

ADDENDUM [E]

SUPPLEMENTAL TERMS FOR CFDS

1. INTRODUCTION

- 1.1 The terms set out in this Addendum will apply to your dealings with IBA in CFDs. To the extent of any inconsistency between this Addendum [E] and the Terms, this Addendum [E] prevails.
- 1.2 This Addendum incorporates the Terms, the Contract Specifications and other commercial terms specified on IBA's website. The Contract Specifications and other commercial terms set out by IBA are binding on you and IBA unless specifically in conflict with this Addendum.

2. INTERPRETATION

- 2.1 Explanation of terminology:

In this Addendum [E], we use certain terms such as 'buying' and 'selling' a CFD and having 'long' or 'short' positions in CFDs. IBA also refers to the concept of holding a position 'overnight', which means that a Position is held after the close of the Regular Trading Hours for the relevant CFD. The use of such terms reflects market practice. Notwithstanding the use of such terms, each Transaction in a CFD results in a position in that CFD ("Position") under which both of you and IBA will have contractual obligations that will change depending on the movement of the price of the Reference Underlying.

- 2.2 In this Addendum [E], the following terms have the following meanings:

Contract Specifications means the specifications published on IBA's website that apply to CFDs issued by IBA from time to time.

Contracts For Difference or **CFDs** or **CFD** means the Derivatives issued by IBA called Contracts for Difference.

Derivative Transaction Rules means ASIC Derivative Transaction Rules (Reporting) 2013, as amended (Cth).

Forex means a currency pair as specified by IBA in the Contract Specifications.

Forex CFD means a CFD issued by IBA where the Reference Underlying is a currency pair.

Index means the index as specified by IBA in the Contract Specifications.

Index CFD means a CFD issued by IBA where the Reference Underlying is an Index.

Open Trade Equity or **OTE** means unrealised profit or loss on an open CFD Position.

Product Disclosure Statement or **PDS** means the product disclosure statement issued by IBA in respect of CFDs from time to time.

Quotes or **Quote** means the bid and ask price(s) quoted by IBA through IB System in accordance with clause 8.

Reference Price means the price of the CFD as determined by IBA in accordance with clause 11.

Retail Client has the meaning in section 761G of the Corporations Act 2001 (Cth).

Reference Underlying means the Financial Product or currency pair of a CFD.

Regular Trading Hours means in relation to a CFD, the hours specified by IBA as being the Hours during which, and in the time zone specified, IBA provides quotes.

Share means a share specified by IBA in the Contract Specifications.

Share CFD means a CFD issued by IBA where the Reference Underlying is a Share.

Trading Day means the day on which the market for the Reference Underlying is open for trading as specified by IBA in the Contract Specifications.

2.3 Capitalised terms used in this Addendum [E] that are not defined herein, have the meaning given to them in the Terms.

3. **CUSTOMER REPRESENTATIONS**

3.1 You represent and warrant that:

- (a) You place each Order for and enter into each CFD issued by IBA to you as principal for yourself and not for any other person.
- (b) before you place an Order with IBA in respect of CFDs you have:
 - (i) if you are a Retail Client, read and understood the Product Disclosure Statement IBA has published in respect of the CFDs it issues.
 - (ii) Read and understood the Contract Specifications for the CFDs issued by IBA available from IBA's website.

4. **CUSTOMER ACKNOWLEDGEMENTS**

4.1 You acknowledge and agree that:

- (a) **Important supplemental information provided on IBA's website:** IBA provides important information regarding the CFDs the subject of this Addendum on its website including: Contract Specifications, on and about changes to interest rates, adjustments to CFDs, delivery procedures, margin requirements and other important matters. You acknowledge and agree that you must have access to IBA's website and will regularly review IBA's website to remain informed about the CFDs issued by IBA.
- (b) **IBA's universal account:** IBA offers a universal account in which you may be permitted to buy and sell CFDs along with other Financial Products, such as exchange traded shares, options or futures. Many of the Financial Products which IBA makes available to you to trade, whether as agent or principal, have margin obligations. You acknowledge that a failure to meet margin obligations in relation a particular Financial Product may necessitate IBA closing your position in that Financial Product, which in turn, may impact your margin obligations for positions in other Financial Products.
- (c) **Nature of CFDs:** CFDs are derivatives which provide a return upon and derived from the changes in price of the Reference Underlying. CFDs do not confer upon you any right in the Reference Underlying. For example, you have no right to participate in corporate actions, receive dividends, or exercising voting rights (or provide any instruction to us in relation to the exercise of voting rights) for any Reference Underlying that is a Share or unit or receive an amount in a currency other than a Cash Flow Currency.
- (d) **IB enters CFDs as principal:** IBA is acting as principal and not acting as your agent when you submit an order to open a position in a CFD or if IBA issues a CFD to you.

IBA, or its affiliates, may hold hedging positions in the Reference Underlying or equivalent CFDs (with the same Reference Underlying) with third parties and that IBA's hedging activity may impact the prices of such Reference Underlying and in turn IBA's Quotes and that IBA (and its affiliates) may also gain or lose, or may have, gained or lost, on such positions.

- (e) **OTC derivative risks:** trading in CFDs incurs a risk of loss as well as a potential for gain. You may lose more than your initial investment.
- (f) **Reporting:** you are responsible for discharging any reporting obligations that you may have under the Derivative Transaction Rules.
- (g) **Client money reconciliations:** IBA is required to comply with certain record-keeping, reconciliation and reporting requirements with respect to retail client money relating to CFDs and other over-the-counter derivatives and derivatives traded on an international exchange. You understand that IBA will not remove retail client money relating to derivatives traded on an international exchange from its reconciliations which are performed pursuant to the Client Money Reporting Rules 2017.

5. COSTS

5.1 **Commission:** IBA charges commission for each executed CFD Transaction. Commission is payable immediately upon execution of the Transaction in the Commission Currency at the rates as specified on IBA's website.

5.2 **Contract Interest:** You agree that you are liable for and must pay a financing fee on Open CFDs Positions as set out in this clause. The financing fee is referred to as Contract Interest in this document and the Product Specifications. We may also use the term 'carry interest' in the context of Forex CFDs but any such reference means the Contract Interest.

- (a) Share and Index CFDs: Contract Interest is payable on long Share and Index CFDs positions held open at the end of Regular Trading Hours for the CFD at the rates specified in IBA's website. You may be eligible for an interest rebate on short CFD positions held open at the end of the Regular Trading Hours for the CFD, depending on prevailing interest rates.
- (b) Forex CFDs: IBA will calculate a rate on each Forex CFD Position based on the prevailing cash rate for the base currency less the cash rate for the quote currency of the Reference Underlying currency pair ('Net Cash Rate'). The Net Cash Rate may be positive or negative. If the Net Cash Rate is negative and you hold a short CFD Position, the Contract Interest payable is equal to the Net Cash Rate; if you hold a long CFD Position and the Net Cash Rate is positive, you will receive the rate as a rebate.
- (c) Contract Interest and rebates, if applicable, are determined daily based on open positions after the end of the Regular Trading Hours on a Trading Day in the currency in which the CFD is denominated and are immediately due and payable. Financing fees and rebates will be applied to your Account without regard to any other interest credits or debits applicable to your Account.
- (d) Contract Interest rates are determined by IBA and we reserve the right to change rates at any time in IBA sole discretion. IBA's provides publication of the revised rates on its website constitutes notice and apply the revised rates to open CFD Positions.

5.3 **Borrow Fee:** IBA charges a stock borrow fee on short Share CFD positions; such fee will vary depending on the availability and or value of the Reference Underlying and other costs

associated with borrowing the Reference Underlying. IBA provides indicative rates on its website.

5.4 **Additional costs:** IBA reserves the right to pass on to you any additional costs we incur in hedging our liability under the CFDs held by you, including stamp duty, transfer taxes or other taxes or duties, but excluding costs associated with meeting initial margin obligations applicable to transactions that IBA enters into to hedge the risk associated with dealing in CFDs.

5.5 Unless otherwise specified, your liability for all costs under this Addendum arises immediately upon the execution of your Order.

6. **MARGINS**

6.1 This clause operates in conjunction with clause 15 of the Terms in relation to CFDs only and, subject to clause 6.5 of this clause, nothing in this clause should be interpreted as operating contrary to that clause.

6.2 IBA will only accept an Order in respect of a CFD and/or allow you to open and maintain a Position in a CFD if your Account has sufficient equity to meet IBA's margin requirements.

6.3 You must pay such amounts as margin as we from time to time require to open and maintain a Position in a CFD and you authorise and direct IBA to hold such amounts on your behalf. Your margin obligations, whether initial or additional (variation), for an open Position is due and payable immediately upon opening the Position or upon the variation being required to maintain the open CFD position.

6.4 You acknowledge that the market values/prices used to calculate the equity in your Account (and/or sub account), the OTE on CFD Positions, margin requirements, and the positional value of any open CFD position shall be determined by IBA in its sole discretion. IBA's valuations may be varied without prior notice to you and may differ from the values/prices of the Reference Underlying disseminated by Financial Markets or other market data sources. Among other things, IBA may calculate its own index values, exchange traded fund values or derivatives values, and value securities or futures or other Financial Products based on bid price, offer price, midpoint or using some other method.

6.5 **Close-out for failure to meet margin obligations:**

(a) If you fail to meet and remain in compliance with any margin requirements applicable to your Account, IBA may close-out your position in (a) CFD(s) without notice to you and/or liquidate other positions in financial products in your Account as determined by IBA in its absolute discretion.

(b) You acknowledge and agree that you are liable for all costs and charges associated with IBA closing your positions in a CFD for your failure to meet margin requirements on your Account.

(c) If you are a Retail Client, you will not be obliged under the Terms to provide additional funds to IBA to cover any amount owing or remaining after the cash and positions in your Account have been debited and/ or liquidated.

7. **OPEN TRADE EQUITY**

7.1 IBA will determine from time to time, in its sole and absolute discretion, the OTE for each open CFD Position with reference to:

(a) The current prices of the Reference Underlying, during the Regular Trading Hours for the relevant CFD; or,

- (b) The Reference Price as calculated by IBA in clause 12 Reference Price; and
- (c) Any adjustments to open CFD Positions under this Addendum.

7.2 You acknowledge that unless and until you or IBA close your open CFD positions, gains and losses on CFD positions will remain unrealised but will be reflected in adjustments to the OTE for each open CFD Position.

7.3 While IBA will have regard to the OTE in determining whether your Account meets IBA's margin requirements, the OTE for any CFD Position is not cash and may not be withdrawn.

8. **QUOTES**

8.1 IBA will generally make Quotes available through IB System beginning from the period after the Regular Trading Hours for the Reference Underlying opens and ending at or prior to the close of the Regular Trading Hours for the Reference Underlying. IBA may provide Quotes outside of the Regular Trading Hours.

8.2 IBA will typically quote two prices for each CFD: a lower price and a higher price (or a Bid price and an Ask price, respectively).

8.3 If you wish to close an open a CFD position but IBA has ceased to provide Quotes for such CFD, then you may during the Regular Trading Hours for a Reference Underlying and if the market in the Underlying Product is trading normally and is not subject to a halt or suspension or other extraordinary market condition, request IBA to provide a Quote on an ad-hoc basis and we shall endeavour on a reasonable efforts basis to provide such Quote.

8.4 Notwithstanding clause 9.1, if IB System is not available or we otherwise determine it is appropriate to do so, we may provide you Quotes by telephone or by such other means as we determine from time to time, but we are not obliged to provide Quotes in such circumstances if IB System is not available. We will only ever provide a Quote to close an existing open Position and no other Quote provided verbally is valid. Any Quote provided verbally is subject to this Addendum and the Terms.

8.5 The Quotes that IBA provides do not constitute an offer to enter into a Transaction in a, or any, CFD nor a guarantee on price. IBA is not obliged to provide Quotes for any particular CFD at any time and does not guarantee or commit to the continuous availability of quotations for any particular CFD, notwithstanding that it may have previously provided Quotes in respect of a particular CFD. Among other reasons, IBA may cease to provide Quotes due, but not limited, to a lack of market data, a halt, a suspensions, the delisting of, errors, illiquidity or volatility in the market of the Reference Underlying, IBA own risk parameters, errors with IB System, communication problems, political or other factors outside of IBA's control (including a Service Disruption Event).

9. **ORDERS AND TRANSACTIONS**

9.1 IBA offers a range of orders types for CFDs, which may vary depending on the Reference Underlying or other factors in our complete discretion. The range of Orders we accept are set out on our website.

9.2 You:

- (a) Acknowledge it is your responsibility to understand the features of the Order types you wish to use Prior to placing the Order;
- (b) Represent and warrant to us that you have reviewed the information published by IBA in respect of the orders types available for CFDs and understand the risks and characteristics of the Orders types IBA makes available; and,

- (c) By placing an Order with IBA for a CFD, acknowledge and assume the risk for the usage of the Order type.
- 9.3 Your submission of an Order to IBA under these terms constitutes your offer to enter into a Transaction with IBA in accordance with the Terms and this Addendum at the prices specified in your Order. If you submit a market order: An Order to open a long Position is made at the prevailing Ask price and an Order to close a long Position is made at the prevailing Bid price. An Order to open a short Position is made at the prevailing Bid price and an Order to close a short Position is made at the prevailing Ask price.
- 9.4 IBA, in its sole discretion, may allow you to submit Orders with instructions conditional on amongst other things, the prices we quote or the prices of the Reference Underlying reaching specified levels. You acknowledge that the execution of such Orders is handled on a reasonable efforts basis and prices are not guaranteed.
- 9.5 Nothing in this Addendum or the Terms obliges either you or IBA to place or accept, respectively, any Orders (either a 'buy' or 'sell') in respect of CFDs.
- 9.6 You acknowledge that Orders will not be confirmed as a Transaction and result in the establishment of a Position unless and until:
- (a) we have accepted your Order,
 - (b) it has become executable and has been executed;
 - (c) IBA has received a confirmation from its hedge counterparty that its hedging trade has been made; and,
 - (d) We have confirmed the Transaction via IB System or verbally.
- 9.7 You acknowledge that due to delays in electronic communications, third party trading activity (including the trading activity of other clients of ours or of our hedge counterparty trading before you), and changes in the Reference Underlying, your Order may be executed at a price that is worse than the displayed Quote. You acknowledge that you must accept such price for a resulting Transaction provided it is consistent with your Order instructions.
- 9.8 **Cancellation and modification prior to confirmation:** You agree it may not be possible to cancel or modify an Order once you have submitted it to IBA, and you are responsible for executions notwithstanding your request to cancel or modify.
10. **OPENING AND CLOSING A POSITION**
- 10.1 You open a position in a CFD by either "buying" (entering into a bought or long position in) or "selling" (entering into a sold or short position in) a CFD. In order to close an open Position in a particular CFD you must enter into an equal but opposite Transaction in the CFD.
- 10.2 Once a position in a CFD has been opened, it will not expire but shall remain open unless and until either you enter into a closing Transaction or IBA exercises a right of close-out.
- 10.3 If you have an existing long Position in a CFD, an Order to enter into a sold Position in respect of that CFD will be construed as an Order to close the long position. To the extent that a sell Order exceeds an existing long position, the Order will be construed as an Order

to close the long position and open a short position for the difference by which the sell order exceeded the long position.

- 10.4 If you have multiple existing Positions in a CFD, an Order to close out such Positions will be construed as an Order to close the Positions in chronological order, beginning with the Position first opened.

11. **REFERENCE PRICE**

- 11.1 IBA shall reasonably determine a Reference Price for each open CFD Position in your Account after the close of the Regular Market Hours for each Trading Day.

11.2 If, when IBA determines a Reference Price for an open CFD Position, the Reference Price for the current Trading Day is higher than the Reference Price determined by IBA to apply for the prior Trading Day, then if you hold a long CFD Position IBA shall adjust the OTE applicable for such CFD Position by crediting the difference to the OTE for the CFD Position. If you hold a short CFD Position, then IBA shall deduct the difference from the OTE for the CFD Position.

11.3 If when IBA determines a Reference Price for an open CFD Position, the Reference Price for the current Trading Day is lower than the Reference Price determined by IBA to apply for the prior Trading Day, then if you hold a long CFD Position IBA shall adjust the OTE applicable for such CFD Position by debiting the difference to the OTE for the CFD Position. If you hold a short CFD Position, then IBA shall credit the difference to the OTE for the CFD Position.

11.4 IBA reserve the right to correct a Reference Price in the event that the underlying market operator corrects the closing prices of the related Reference Underlying. If IBA corrects a Reference Price, IBA may effect adjustments to the OTE on Open CFD Positions, to your account in the amount payable by you as a result of the erroneous Reference Price, including applying backdated Contract Interest or debit interest to your Account, as the case may be.

11.5 Notwithstanding IBA's right to effect corrections, IBA's determination of the Reference Price for each CFD Position is final and binding regardless of the prevailing prices of the Reference Underlying save in the case manifest error.

12. **SETTLEMENT**

12.1 Transactions in CFDs settle in the same settlement period as the Reference Underlying, unless otherwise specified by IBA.

12.2 All Transactions and payments relating to CFDs will be made in the Cash Flow Currency.

13. **ADJUSTMENTS, MODIFICATION AND CLOSE-OUT RIGHTS**

13.1 Where any Adjustment Event is to occur in relation to a Reference Underlying for an open CFD position, then on prior to such occurrence,

(a) IBA may, in order to preserve the economic equivalence of the rights and obligations of you and IBA,

(i) adjust the terms of any CFD or standing instructions given by you in relation to any unfulfilled Orders for CFDs,

(ii) Issue additional CFD Positions (long or short) or reduce the number of CFD Positions,

(iii) Apply credit or debits to your Account,

(iv) Undertake such other adjustment as reasonably determined is appropriate,

Or,

- (b) If IBA determines in its sole discretion necessary to do so, closeout your open CFD Positions without prior notice or your consent.
- (c) Without limiting (a) or (b) above, IBA will generally apply the following principles when determining what, if any, adjustment may be made for a Share CFD:
 - (i) When an Adjustment Event results in the creation of new Shares (or reduction of existing Shares) in issuer of the Reference Underlying, IBA generally will create additional CFDs (or reduce existing CFDs) held long or short in the IBA account to mirror the Adjustment Event;
 - (ii) If the Adjustment Event results in the creation of a new issuer or a new type of shares for the issuer of the Reference Underlying, and IBA determines in its sole discretion that it will offer CFD transactions in respect of the new entity shares or new type of shares, then IBA generally will create a long or short position in the IBA account in the CFDs in the new entity or new share class to reflect the position, either long or short having regard to any conversion ratio or differences in values between the old and new Reference Underlying;
 - (iii) In other cases, including for any resulting fractional shares in cases otherwise referenced above, IBA will credit or debit the IBA account with a cash adjustment reasonably determined by IBA to preserve the economic equivalence of the rights and obligations of the parties.
- (d) If IBA determines, in its sole discretion, that it is unable reasonably to determine a cash adjustment amount, IBA generally will terminate the CFD five days prior to the ex-date for the Adjustment Event, or as soon as practicable if the announcement of the Adjustment Event is less than five days from the effective date.

13.2 For the purposes of this clause, an Adjustment Event means, any of:

- (a) A subdivision, consolidation, or reclassification of the Share;
- (b) A merger, de-merger, consolidation of the Share with or into another entity;
- (c) A distribution or dividend in relation to a Share by way of a bonus, capitalisation or similar issue;
- (d) The announcement and or payment of a Special dividend in respect of the Share;
- (e) A redemption, cancellation, or repurchase by the Share issuer of its issued shares whether effected by out of profits, capital or in any other manner;
- (f) A tender offer, exchange offer or bid offer or anything other similar offer in respect of the Share;
- (g) In respect of the issuer of the Share, the occurrence or notice of:
 - (i) The institution against the Issuer of the Share by any regulator, supervisor or authority with similar primary jurisdiction, any proceedings whether administrative or judicial;
 - (ii) The institution of any proceedings in bankruptcy, insolvency or other similar action affecting creditors (and shareholders) rights against the issuer of the Share by any person.

- (h) If IBA's hedge counterparty closes out or voids IBA's hedge transaction or the hedge transaction of IBA's hedge counterparty is cancelled by the operator of the market for Reference Underlying.
- (i) Such other event beyond usual market forces that IBA reasonably determines will have a dilutive or concentrative effect on the value of the Reference Underlying, including governmental actions in relation to currencies.

13.3 **Additional specific terms for Share CFDs:**

- (a) Short Positions: IBA reserves the right to require you to buy-in or buy-in on your behalf a short Share CFD position and may exercise this right when it deems reasonably necessary to do so, including but limited to, circumstances where legal or regulatory restrictions impact IBA's (or its hedge counterparty's) ability to hedge in the underlying market or the Reference Underlying becomes difficult or impossible to borrow.
- (b) Payments-in-lieu of dividend ("PIL"): where the issuer of a Reference Underlying declares a dividend and if you held an open position in a Share CFD on the record date, then,
 - (i) If you held a long position, IBA will make a cash payment to you;
 - (ii) If you held a short position, are required to make and instruct IBA to debit an amount equal to the payment in lieu for short position holders.
 - (iii) IBA will determine the quantum of the payment in lieu acting reasonably, having regard to withholding taxes and costs. You acknowledge that the PIL for short positions holders will may not the same as for long position holders.

14. **MANIFEST ERROR**

- 14.1 IBA reserves the right to correct any error which IBA reasonably believes is obvious or clearly incorrect, when having regard to the market for and prices of the Reference Underlying, whether by fault of IBA or a third party and whether arising from any of the following: technical issues in IB System. CFDs confirmed at prices not reasonably related to the correct market price for the Reference Underlying; or CFDs executed at a time and a price at or near which trades in the market for the Reference Underlying were cancelled or adjusted by exchanges or market centres.
- 14.2 If a Transaction in a CFD or an open CFD Position is based on or arising from a manifest error, then IBA may void the Transaction from the outset, adjust the open CFD Position such that it reflects to the extent reasonably practicable what the Position would have been but for the manifest error or close-out such open CFD Position.
- 14.3 In the absence of fraud, wilful default or gross negligence, IBA will not be liable to you for any losses, costs, demand or expense for actions it takes upon the occurrence of a manifest error.

15. **MARKET ABUSE:**

- 15.1 You acknowledge that IBA may hedge its obligations to you under any CFD Position by opening positions with our hedge counterparty or in the Reference Underlying at times, prices and in volumes that are related to your Orders and Transactions in CFDs. This means that when you buy or sell a CFD, IBA's related hedging activity may exert an influence on

the market for the Reference Underlying. Consequently, your CFD trading and our hedging may impact our Quotes and may create the possibility of market abuse.

- 15.2 You represent and warrant now and each time you submit an Order to us in respect of CFDs that:
- (a) You will not submit an Order to open or open or have not opened, a Position in any CFDs with IBA relating to a Reference Underlying which is a Share, if to do so would result in you, whether by yourself or together with other persons with whom you are acting in concert, having an exposure to that particular Reference Underlying which is equal to or exceeds the amount of a declarable interest (or such other notifiable or relevant interest) under Applicable Law at the given time unless you (or the other persons with whom you are acting in concert) make the required disclosures for the declarable interest in the time frame required under the Applicable Laws and immediately notify and keep us notified of your declarable interest;
 - (b) You will not submit an Order to open, open, or have not opened, a Position in any CFDs with IBA relating to a particular Reference Underlying in connection with:
 - (i) a placing, issue, distribution or other analogous event; or
 - (ii) an offer, take-over, merger or other analogous event,in which you are involved or otherwise interested.
 - (c) You (1) will not submit an Order to open, (2) open, or (3) have not opened a Position in any CFDs with IBA that contravenes any Applicable Laws, including: those against market manipulation; false trading; market rigging; front running; fictitious transactions; wash trading or matching of orders; insider trading; unauthorised short selling; misleading or deceptive conduct; creating a disorderly market or otherwise prejudicing the integrity or efficiency of the market for a Reference Underlying..
- 15.3 You agree that you will not submit an Order to deal in a Reference Underlying, whether through IBA or any other person, with the sole or primary intention of influencing the Quotes that IBA makes available for its CFDs in respect of that Reference Underlying.
- 15.4 If you place an Order for or open a Position in respect of CFDs or if we have reason to believe that you have placed and Order for or opened a Position in a CFD in breach of the representations in this Addendum or the Terms or in breach of any Applicable Laws, IBA may in its sole discretion and without being under any obligation to inform you of IBA's reason for doing so, close that Position and any other Positions in CFDs that you may have open at the time and may also:
- (a) enforce the CFD or CFDs against you if it is a CFD or CFDs under which you have lost money; or,
 - (b) treat all closed CFD Position as void if they are Positions under which you have made a gain or profit, unless and until you produce, promptly at our request, conclusive evidence that you in fact have not committed any breach of warranty, representation or undertaking or Applicable Law. In the absence of a specified time to produce such evidence under this clause, you will have three (3) months to produce such evidence from the time the relevant Position was opened.

16. **NETTING AND SET-OFF:**

- 16.1 Netting by Novation: Each Transaction between you and IBA will immediately be netted with all then existing Transactions between you and IBA for the same currencies to constitute one transaction.
- 16.2 Payment Netting: If on any delivery date more than one delivery of a currency is due, each party shall aggregate the amounts deliverable in that currency and only the difference shall be delivered.
- 16.3 Close-Out Netting and Set-Off Rights. If you: (i) incur a margin deficit in an Account; (ii) default on any obligation to IBA; (iii) incur a "Default" as specified in the Terms; or (iv) fails to pay debts when due, IBA has the right but not the obligation to close-out your open Positions or Transactions, liquidate all or some of collateral or positions in your Account and apply the proceeds to any debt to IBA.
- 16.4 IBA is entitled to charge you all commissions, spreads, costs and charges incurred therewith any action taken under 16.3.
- 16.5 Upon IBA exercising its rights under 16.3 of this Addendum or upon any "Default" under the Terms, then all outstanding open Positions will be deemed terminated as of the time immediately preceding the triggering event. Without prejudice to any other rights and remedies available to IBA (whether by agreement, by law or otherwise) IBA reserves the right, at any time, from time to time, without notice to the you and in its sole discretion, to exercises all rights it has under the Terms, including under Clause 14 and Clause 21.