using CFDs to eliminate or reduce that risk.
‘If Done’ or ‘Contingent (If Done) orders’	The combination of two orders, with the second order only becoming active should the first order be executed. For example, you may place a limit or a stop order contingent on another limit order or stop order being executed.
‘Limit Order’	An order to enter into a CFD or to close out an open CFD, where the relevant Base Currency, as against the Terms Currency, reaches a specified price or better (see section 8 for more details)
‘Long CFD or ‘Long CFD contract’	Means purchasing a CFD to buy the Base Currency in anticipation that the CFD will rise in value
‘Margin’	A specified amount of cash deposit with us in respect of each open CFD position (see section 9).
‘Margin Percentage’	Means the CFD account balance/margin requirement x 100.
‘Mark to Market Payments’	Payments which are credited to or deducted from your CFD account each business day representing the Unrealised Profit/ Loss on your opened CFD position as the close of business on that date.
‘Market Order’	An order to enter into a CFD or to close out an open CFD, at the current price set by us.
‘One Cancels the Other’ or ‘OCO’	Combination of both a limit and a stop order. It is an order that can be used to take a profit if the market moves favourably to the open CFD or to limit the loss if the market moves against the open CFD. It may also be used to open a new CFD. The execution or cancellation of one order will automatically cancel the other order.
‘Opening CFD position’	Means to either buy or sell a CFD.
‘OTC derivatives provider’	The party with whom we enter into a CFD position with, on our own behalf, when we enter into a CFD with you to hedge our exposure under the CFD position between you and us.
‘PDS’	Product Disclosure Statement.
‘Points’	A point means the smallest increment in CFD trading or "percentage in point". Our CFDs are quoted to the second decimal place, a point is 0.01.
‘Rollover Charge’ or ‘Rollover Credit’	While holding a position overnight, unless you hold a Swap Free Account, your account is debited or credited using the applicable overnight Tom-Next rate (see section 10 for more details). If you hold a Swap Free Account then your account will be charged an administration fee.
‘Short CFD’ or ‘Short CFD contracts’	Means selling a CFD in anticipation that the CFD will fall in value.
‘Standard Lot’	100,000 units in the Base Currency.
‘Stop Order’	An order to enter into a CFD or to close out an open CFD position where the relevant Base Currency, as against the Terms Currency, reaches a specified price or worse (see section 8 for more details).
‘Term currency’	Is the second currency in a currency pair. Your CFD will be settled in the term currency. The Contract Value of your CFD is dependent upon the movement of the Base Currency against

	the Terms Currency.
'Tom-Next Rate'	In currency transactions, the purchase and sale of a currency made to avoid taking actual delivery of the currency. The current position is closed out at the daily close rate and re-

	entered at the new opening rate the next trading day. Also referred to as "tomorrow next procedure".
'Trading Day'	Monday to Saturday including public holidays.
'Unrealised Profit / Loss'	Unrealised Profit/Loss is profit or loss that has been made or lost but is not yet realised through a transaction. For example, if you buy 1 lot of GBPAUD at 1.6900 and it rises to 1.6950 but you have not yet closed the position, you will have a unrealised profit of \$500. Once the trade is closed the unrealised profit would be realised and reflected in the cash balance. The Unrealised Profit/Loss is not included in the margin for a CFD.
'Value date'	Date that both parties agree to exchange payments for the CFD.