

CMC Markets Stockbroking Limited

ABN 69 081 002 851 and AFSL No. 246381

Annexure A – Additional Terms for Algorithmic Trading

to the CMC Invest Terms and Conditions

16 November 2023



Annexure A – Additional Terms for Algorithmic Trading

This Annexure A, dated 16 November 2023, applies when trading with Algorithms (as defined below) on a Client's Trading Account. For the avoidance of doubt, such terms apply in addition and supplemental to any other terms in the CMC Invest Terms and Conditions (**General Terms**). Capitalised words and expressions have the meaning given to them in the General Terms or as set out in clause 1 below.

In the event of an inconsistency between this Annexure A, the General Terms and any other term or document referred to in either document, the terms of this Annexure A shall prevail.

The Broker may, in its absolute discretion, make Algorithms available to the Client, through the platform, to enable a Client to place an Algorithmic Instruction from time to time, taking into account a range of factors including a Client's ability to understand and manage the complexity of trading with Algorithms.

1 Additional Definitions

In addition to the Definitions section in the General Terms, capitalised terms used in this Annexure A shall have the meanings set out below:

Algorithm	An application that will enable a Client to place an Algorithmic Instruction which generates Order(s) based on parameters specified.
Algorithmic Instruction	An instruction to place Order(s) using an Algorithm.
Open/Close	This is a type of Algorithm which places Orders targeting the ASX opening or closing auctions (as applicable).
TWAP	Time-weighted average price. This is a type of Algorithm which places Orders equally across a specified time period.
VWAP	Volume-weighted average price. This is a type of Algorithm which places Orders in line with expected volumes within the specified time period.

2 Algorithms

- 2.1 We may, in our sole discretion, make different types of Algorithms available to the Client through the platform to enable a Client to place Algorithmic Instructions. We may, acting reasonably, withdraw any such Algorithms in our sole discretion, without notice to the Client, for any reason, including where we no longer consider it suitable to offer it to a Client.
- 2.2 Subject to us making Algorithms available to a Client, a Client can access relevant information on each Algorithm through the platform. This information includes the parameters that a Client must specify in order to place an Algorithmic Instruction in respect of a particular type of Algorithm.
- 2.3 Algorithms are used to determine the price, volume, quantity and nature of any Orders that result from an Algorithmic Instruction. The Algorithms are the property of our underlying providers. For the avoidance of doubt, any intellectual property in the Algorithms remains the property of our underlying providers (in accordance with and subject to the provisions in clause 34.3 of the General Terms) and such providers assume no liability, responsibility or obligations to the Client and the Client shall have no contractual or other relationship with such providers.

3 Types of Algorithms

- 3.1 If we have enabled Algorithms on your Trading Account, a number of Algorithms may be available to you, including the following:

- VWAP;
- TWAP; and
- Open/Close.

These are subject to change without notice. Further information is available on the platform.

4 Trading with Algorithms

- 4.1 To trade with Algorithms, the Client must select an Algorithm and provide the information requested by the platform, which shall include setting the parameters on which the operation of the Algorithm shall be based and specifying the relevant financial product in relation to which the Algorithm should generate Orders.
- 4.2 For the avoidance of doubt, once the Client has placed an Algorithmic Instruction, the Client shall be responsible for and bound by any and all Orders arising or resulting from such Algorithmic Instruction.
- 4.3 Once initiated, the Client will be solely responsible for monitoring the performance and effect of the Algorithmic Instruction.

5 Cancelling an Algorithmic Instruction

- 5.1 The Client may cancel (but not amend) an Algorithmic Instruction through the platform. However, a cancellation will only take effect once it has been received and processed by the platform. In certain circumstances, there may be a delay between the Client submitting a request to cancel an Algorithmic Instruction and that cancellation request taking effect. In such circumstances, the Client shall remain responsible for and bound by any and all Orders arising or resulting from the relevant Algorithmic Instruction until the cancellation takes effect, notwithstanding the fact that such Orders may not be in accordance with the Client's subsequent cancellation.
- 5.2 For the avoidance of doubt, the Broker may, acting reasonably or to comply with its obligations, cancel an Algorithmic Instruction without warning in its sole discretion, for any reason.

6 Risks

- 6.1 If the Broker has enabled Algorithms on a Client's Trading Account, the Client agrees not to trade with Algorithms unless the Client fully understands the risks involved. The Client should seek independent professional advice, prior to trading with Algorithms.
- 6.2 The Client is responsible for and bound by any and all Orders entered into as a result of an Algorithmic Instruction. Once the Client has placed an Algorithmic Instruction, the Algorithm will continuously and independently place Orders based on parameters specified by the Client.
- 6.3 The Broker may use one or a number of underlying providers in making Algorithms available to the Client. The Client acknowledges that there may be instances of delay, failure or inaccuracy in, or the loss of access to, the provision of Algorithms, which may be outside of the control of the Broker, including as a result of a failure by, or otherwise arising from an act or omission by the Broker's provider(s).
- 6.4 Underlying Algorithms used in executing an Algorithmic Instruction may vary. When a Client places an Algorithmic Instruction, it will be executed using the Algorithm selected on the platform, but the actual underlying methodology used by our underlying providers may vary and, as a result,

the Client may achieve a different result (regardless of the fact that one Algorithm shares the same execution objective as another Algorithm of the same type).

- 6.5 Cancellations may not take effect immediately. Cancellation of an Algorithmic Instruction will only take effect once it has been received and processed by the platform. As a result, the Client agrees that it may be responsible for and bound by Orders arising or resulting from an Algorithmic Instruction even after the Client has purported to cancel it.

7 Fees

- 7.1 The Client is liable for fees and costs associated with trading with Algorithms.

- 7.2 Fees and costs relating to use of Algorithms can be found in the Broker's Financial Services Guide.

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