This document provides important information about Margin Foreign Exchange Contracts and Contracts for Difference to help you decide whether you want to enter into any of these derivatives. There is other useful information about this offer at https://disclose-register.companiesoffice.govt.nz.

Many derivatives are complex and high-risk financial products that are not suitable for most retail investors. If you do not fully understand a derivative described in this document and the risks associated with it, you should not enter into it. You can also seek advice from a financial advice provider to help you make your decision. You should ask if that provider has experience with these types of derivatives.

ZERO Markets (NZ) Limited has prepared this document in accordance with the Financial Markets Conduct Act 2013.

PRODUCT DISCLOSURE STATEMENT

Margin FX Contracts and Contracts for Difference

Last updated on 13 January 2025

This document replaces the ZERO Markets Product Disclosure Statement for Margin FX Contracts and Contracts for Difference dated 11 September 2024

ZERO Markets (NZ) Limited
Company No.6358657. Derivatives Issuer License holder in New Zealand, FSP No.569807

1. KEY INFORMATION SUMMARY

1.1 WHAT IS THIS?

This is a product disclosure statement (**PDS**) for margin foreign exchange contracts (**Margin FX Contracts**) and contracts for difference (**CFDs**) (together, the **Products**) provided by ZERO Markets (NZ) Limited (NZBN: 9429047455450) (**ZERO Markets NZ, we, us or our**). Margin FX Contracts and CFDs are derivatives, which are contracts between you and ZERO Markets NZ that may require you or ZERO Markets NZ to pay an amount of money. The value of the Contract will depend on the price, value or level (as the case may be) of the underlying instrument, which may be bullion, stocks, commodities, indices, cryptocurrencies or currencies. The contract specifies the terms on which those payments must be made.

1.2 WARNING

RISK THAT YOU MAY OWE MONEY UNDER THE DERIVATIVE

If the price or value of the underlying (such as bullion, stocks, commodities, indices, cryptocurrencies or currencies) changes, you may suffer losses. In particular, unlike most other kinds of financial products, you may end up owing significant amounts of money. You should carefully read sections 2.1(3) and (4) on how payments are calculated.

YOUR LIABILITY TO MAKE MARGIN PAYMENTS

ZERO Markets NZ may require you to make additional payments of margin to contribute towards your future obligations under these derivatives. These payments may be required at short notice and can be substantial. You should carefully read section 2.1(7) about your obligations.

RISKS ARISING FROM ISSUER's CREDITWORTHINESS

When you enter into derivatives with us, you are exposed to a risk that we cannot make payments as required. You should carefully read section 3 of the PDS (risks of these derivatives) and consider ZERO Markets NZ's creditworthiness. If ZERO Markets NZ runs into financial difficulty, the margin you provide may be lost.

1.3 ABOUT ZERO Markets NZ

ZERO Markets NZ is an issuer of Margin FX Contracts and CFDs through online trading platforms. More information about us can be found in section 6 of this PDS and on our Website at zeromarkets.co.nz

1.4 WHICH DERIVATIVES ARE COVERED BY THIS PDS?

This PDS covers Margin FX Contracts and CFDs, which are over-the-counter (**OTC**) derivatives that allow you to make a profit or loss from fluctuations in the price of an Underlying Instrument. You can find further details in section 2.1 below.

You do not own, or have any rights to, the Underlying Instrument.

The Product Schedule is available on our Trading Platform, or by email at your request, and contains technical information on the market details for our Products, the associated costs for the Products and any amounts that we may require you to pay or amounts that we will pay you in respect of your account with us.

The significant benefits of using the Products as a risk management tool are to manage your exchange rate risk or risk of movements in the Underlying Instrument of the CFD and provide cash flow certainty. Other benefits of using the Products apply equally for a client as a risk management tool and for a client who is a

- Protection from market movement trader or speculator, and these include:
- Access to the Underlying Instruments' global markets at any time when they are open

- The ability to trade in rising and falling markets
- The use of leverage to gain exposure from a smaller amount of capital (which magnifies both profits and losses)
- No account opening fees
- The ability to trade using multiple devices, with real time streaming quotes

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2. KEY FEATURES OF THESE DERIVATIVES

2.1 KEY FEATURES

(1) SUMMARY OF NATURE AND EFFECT OF CFDS AND MARGIN FX CONTRACTS

NATURE AND EFFECT OF A CFD

A CFD is an agreement between two parties that allows you to make a profit or loss by reference to fluctuations in the price of an Underlying Instrument. However, you do not own, or have any rights, to the Underlying Instrument. A CFD allows you to leverage a small initial deposit for a much greater market effect in relation to the Underlying Instrument, which magnifies losses and profits (see the example provided in section 3.1). 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 or value of the CFD.

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

- the difference between the price of the CFD when it is opened and the price of the CFD when it is closed;
- any Swap Charges or Swap Benefits relating to the CFD;
- any Commissions charged relating to the CFD (if applicable); and
- any Corporate Action charges or benefits relating to the CFD (if applicable).

We offer the following types of CFDs (the availability of which may change from time to time):

- Bullion CFDs;
- Commodity CFDs (including future based Commodity CFDs);
- Equity CFDs, i.e., shares or other securities (including future based Equity CFDs);
- Index CFDs (including future based Index Future CFDs); and
- Cryptocurrency CFDs.

All types of CFDs we offer are OTC derivatives, meaning we are the counterparty to all trades you undertake, and all trades must be closed with us. CFDs are settled in cash, with no delivery of the underlying asset. Specification details for each CFD type are provided in the Product Schedule on our Trading Platform. We recommend viewing these before deciding which CFD to trade.

Commodity CFDs

We offer a range of CFDs in respect of Commodities. Commodity CFDs allow you to speculate on the price of a Commodity, or hedge an exposure, indirectly in Commodity markets without physically owning the Commodity.

Index CFDs

We offer CFDs in respect of a range of indices, thereby allowing you to take positions in relation to the overall direction of a market without taking a view on a particular underlying stock or future. A short position can be used as a rough hedge to protect a diversified share portfolio in the event of a market fall.

Our Index CFDs are valued based on the number of units per index point of the underlying Index

Equity CFDs

We offer CFDs in respect of a range of single stocks. Equity CFDs allow you to speculate on the price of a single stock, or hedge an exposure, without physically owning the stock.

Cryptocurrency CFDs

Cryptocurrency CFDs allow you to gain exposure to price movements in cryptocurrencies. The prices of the Cryptocurrency CFDs we quote are derived from the price feeds from cryptocurrency exchanges or cryptocurrency hedge counterparties that we deal with.

NATURE AND EFFECT OF A MARGIN FX CONTRACT

A Margin FX Contract is an OTC derivative contract that enables traders to leverage a small margin deposit for a much greater market effect in relation to currencies.

A Margin FX Contract involves the exchange of one currency for another. Margin FX Contracts are cash settled (i.e., no physical delivery is available). You do not own, or have any interest or right to, the underlying currency or have the ability to trade it on an exchange. Margin FX Contracts allow the investor an opportunity to trade foreign exchange on a margined basis as opposed to paying for the full value of the currency.

In every exchange rate quotation, there are two currencies. The exchange rate is the price of one currency (the "base" currency) in terms of another currency (the "terms" currency) such as the price of AUD in terms of USD.

The price of our Margin FX Contracts is based on the price of one currency relative to another. Margin FX Contracts do not have an Expiry Date and will remain open until closed in accordance with the Agreements. Terminating a Margin FX Contact involves clicking and selecting "Close Order" on the Trading Platform, which generates a realised profit or loss on the transaction, which is then settled between you and us.

The amount of any gain or loss made on a Margin FX Contract will be the net of:

- the difference between the price of the Contract when it is opened and the price of the Contract when it is closed;
- any Swap Charges or Swap Benefits relating to the Contract; and
- any Commissions (if applicable).

(2) KEY BENEFITS OR MAIN USES OF THE DERIVATIVES

One of the most significant benefits of a CFD and a Margin FX Contract is that they can be used as a risk management tool to manage your exchange rate risk or risk of movements in the Underlying Instrument of the CFD and provide cash flow certainty. Other benefits of using the Products apply equally for a client as a risk management tool and for a client who is a trader or speculator, and these include:

- Protect from market movement
- Access to the Underlying Instruments' global markets at any time when they are open
- The ability to trade in rising and falling markets
- The use of leverage to gain exposure from a smaller amount of capital
- No account opening fees or minimum balance
- The ability to trade using multiple devices, with real time streaming quotes

(3) AMOUNTS PAYABLE UNDER MARGIN FX CONTRACTS AND EXAMPLES

Obligations under Margin FX Contracts are to be wholly settled by cash, or by set-off between the parties, rather than by physical delivery of the currencies.

Example 1 – Making a Profit

Adam believes the EURO will strengthen against the USD. He therefore buys one (1) lot (goes long), of EUR/USD at the price of 1.3000.

In this case one (1) lot is having contract size of 100,000 which could be different for other Products.

During that time EUR/USD has increased to 1.3150, meaning that when he closes the Position at that higher price, Adam will make a gross profit of:

Calculation Method	Calculation	Gross Profit
Contract Size multiplied by the difference between the price when Adam entered into the Position and the price when he exited the Position	100,000 x (USD 1.3150 – USD 1.3000)	USD 1,500.00

Example 2 – Making a Loss

Following from the example above, if the EURO had weakened against the USD instead of strengthening, Adam would have made a loss on his Position. For example, if he had made the same trade (buying 100,000 contracts of EUR/USD at 1.3000), but the EURO drops against the USD and the Position is closed at EUR/USD 1.2950, he would have made a gross loss of:

Calculation Method	Calculation	Gross Loss
Contract Size multiplied by the difference between the price when Adam entered into the Position and the price when he exited the Position	100,000 x (USD 1.3000 – USD 1.2950)	USD 500.00

(4) AMOUNTS PAYABLE UNDER CFDS AND EXAMPLES

Obligations under CFDs are to be wholly settled by cash, or by set-off between the parties, rather than by physical delivery of the Underlying Instrument.

Example 1 – Making a Profit

Adam believes the price of Australia 200 stock index will rise. He therefore buys one (1) lot (goes long), of AUS 200 at the price of 5,780.

Each index unit of AUS 200 is worth AUD 1, meaning that he has bought one (1) contract of AUS 200 with value of AUD 5,780 (1 X price in AUD = 1 x AUD 5,780).

During that time AUS 200 has increased to 5,800. This means that when Adam closes the Position at that higher price, he will make a gross profit of:

Calculation Method	Calculation	Gross Profit
Contract Size multiplied by the difference between the price when Adam exited the Position and the price when he entered the Position	1 x 1 x (AUD 5,800 – AUD 5,780)	AUD 20

Example 2 – Making a Loss

Following from the example above, if Australia 200 stock index had dropped instead of risen, Adam would have made a loss on his Position. For example, if he had made the same trade (buy one lot of AUSSIE200 at the price of 5,780) but the AUSSIE200 drops and the position is closed at 5770, he would have made a gross loss of:

Calculation Method	Calculation	Gross Loss
Contract Size multiplied by the difference between the price when Adam exited the Position and the price when he entered the Position	25 x 1 x (AUD 5,770– AUD 5,780)	AUD 250

(5) THE TERM OF THE DERIVATIVES AND HOW THAT TERM WILL BE SET

Term refers to the duration of derivatives. Margin FX Contracts and some CFDS have no fixed term and can be terminated anytime as described in section 2.2. However, certain CFDS may have an expiry date and can be closed or rolled over before that date. You can only enter into or close trades during Trading Days, except for some types of trades, which may be opened or closed on the Trading Platform outside of Trading Days.

(6) STATEMENT ABOUT THE EXAMPLES

We have provided examples of the amounts payable (including the relevance of the non-fixed term nature of the Products) under the Products in sections 2.1(3) and (4) above. For an example of how leverage (gearing) magnifies losses/profits (without taking into account any fees or charges), see section 3.1 below. Each example provides an example of one situation only and does not reflect the specific circumstances or the obligations that may arise under a derivative entered into by you.

(7) OTHER KEY FEATURES OF THE DERIVATIVES

DIFFERENT ORDER TYPES WE OFFER

ZERO Markets NZ offers different types of Orders through the Trading Platform. You will be able to find information about Orders that apply to you on the Trading Platform when you log in. You should note that the Stop Loss Orders and Limit Orders are non-guaranteed Orders.

The price at which we accept an Order to trade will generally be based on filling the full volume of the Order in one Contract where possible. Partially-filled Orders will be filled as soon as the opportunity arises. The type of Orders and how they may be filled, if at all, will depend on the rules of the exchange where the Underlying Instruments are being traded and the pricing model you have selected. For some Contracts that you choose to trade, there may be a minimum trade value or other restrictions (e.g., pricing) that relate to a particular market.

ZERO Markets NZ has complete discretion on whether to accept and execute any Order requested.

If an Event of Default specified in the Client Agreement occurs, we may impose a limit on the number of open pending Orders of each Account to prevent the degradation of the Trading Platform performance of all other clients. The limit is currently set at 200 Orders, but we reserve the right to change this limit.

You should discuss the operation of these Order types with one of our representatives, try them via the Demo Accounts, and read the user guide available on the Trading Platform. You should also refer to our Client Agreement with respect to the operation of these order types.

Below is a high-level summary of the key categories of Orders we provide:

Market Orders
A Market Order is an Order to buy or sell at the current market price as soon as possible, i.e. if the market is closed, the Order may not be entered into until the Underlying Market re-opens.
Stop-Entry Order
An instruction to enter into a CFD at the best available price after a pre-determined price threshold is reach. (MT5 has variations of this order type refeed to as a Buy stop limited or Sell Stop Limit).
Stop Loss Orders

A Stop Loss Order is an Order placed to limit the loss on an open Position and allows you to specify a price at which you wish to close out or open a Contract. Stop Loss Orders must be placed a minimum distance from our current bid and offer prices. The minimum distance for each Stop Loss Order will be available on the file titled “Contract Specification/Stop Level” on the Trading Platform.

A Stop Loss Order can be seen as a “resting” Market Order. The Order will become active when the price specified as the strike price in the Stop Loss Order is reached in the market, and the Stop Loss Order will then be converted into a Market Order when the strike price is equal to last traded price in the Underlying Market.

We offer two forms of the Stop Loss Orders, being:

- Stop Loss Order at a set price; and
- Trailing Stop Loss Order, which enables you to link a Stop Loss Order at a set distance to the market. As the market moves away from the strike price, the strike price will be adjusted in the steps defined when the Order was placed. In case the market moves towards the strike price the order will remain at the initial level with the initial strike price.

ZERO Markets NZ will execute a Stop Loss Order once the following conditions are met:

- The offer price has reached the strike price in the case of a buy Order or the Bid Price has reached the strike price in the case of a sell Order; and
- The relevant Underlying Market has traded at or through the level at which the Order is placed, in sufficient size that ZERO Markets NZ could have replicated the Order.

We note that Stop Loss Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity. You cannot assume that you will always be able to have a Stop Loss Order and ZERO Markets NZ has absolute discretion in determining whether to accept a Stop Loss Order. A Stop Loss Order is triggered automatically when the stop loss price is reached. Once the stop loss price is reached, the Stop Loss Order becomes a Market Order to buy or sell (depending on your instructions). Due to market volatility and liquidity, if it is not possible to fill your Stop Loss Order at the price you requested, ZERO Markets NZ will fill the Stop Loss Order at the nearest available price.

The Stop Loss Order could be activated by a short-term fluctuation in the markets or, in a fast-moving market, the price at which the trade is executed could be much different from the Stop Loss Order price. This is known as “gapping” and is due to market movements during the time it takes to open or close Contracts.

As the markets are constantly moving, you can place a Stop Loss Order on all open Positions. Whilst this allows you to control potential losses should the market move against you, in most circumstances, Stop Loss Orders may not limit your losses the way you anticipate. There are no guarantees in relation to Stop Loss Orders and, due to the speed at which prices can move, they may be executed at a different price (known as slippage) or not at all.

There are no additional fees or charges associated with the placement of Stop Loss Orders (only the disclosed commission regarding the executed transaction if the order is triggered).

You acknowledge and agree that, under the Client Agreement, we may impose a Stop Loss Order on one or more of your Contracts.

Limit Orders

A Limit Order may be used by you to either open or close a Contract at a predetermined price that is more favourable to you than the current market price. We will execute your Limit Order when:

- for a buy-limit order: the Ask Price has reached the Order price; or
- for a sell-limit order: the Bid Price has reached the Order price.

Once the Limit Order price is reached, the Limit Order becomes a Market Order. Similar to Stop Loss Orders, Limit Orders are not guaranteed, and the execution of such Orders will depend on market volatility and liquidity.

THE MINIMUM TRADING SIZE, THE MAXIMUM TRADING SIZE AND THE MINIMUM BALANCE TO OPEN AN ACCOUNT

The size of your Contract must exceed or equal to the relevant Minimum Trading Size and must not exceed the relevant Maximum Trading Size, each as specified on the Trading Platform and may be changed from time to time.

The minimum balance to open an Account is set out on our Website and may be varied at our discretion.

When trading in Products, you may deposit an amount of funds that suits you and which is in line with the amount you are willing to risk, noting that the risk on trading the Products is not limited to the capital you provide to us.

WAYS TO DEAL IN PRODUCTS WITH US

ZERO Markets NZ only accepts dealing instructions via:

- the Trading Platform;
- any other means if we expressly agree with you in advance.

The preferred method of giving us dealing instructions is via the Trading Platform. We do not accept dealing instructions through any other means, such as emails or on-line messenger unless we have previously agreed with you to do so.

Regardless of whether you give us dealing instructions over the phone or via the Trading Platform, you are required to access the Trading Platform on a regular basis to confirm that your instructions have in fact been received by us, reconfirm all Orders that you place with us, review any confirmation we provide, to ensure its or their accuracy and monitor your Margin obligations. Any discrepancies identified must be reported to us immediately.

It is possible for a third party to place Orders on your behalf provided that a written and executed Power of Attorney or Authorised Person authority has been received and accepted by us.

Please note that a quote given to you by us is not an offer to contract.

While ZERO Markets NZ may endeavor to execute your Order, there is no assurance that the Order will be able to be executed at the price of your Order.

Quotes will be given and Contracts made during the open market hours of the Underlying Markets. The open hours of the Underlying Markets may be available on our Trading Platform and Website. Such hours may change according to the relevant Underlying Market's changes or at our discretion and the information on our Trading Platform or our Website may not be up-to-date.

You should note that ZERO Markets NZ is not obliged to accept your Orders. Typically, this would occur should you exceed the limits imposed on your Account by us, or where there are insufficient funds in your Account to meet your Margin obligations.

MEANS TO FUND YOUR ACCOUNT

To make a payment into your account, you may make an electronic or telegraphic transfer or otherwise through any other means agreed by us.

We only accept cash or cash equivalent as opening collateral or funding of your account. ZERO Markets NZ does not accept cash in hand or physical cash deposits into any of our bank accounts.

We do not encourage the use of borrowed funds to purchase the Products.

Please refer to our Website for available funding methods.

KEY FEATURES OF MARGINING

To place a trade that creates an open Position/Contract you are required to pay us or have in your account, the Margin for that trade as calculated by us (**Initial Margin**). In addition to the Initial Margin, you have a continuing obligation in relation to Margin in respect of all open Positions on your account, known as the **Variation Margin**.

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 Requirements may also be affected by fluctuations in the relevant foreign exchange rate.

ZERO Markets NZ applies the following main principles in relation to our Margin practices:

- You must provide Initial Margin before issuance of any Products and you are liable to meet all

Margin Calls;

- When you have open Contracts, you are obliged to maintain at all times the Total Margin Requirement for all of your open Contracts;
- The Margin Call obligation is in addition to your obligation to maintain the Total Margin Requirement for your Account. There is no minimum time you are given to meet your Margin Calls, and no limit to how often Margin Calls can be made or the amount of the Margin Calls;
- The timing and amount of each Margin Call will depend on movements in the market price of the open Contracts and the changes to your Net Equity and funds available for Margin;
- You have an obligation to meet the Margin Call even if we cannot successfully contact you. We are not obliged to notify you about your obligation under Margin Calls, though we may do so by email, phone call or otherwise, as a courtesy; and
- If you do not maintain the required Margin at all times or you do not pay the required Margin Call by the required time, we may in our reasonable discretion reduce your exposure by closing out one or more or all of your open Contracts with us without notice to you and you remain liable to pay us any remaining shortfall.

Initial Margin requirements

Initial Margin is calculated as follows:

Initial Margin requirement = (Quantity of Contract Units x Contract Price) x Margin Percentage

If there are not sufficient funds in your Account for a Contract to be opened (due to its Initial Margin requirement), then your Order will not be executed.

Once a Contract is opened, your Account will be adjusted, often continuously and quickly, for the applicable Total Margin Requirements according to market movements. Please refer to below for Variation Margin.

Margin Requirements (and the associated Margin Percentage) vary with each Product within the leverage restrictions, and a list of the requirements is set out on the Trading Platform. These may change regularly.

Your Net Equity and Total Margin Requirement are constantly calculated in line with movements in prices for the Products, during the opening hours of our Trading Platform, and these amounts are displayed on the Trading Platform. It is your responsibility to monitor and manage your open Contracts and exposures and ensure that your Account is sufficiently funded at all times for Margin. This may include:

- closing or reducing one or more of your open Contract(s) in order to reduce your Total Margin Requirement; and/or
- depositing additional funds into your Account in order to satisfy the Total Margin Requirement.

If you choose to deposit additional funds into your Account, these additional funds must be cleared funds before they will be treated as having satisfied your obligations.

Please refer to the Product Schedule on our Trading Platform for the Margin Requirement for each Product.

Changing Margin Percentage, Margin Call Level and Stop Out Level

We may vary the Margin Percentage, Margin Call Level and Stop Out Level at any time at our discretion. Without limitation, we may vary the Margin Percentage, Margin Call Level and Stop Out Level in response to or in anticipation of the following:

- changing volatility and/or liquidity in the Underlying Instrument or in the financial markets generally;
- economic news;
- changes in your dealing pattern with us;
- your credit circumstances change; or

- your exposure to us being concentrated in a particular Underlying Instrument.

You should note that there may be other circumstances which may give rise to us changing your Margin Percentage, Margin Call Level and Stop Out Level.

When the Margin Percentage, Margin Call Level or Stop Out Level is changed, you will need to close and open the Trading Platform in order to have relevant Margin updated.

CORPORATE ACTION CHARGES AND CORPORATE ACTION BENEFITS

EQUITY AND INDEX CFD CORPORATE ACTIONS

When a Corporate Action or an insolvency event occurs in relation to any Underlying Instrument and/or its issuer we may, acting in a commercially reasonable manner, make adjustments to your open Positions, Stop Loss Orders and Limit Orders to reflect those actions and to put you in a position as close as possible to that of a direct holder of the Underlying Instrument noting that you may not get all the benefits such as tax benefits, credits or deferrals. We are entitled not to provide you with the full benefit of a Corporate Action where we do not receive the benefit of a Corporate Action from our hedging counterparty.

Corporate Action charges and Corporate Action benefits will be accrued in the swap value field of the open Contract.

The actions we may take include, but are not limited to:

- changing Margin Requirement including Margin Percentage both in relation to open Contracts and new Contracts;
- making a reasonable and fair retrospective adjustment to the opening price of an open Position, to reflect the impact of the relevant action or event;
- opening and/or closing one or more open Positions on your Account;
- cancelling any Stop Loss Orders and Limit Orders;
- suspending or modifying the application of any part of this PDS;
- crediting or debiting sums to your Account as appropriate; and
- taking all such other action as we reasonably consider appropriate to reflect the effect of the relevant action or event.

INDEX CFD DIVIDENDS

When an individual stock which is a constituent of a cash stock index goes ex-dividend, this will have a weighted effect on the Index. We will credit long Positions and debit short Positions with a cash adjustment on the ex-dividend date.

We calculate the rate to be applied at our absolute discretion. The rate that we will calculate will reflect Underlying Market conditions.

2.2 ENTERING DERIVATIVE AND RIGHTS TO ALTER TERMS OR TERMINATE DERIVATIVE

HOW TO ENTER INTO AND CLOSE A CFD OR MARGIN FX CONTRACT

The particular terms of each Contract are agreed between you and ZERO Markets NZ before entering into a Contract.

Prior to you entering into a Contract with us, you must have entered into a Client Agreement with us. See section 9.1 below for an overview of how to do this. A Contract is opened by either buying (going long) or selling (going short) a Contract:

- You go “long” when you buy a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will increase. This would have the effect that the value of the Contract would increase; and

- You go “short” when you sell a Contract in the expectation that the price of the Underlying Instrument to which the Contract relates will decrease. This would have the effect that the value of the Contract would decline.

If you transact in the Products, the confirmation of the Contract may be obtained only by accessing the daily statement online, which you can print for your records. It is your obligation to review the confirmation of Contracts immediately to ensure its accuracy and to report any discrepancies within 24 hours.

A Contract is open until it is closed, and the amount of profit or loss to you can then be calculated.

In order to close a Position, you need to click the “close” button on the Trading Platform. The closure of a Contract will generally result in a profit or loss being realised in your Account. If you close a Position, any related Orders you have placed against that Position will be cancelled. However, please note that we may not be able to allow you to close a Contract at a particular time and/or at the particular price, for example, without limitation, due to gapping or illiquidity.

AMENDMENT AND TERMINATION OF THE CONTRACT

We may amend, change, revise, add, modify or replace the terms of the Contract in accordance with Section 19.2 ‘Amending this Client Agreement’ of the Client Agreement. However, you may not do so without written acceptance or confirmation by us.

Both you and ZERO Markets NZ have the right to terminate the Contract in accordance with Section 19.3 ‘Termination’ of the Client Agreement.

3. RISKS OF THESE DERIVATIVES

This section is a summary of the major risks that can apply to trading Margin FX Contracts and CFDs. For more detailed information, you should refer to our Risk Disclosure available on our Website.

3.1 PRODUCT RISKS

Trading in the Products carries a high level of risk. Some of the key risks that apply to both Margin FX Contracts and CFDs, include, but are not limited to, the following:

Macro-economic risk	The general state of New Zealand and international economies as well as changes in taxation policy, monetary policy, interest rates and statutory requirements are some of the factors which may influence the progress of currency and other markets.
Market risk	This is the risk that the markets move in a direction not anticipated. External market forces can cause markets and prices to change quickly, such forces include changing supply and demand relationships, governmental, agricultural, commercial and trade programs and policies, national and international political and economic events and the prevailing psychological characteristics of the marketplace. As the price of your Position is based on an Underlying Instrument, these factors may affect your Position and our ability to execute, settle or close out Positions on your behalf. There is no guarantee or assurance that you will make profits, or not make losses, or that unrealised profits or losses will remain unchanged. You can reduce your risk by understanding the market relevant to the Products, monitoring your Positions carefully and closing your open Positions before unacceptable losses arise.
Leverage risk	The Products are highly leveraged financial products with low Margin Requirements. This means that a slight price fluctuation in the Underlying Instrument to which a Product is referable can result in proportionately much larger movements in the value of your investment leading to significant losses as well as gains. Price fluctuations may

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be as a result of uncontrollable events or changes in a variety of conditions as described below in Counterparty Risk. You must be aware that the high degree of leverage can work against you as well as for you, and the potential losses may be far greater than the money you deposit into your Account.
You could be required to provide further funds to sustain your open Contracts. The prices of the Products may be volatile and fluctuate rapidly over wide ranges. The leveraged nature of the Products means that your Margin Requirements may change rapidly. You must monitor your open Contracts regularly.
Below is a hypothetical example of how leverage (gearing) magnifies losses/profits (without taking into account of any fees or charges):
<table>
<tr><td></td><td>Trading directly in Commodities</td><td>Trading Commodity CFDs</td></tr>
<tr><td>Initial outlay</td><td>$10,000</td><td>$10,000 (Initial Margin)</td></tr>
<tr><td>Reference to commodities purchased</td><td>1,000</td><td>10,000</td></tr>
<tr><td>Initial price</td><td>$10.00</td><td>$10.00</td></tr>
<tr><td>Value</td><td>$10,000.00</td><td>$100,000.00</td></tr>
<tr><td>Leverage</td><td>None.</td><td>10%</td></tr>
<tr><td>When the commodity price falls to $8.75</td><td>Commodities now worth $8,750.00
Loss of $1,250.00 or -12.5%</td><td>Commodity CFD now worth $87,500.00
Loss of $12,500.00 or -125% on original outlay of $10,000</td></tr>
<tr><td>When commodity price rises to $11.00</td><td>Commodities now worth $11,000.00
Profit of $1,000.00 or + 10%</td><td>Commodity CFD now worth $110,000.00
Profit of $10,000.00 or + 100%</td></tr>
</table>
</td>
</tr>
<tr>
<td>Foreign exchange risk</td>
<td>
Foreign currency conversions required for your Account can expose you to foreign exchange risks between the time the Contract is entered into and the time the relevant conversion of currencies occurs.
Foreign exchange markets can change rapidly. This exposes you to potentially adverse changes in the value of your Account, which can be large (depending on foreign exchange rates) and volatile. This will directly affect the value of a Contract.
</td>
</tr>
<tr>
<td>Gapping risk</td>
<td>
The term ‘gapping’ refers to a situation where a Contract opens at a much higher or lower price than the previous close. In currency trading, ‘gapping’ typically occurs when the currency re-opens for trading after a weekend. When ‘gapping’ occurs, you may not be able to exit an existing Contract at the price you have specified. Instead, your Order may be filled at the next best price that may be better or worse.
Our ability to close out a Contract depends on the market for the Underlying Instrument. Stop Loss Orders (and other Order types) might not always be filled and, even if placed, might not limit your losses to the amount specified in the Order, since they are not guaranteeing that there will be no loss.
</td>
</tr>
</table>

	You should consider placing Stop Loss Orders or other Orders that might limit your losses, if such Orders exist at the time you opened your Position, but also closely monitor your Account and the relevant market in case the Stop Loss Order is not fully filled or not filled at all and you need to take further action to limit your losses.
Execution risk (Slippage)	We aim to provide the best possible execution from our systems and fill Orders at the requested rate. However, there may be times where, due to an increase in volatility or volume or other market conditions, some price 'slippage' may occur. This generally occurs during significant news events or 'gapping'. Execution is also subject to available liquidity in the Underlying Instrument. Your Orders may not be filled due to the Underlying Instrument price moving significantly or liquidity exhausted, in which case your Order will be filled at the next available price. For the benefit of our clients, we treat slippage in the same way that they would be treated in the exchange-traded products in that we slip our clients to a better price if the interbank market from which we obtain prices has moved in your favour, and similarly a worse price if the market has moved against you. When executing our clients' transactions, our execution will reflect both positive and negative price movements in the Underlying Instrument.
Execution risk (Delays)	Execution delays may occur for a number of reasons such as technical issues with your internet connection to our servers. Connection strength may vary depending on the kind of device used. Interruptions may cause a delay in the transmission of data between our servers to the Trading Platform.
Adjustment Risk	Where an adjustment event occurs (as to which, see section 2.1(7) above in relation to Corporate Actions), we reserve the right to adjust the terms of your Contract, or not make the adjustment to the relevant Contract if it is not reasonably practicable. We may also elect to close your Contract in the event of the Underlying Instruments being subject to a take-over offer, prior to the closing date of the offer.
Execution risk (Hanging Orders)	During periods of high volume, Hanging Orders may occur. This is where an Order sits in the "orders" window after it has been executed. Generally, the Order has been executed, but it is simply taking a few moments for it to be confirmed. During periods of heavy trading volume, it is possible that a queue of Orders will form. That increase in incoming Orders may sometimes create conditions where there is a delay in confirming certain Orders.
Liquidity risk	Liquidity risk typically occurs in volatile markets or in circumstances where there is a major news announcement. When there is a lack of liquidity in the Underlying Instrument, you may not be able to enter or exit a Contract at your requested price or have the whole of your Position filled at all or at the requested price.
Market Information risk	We may make available to you through one or more of our services, a broad range of financial information that is generated internally or obtained from agents, vendors or partners (third party providers). This includes, but is not limited to, financial market data, quotes, news, analyst opinions and research reports, graphs or data (**Market Information**). Market Information provided by us by email or through our Website is of a general nature and does not take into account your personal objectives, circumstances and situation. We and our third-party providers do not guarantee the accuracy, timeliness, completeness or correct sequencing of the Market Information or warrant any results from your use or reliance on the Market Information.

	Market Information may quickly become unreliable for various reasons including, for example, changes in market conditions or economic circumstances. Neither ZERO Markets NZ nor the third-party providers are obligated to update any information or opinions contained in any Market Information and we may discontinue offering Market Information at any time without notice.
Market disruption risk	A market disruption may lead to you being unable to deal in the Products when you wish, and you may suffer a loss because of that. This is because the market disruption events which affect the Underlying Instrument will also affect the Contracts on the same or very similar basis. Examples of disruptions include the "crash" of a computer-based trading system, a fire or other exchange emergency, or an exchange or government regulatory body declaring an undesirable situation has developed in relation to series of Products or any Underlying Instruments, and suspends trading in those products or currencies or cancels that trade. You can attempt to minimise the effect of market disruptions by obtaining information released by the market relevant to the Position and acting after the event as appropriate (if any) to the position held, such as closing out because the values have significantly changed since before the event.
Operational Risk	Operational risk is inherent when trading online. Disruptions in operational processes such as communications, computer networks or external events may lead to trade execution problems. A disruption to the Trading Platform may mean you are unable to trade in a Product when desired and you may suffer a loss as a result. An example of disruption includes the "crash" of the Trading Platform.
Auto liquidation	ZERO Markets NZ may, without prior notice to you, liquidate some or all your open Positions if your Account balance reaches or falls below the Stop Out Level applicable to your Account. This may happen when you fail to make a required payment and can generate fees and realised losses in your Account. ZERO Markets NZ may chose not to act on this right, at any time or in respect of all or any of your open Positions. You should not rely on this right to manage your risk and your obligation to maintain funds to meet your Margin Requirement. The more basic risks to you are that you fail to manage your own Account by maintaining adequate Margin Requirement, you fail to monitor your open Positions, you (wrongly) rely on us liquidating your open Contracts or you fail to manage your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account. You can manage the risk of us liquidating some or all your open Positions, or the risk of you wrongly relying on ZERO Markets NZ to do this, by carefully monitoring your open Positions, placing and maintaining prudent Orders (including Stop Loss Orders), if such exist at the time you opened your Position and managing your open Positions before the Account balance reaches or falls below the Stop Out Level applicable to your Account.
Error and pricing	ZERO Markets NZ may void from the outset any Contract containing or based on any manifest error or a price, or series of prices, which are subsequently determined to be unrepresentative of the actual market valuation of the Underlying Instrument. This is exercised at our discretion, so you have risk of a Contract later being cancelled, whether or not you were aware that there was an error in the pricing

	which we later decide has occurred. In the absence of our fraud or willful default, we will not be liable to you for any loss, cost, claim, demand or expense following any such cancellation. We consider this to be a low risk, since it does not occur often, but it can occur. You can manage this risk by monitoring the available prices and your Account.
Regulatory bodies and changes	Changes in taxation and other laws, government fiscal, monetary and regulatory policies may have a material adverse effect on your dealings with us. Further, you may incur losses that are caused by matters outside our control. For example, actions taken by a regulatory authority exercising its powers during a market emergency may ultimately result in losses to you because of the effect of those actions on the Underlying Instrument and so, will affect the terms of your Contracts and/or Accounts (with or without any decision by us). A regulatory authority can, in extreme situations, suspend trading or alter the price at which a position is settled, which might lead to changes to the pricing for the Underlying Instrument for your Contracts.
Risks specific to crypto-currency CFDs	Cryptocurrency CFDs offered by us can expose you to fast and large changes to the value of your Contract and to your Account, potentially triggering the need for more funds, including at short or no notice. Cryptocurrency CFDs have other risks, such as possible delays in closing out due to underlying illiquidity, or volatility or early close out due to the underlying cryptocurrency. Cryptocurrencies are not typically regulated or backed by any government or voluntary institution, so there are additional risks inherent in cryptocurrencies, and their predictability is much more uncertain. Cryptocurrencies have experienced a range of issues, such as forking, halving or delays in transaction settlement, which can affect the pricing of our Cryptocurrency CFDs. It is possible that some cryptocurrencies may become worthless, leading to your Cryptocurrency CFDs becoming worthless. Here is more information about those risks that may arise due to the features of our CFDs. Please note that this PDS does not disclose all the risks of the underlying cryptocurrencies. ZERO Markets NZ may, in our sole discretion: • temporarily suspend access to certain or all Cryptocurrency CFDs; • decide not to support (or to cease supporting) the forked protocol entirely or the cryptocurrency resulting from such event; or • delay offering Cryptocurrency CFDs, which means you would not be able to close out any open Positions. In our sole discretion, we may decide (but for avoidance of any doubt we are not obliged) to adjust your Account in respect of a fork or other event depending on the circumstances of each event attributable to any specific cryptocurrency. We assume no responsibility whatsoever in respect of an unsupported branch of a forked protocol or the cryptocurrency resulting from such event. If at any time any cryptocurrency that is an Underlying Instrument for your CFD is delisted or we no longer support the cryptocurrency for any reason, then the applicable CFD may be immediately closed. If we are notified that a cryptocurrency which is the Underlying Instrument for your CFD which you hold in your Account is likely to be delisted or removed or cancelled from any of the exchanges (some of them or all) and

	we believe that we (or our hedge counterparty) will not be able to trade in such cryptocurrency, or if there is another significant disruption to a market for the cryptocurrency or the cryptocurrency itself is subject to a significant disruption, then we may exercise our discretion to adjust the pricing of or to terminate our Cryptocurrency CFD. We will do so in accordance with our obligations and duties, acting reasonably for the market as a whole, without having to consider any particular client. Under certain market conditions, you may find it difficult or impossible to liquidate an open Position for a Cryptocurrency CFD. This can occur, for example, when the market reaches a daily price fluctuation limit ("**limit move**"), or if there is insufficient liquidity in the market.

3.2 ISSUER RISK

COUNTERPARTY RISK

Trading in the Products involves counterparty risk. ZERO Markets NZ, as issuer of the Products (and, therefore, your counterparty to the Products), may become insolvent and default on its obligations to you under the Products.

ZERO Markets NZ's creditworthiness has not been assessed by an approved rating agency. This means that ZERO Markets NZ has not received an independent opinion of its capability and willingness to repay its debts from an approved source.

CREDIT RISK

The obligations to you under the Client Agreement and the CFDs and Margin FX Contracts are unsecured obligations, meaning that you are an unsecured creditor of ours.

3.3 RISKS WHEN ENTERING OR SETTLING DERIVATIVES

TECHNOLOGY & TRADING PLATFORM RISK

We cannot guarantee that the Trading Platform will be available continuously but we will do our best to make it available when required by you. We do not accept any liability in respect of the operation of the Trading Platform except to the extent that it is caused by a negligent act or omission, fraud or dishonesty on the part of us or our employees, agents or representatives.

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 phone or other access lines. 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 Trading Platform, it will mean you may be unable to trade in a Product when desired and you may suffer a loss as a result.

YOUR TRADES ARE AT RISK OF BEING CLOSED AUTOMATICALLY

You must maintain sufficient funds in your Account to satisfy your Total Margin Requirement. You should be aware there is a high risk of Margin Requirements changing, and at times very rapidly. We do not guarantee the closure of your trades and you are responsible for monitoring your Account at all times. Failure to meet those Margin Requirements may result in some or all of your open Contracts being closed or liquidated by us with little or no notice to you and you being prevented from opening new Contracts or extending existing Contracts.

Further, any additional funds must become cleared before they will be taken as satisfying your Margin Requirements. Your Position may be liquidated before you have an opportunity to increase your funds in the Account.

4. FEES

4.1 TYPES OF FEES OR CHARGES

Whilst we endeavour to include all fees and charges in the Spread quoted, in some circumstances, you may incur additional fees and charges.

The fees and charges when dealing in our Products may incorporate any or all of the following:

- Spread on transactions;
- Commissions;
- Swap Charges and Swap Benefits;
- Conversion fees; and
- Administration charges.

The fees and charges may change from time to time and will be reflected in this PDS or on our Website as required.

4.2 SPREAD ON TRANSACTIONS

Dealing spread is the difference between our quotes (the level at which you open a 'buy' or 'sell' a Contract) and can be seen as a cost of trading. Dealing spreads are applied when you open or close a trade and vary according to the market concerned.

They are subject to variation, especially in volatile market conditions, and we may change our dealing spreads at any time. Wider spreads for stock indices apply when they are quoted outside normal market hours. Because dealing spreads vary, the dealing spread when you close a Position may be different to the dealing spread when you opened it. In unusual circumstances, spreads may be quoted which are significantly wider than those shown in the Product Schedule.

4.3 COMMISSIONS

There may be Commissions payable on trades executed in some of our Products. Such Commissions for both opening and closing will be charged upon opening of the Contract. The details of any Commissions payable are available on the Trading Platform, and you should check those details before entering into a Contract with us.

4.4 SWAP CHARGES AND SWAP BENEFITS

When you hold a Position overnight in a Margin FX Contract or CFD (other than a Futures CFD) they will be rolled to the next Trading Day, which will result in you paying a Swap Charge or receiving a Swap Benefit. The amount is determined by us and depends on factors including our Swap Rate, being the rate at which you receive or pay interest on Positions that remain open overnight.

Swap Rates for our Products are determined using the tom-next (tomorrow to next day) rate plus a markup in the Underlying Market for the Underlying Instruments. Swap Charges are charged and Swap Benefits are credited to each individual Position, even if you have opposing Positions in the same Product.

Please refer to our Trading Platform for detailed information on applicable Swap Rates for specific Products.

We may at our absolute discretion adjust the Swap Rate applicable to your Positions depending on your trading volume, Account balance and market conditions. We reserve the right to change the Swap Rate applicable. In the event thereof, you will receive proper notification of such change.

4.5 CONVERSION FEES

Profits or losses accumulated in your Account in currencies other than the Base Currency nominated by you will be converted to the nominated Base Currency, but at Spreads that may be wider than those shown on the Trading Platform.

4.6 ADMINISTRATION CHARGES

We reserve the right to charge the following additional fees, and all charges are inclusive of GST (where applicable).

International Transfer Fees

Deposits and withdrawals via bank wire transfers to and from bank accounts outside of New Zealand will attract additional processing fees by our bank and the receiving bank. These fees may be higher if intermediary banks are involved in the processing of your transfer.

Payment Service Provider Fees

The use of Payment Service Providers may also attract transaction and conversion fees.

Account Maintenance Fees

A monthly Account Maintenance Fee of 30 USD per month will be triggered in the following circumstances:

1. the balance of your Account (i.e. your Net Equity) is below 500 USD in the Base Currency of your Account; and
2. your Account has no trading activity for six months or more from the later of your last trade or opening of the Account. Trading activity includes the opening and/or closing of a Position or maintaining an open Position during the period.

5. HOW ZERO Markets NZ TREATS FUNDS AND PROPERTY RECEIVED FROM YOU

5.1 CLIENT TRUST ACCOUNT

ZERO Markets NZ does not accept client property. We hold all Client Money on trust for the benefit of each respective client in a segregated Client Trust Account, separate from any money held for our own account. We handle all Client Money we receive in accordance with and subject to the Client Agreement and regulations 238 - 250 of the Financial Markets Conduct Regulations 2014.

Client Money will be paid promptly into the Client Trust Account maintained by us with a bank in New Zealand. We will not be liable for the insolvency or any act or omission of any bank holding the Client Trust Account. Your money may be co-mingled into one or more pooled trust accounts with other client's money. We may invest money held on trust in term deposit investments, in accordance with section 17 'Client Money' contained in the Client Agreement. ZERO Markets NZ is solely entitled to all interest derived on invested Client Money.

You acknowledge that we will not charge you any fee for such term deposit investments. You further acknowledge that the placing of money received from you in term deposit investments by us does not in itself affect your ability to deal with or withdraw funds from your account with us. However, such amounts may not be immediately available upon request by you.

We do not use Client Money for the purpose of meeting obligations incurred by us when hedging with our counterparties. Any obligations incurred by us in connection with such transactions are funded by us from our own money. At the time of writing the Product Disclosure Statement, ZERO Markets (NZ) Limited only has one hedging counterparty which is Trademax Australia Limited.

5.2 WARNING ABOUT TRUST ACCOUNTS

It is important to note that our holding of your money in one or more pooled trust accounts may not afford you absolute protection. The purpose of trust accounts is to segregate the Client Money, including your money, from our own funds. However, an individual's Client Money is co-mingled into one or more trust accounts. Furthermore, trust accounts may not protect your money from a deficit in the trust account. Should there be a deficit in the Client Trust Account, and in the event that we become insolvent before the topping up of that account, you will be an unsecured creditor in relation to the balance of the money owing to you.

6. ABOUT ZERO Markets NZ

6.1 ABOUT ZERO Markets NZ

ZERO Markets (NZ) Limited (Company No. 6358657, NZBN: 9429047455450) is a company incorporated in New Zealand as part of the ZERO Markets Group.

ZERO Markets NZ is regulated and licensed by the FMA as a derivatives issuer under the Financial Markets Conduct Act 2013. We hold a New Zealand Derivatives Issuer Licence (FSP No. 569807). However, the FMA's role in licensing derivatives issuers is limited and does not imply approval or endorsement of the business, trading or solvency of ZERO Markets NZ; and the FMA holds no responsibility for the contents of this PDS or any other materials provided to you by ZERO Markets NZ.

Further information about ZERO Markets NZ and the Products is available on our Website at *www.zeromarkets.co.nz* and the offer register at *https://disclose-register.companiesoffice.govt.nz/*.

You may contact our office by any of the means listed below:

Writing to us at:	Suite C, Level 28, Tenancy 1, The Sap Tower, 151 Queen Street, Auckland Cbd, Auckland, 1010, New Zealand
Sending an email to:	info@zeromarkets.com
Calling us:	+64 800 678 010
Visiting our website:	www.zeromarkets.co.nz

7. HOW TO COMPLAIN

We have an internal dispute resolution process in place to resolve any complaints or concerns you may have, quickly and fairly. Any complaints or concerns should be directed to our Compliance Officer (in writing by email to *compliance.nz@zeromarkets.com* or by letter to our contact address set out in section 6.1).

Your email or letter should specify the nature of your complaint and all relevant details, as well as your desired outcome and how this may occur. We will investigate your complaint and provide you with our decision and the reasons on which it is based, or reasons for any delay, in writing.

If your complaint is not resolved to your satisfaction within two months, you have the right to lodge a complaint with Financial Dispute Resolution Services ("FDRS"), an approved independent external dispute resolution scheme in New Zealand, on their website at *https://fdrs.org.nz/complaints/make-a-complaint/*, or alternatively you may contact them via:

In writing to:	Financial Dispute Resolution Services Freepost 231075 PO Box 2272 Wellington 6140
Phone:	Free call 0508 337 337 If you are calling from outside New Zealand, call +64 4 910 9952
Email:	*enquiries@fdrs.org.nz*

FDRS will not charge a fee to any complainant to investigate or resolve a complaint.

8. WHERE YOU CAN FIND MORE INFORMATION

Further information relating to ZERO Markets NZ and the Products is available from the offer register online at *https://disclose-register.companiesoffice.govt.nz/*. A copy of this information is available on request from the Registrar.

In addition to information on the offer register, other key disclosure documents are available from our Website at *http://www.zeromarkets.co.nz/* and are incorporated by reference into this PDS, such as the Client Agreement, Complaint Handling Policy, Risk Disclosure, Financial Services Guide, and Privacy Policy.

More information about Products, including examples of how a trade works, details about the Product Schedule, and ongoing education about the Platforms, Products and trading strategies are available on our Website at *http://www.zeromarkets.co.nz* and also through the Platforms. All of the information set out in this section is available free of charge on our Website or on request from ZERO Markets NZ. Request may be made to any of the contact details set out in section 6.1.

9. HOW TO ENTER INTO A CLIENT AGREEMENT

9.1 APPLYING TO BECOME A CLIENT

Before you begin dealing with us, you must establish an Account by completing an Application Form either on-line or by hard copy and be approved by us. Before completing the Application Form, you should read this PDS, as well as the Client Agreement, FSG and the Privacy Notice on our Website. By submitting the completed Application Form, you agree to the Client Agreement. We may reject your Account application at our sole discretion.

If ZERO Markets NZ accepts your application, your Account will be established. Your Account covers all of the Products which you apply for in your Application Form and which ZERO Markets NZ agrees to provide to you.

Trading in our Products is not suitable for everyone because of the significant risks involved. This section also sets out how our Client Qualification Policy operates in practice.

9.2 MINIMUM QUALIFICATION CRITERIA

We assess your suitability against a list of qualifying criteria that addresses your understanding and experience with the Products. You must be aware of the features of the Products and the associated risks before investing in them. We do not accept clients unless they meet the minimum qualification criteria. The factors that we take into account in assessing your suitability include:

- Previous trading experience criteria. The factors that we take into account in assessing your suitability include:in trading financial products;
- Understanding of leverage, margins and volatility;
- Understanding of the key features of the Products;
- Understanding the trading process and relevant technology;
- Ability to monitor and manage the risks of trading; and
- Understanding that only risk capital should be traded.

9.3 CLIENT SUITABILITY QUESTIONNAIRE

When you start the Account opening process with us, you will be required to answer a Client Suitability Questionnaire, which consists of a series of questions designed to assess your knowledge, experience and understanding of Margin FX Contracts and CFDs, which may include but is not limited to:

- Trading experience, such as number of trades per year for products such as Margin FX

Contracts and CFDs, commodities, futures, options, etc.

- key features of Margin FX Contracts and CFDs;
- enough level of education or professional knowledge to trade derivatives; and
- the ability to manage and monitor trading risks.

If you do not pass the Client Suitability Questionnaire, one of our representatives may contact you to discuss how to improve your knowledge, experience and understanding of Margin FX Contracts and CFDs.

10. INTERPRETATION AND GLOSSARY

10.1 INTERPRETATION

- The defined terms used in this PDS are capitalised and set out in this section.
- If there is any conflict between the terms of this PDS and any Applicable Law, the Applicable Law (to the extent it cannot be excluded or modified by this PDS or the Client Agreement) will prevail.
- In this PDS, any reference to a person includes bodies corporate, unincorporated associations, partnerships and individuals.
- In this PDS, all references to times of the day are to the time in Auckland, New Zealand, unless otherwise specified.
- Headings and examples in this PDS are for reference only and do not affect the construction of this PDS.
- In this PDS, any reference to any enactment includes references to any statutory modification or re-enactment of such enactment or to any regulation or order made under such enactment (or under such a modification or re-enactment).

10.2 DEFINITIONS

In this PDS, the following terms and expressions have, unless the context otherwise requires, the following meanings:

ACCOUNT	means the account you have with us.
AGREEMENTS	means this PDS, the Client Agreement, the Application Form, the Financial Service Guide, and any information on our Website or Trading Platform, as amended, varied, or replaced from time to time, which together govern our relationship with you.
AML/CTF LAWS	means the *Anti-Money Laundering and Countering Financing of Terrorism Act 2009* of New Zealand and all regulations, rules and instruments made under that Act.
APPLICABLE LAWS	(a) Applicable provisions of laws and regulations including all relevant rules of government agencies, exchanges, trade and clearing associations and self-regulatory organisations, that apply to you and ZERO Markets NZ, this Agreement, our Website and the Trading Platform, and the transactions contemplated by this Agreement; (b) Applicable laws, procedures, standards and codes of practice that apply in relation

	to you and ZERO Markets NZ, this Agreement and the transactions contemplated by this Agreement, including the *Companies Act 1993*, the *Financial Markets Conduct Act 2013*, the *Anti-Money Laundering and Counter-Financing of Terrorism Act 2009* and any successor legislation; and (c) Applicable rules, regulations, customs and practices from time to time of any exchange, licensed financial market, clearing house, licensed clearing and settlement facility, or other organisation or market involved in the conclusion, execution or settlement of a Margin FX Contract or CFD and any exercise by any such exchange, clearing house or other organisation or market of any power or authority conferred on it.
APPLICATION FORM	means the application form and account opening documentation, including documentation required to be returned for the purposes of complying with the AML/CTF Laws, completed by you and submitted to us.
ASK PRICE	The current market price is made up of a level at which you can sell and a level at which you can buy. The level at which you can buy is always the higher of the two prices and is called the Ask Price.
BASE CURRENCY	means the first currency appearing in a currency pair quotation. All the financial information within your Account is displayed in the Base Currency. Money received by us from you in a different currency to that of your chosen Base Currency will be converted back to the Base Currency at the exchange rate set by us. When you deal in a Product that is denominated in a currency other than your Base Currency, all financing adjustments are made by us in that currency and then converted to your Base Currency at our current exchange rate.
BID PRICE	The current market price is made up of a level at which you can sell and a level at which you can buy. The level at which you can sell is always the lower of the two prices and is called the Bid Price.
BUSINESS DAY	means any day other than a Saturday, Sunday or public holiday on which banks are open for business in Auckland, New Zealand.
CLIENT MONEY	means the money our clients have deposited with us and held by us under the Applicable Laws.
CLIENT TRUST ACCOUNT	means the trust account maintained by us with a bank in New Zealand into which all Client Money will be deposited.
COMMISSION	means the fee paid to us for initiating a Contract.
COMMODITY	means oil, gas or such other commodities as published though our Trading Platform.
CONFIRMATION	means a message available on the Trading Platform to confirm the execution of your Order.
CONTRACT	means any contract, whether oral or written, including any derivative, option, future, contract for difference or other transaction relating to such financial products entered into by us with you. Contract is also referred to as Position in the Agreements.
CONTRACT PRICE	means the price we offer you to trade in our Products from time to time and which is calculated by us according to the Client Agreement.

CONTRACT QUANTITY	means in relation to a Contract, the number of Contract Units traded by you as stated in the Confirmation.
CONTRACT UNIT	means relevant unit for the type of Position you wish to trade with us in accordance with the terms of the Client Agreement.
CONTRACT VALUE	means the total value of the Position as calculated by us in accordance with the terms of the Client Agreement.
CORPORATE ACTION	means the occurrence of any of the following in relation to the issuer of any relevant Underlying Instrument: • any rights, scrip, bonus, capitalisation or other issue or offer of shares/equities of whatsoever nature or the issue of any warrants, options or the like giving the rights to subscribe for shares/equity; • any acquisition or cancellation of own shares/equities by the issuer; • any reduction, subdivision, consolidation or reclassification of share/equity capital; • any distribution of cash or shares, including any payment of dividend; • a take-over or merger offer; • any amalgamation or reconstruction affecting the shares/equities concerned; and/or • any other event which has a diluting or concentrating effect on the market value of the share/equity which is an Underlying Instrument.
COMPANIES ACT	means the *Companies Act 1993* of New Zealand
FUTURES CFD	means a CFD where the Underlying Instrument is a future product.
EXPIRY DATE	means the day on which the Contract expires.
FMA	means the Financial Markets Authority in New Zealand
FSG	means our relevant Financial Services Guide, including any supplementary and replacement financial services guide.
GMT	means Greenwich Mean Time.
HANGING ORDER	has the meaning referred to in Section 3.1 under the title “Execution Risk”.
INDEX	means the market index on which a CFD is based.
INITIAL MARGIN	has the meaning referred to in Section 2.1(7).
LIMIT ORDER	has the meaning referred to in Section 2.1(7).
MARGIN	means the amount that you must pay to us and have in your Account to enter into or maintain a Position with us in accordance with the Client Agreement.
MARGIN CALL	means a call on you normally made via the Trading Platform, requesting you to top up the amount of money you have in your Account as Margin.
MARGIN CALL	means a particular Margin Level at or below which the Trading Platform will trigger a

LEVEL	Margin Call automatically. Please refer to Section 2.1(7) for further information.
MARGIN LEVEL	means the ratio of Net Equity to Total Margin Requirements.
MARGIN PERCENTAGE	means such percentage as specified by us, and as amended by us in accordance with the Client Agreement from time to time.
MARGIN REQUIREMENT	means the amount of money you are required to pay to us and deposit with us for entering into a trade and/or maintaining an open Position.
MARKET ORDER	means an order placed to buy or sell a Contract at the current price on our Trading Platform or as advised to you.
MAXIMUM TRADING SIZE	means such maximum Contract Quantity or Contract Value as we may specify through our Trading Platform from time to time for any type of Product.
MINIMUM TRADING SIZE	means such minimum Contract Quantity or Contract Value as we may specify on our Website from time to time for any type of Product.
NET EQUITY	means the aggregate of the current cash balance in your Account, adding all your realised and unrealised profits and losses, and deducting applicable charges and fees payable to us. (Account net equity = cash balance + net unrealised profit or loss)
NZD, NZ$ or $	New Zealand dollars, unless specified otherwise in this PDS.
ORDER	means an offer made by you under the Agreements.
OTC	means Over the Counter.
PDS	means this Product Disclosure Statement, including any supplementary and replacement Product Disclosure Statement.
POSITION	means the long or short Position you have taken with us. Position has the same meaning as Contract in this PDS.
PRODUCTS	means any of the Margin FX Contracts and CFDs we offer at any given time.
PRODUCT SCHEDULE	means the list of available Products offered by us and the associated details, which is available on our Trading Platform.
SPREAD	means the difference in the bid and offer prices of a Product quoted from time to time by us and, where appropriate, expressed as a percentage of the relevant price.
STOP LOSS ORDER	has the meaning referred to in Section 2.1(7).
STOP OUT LEVEL	means the Margin Level at which ZERO Markets NZ has the ability to close all or some of your existing Contracts.
SWAP BENEFIT	means a benefit you may receive on a Position held overnight in a Product (other than Futures CFDs) and which is described in the Client Agreement.
SWAP CHARGE	means a charge you may have to pay on a Position held overnight in a Product (other than Futures CFDs) and which is described in the Client Agreement.
SWAP RATE	means the rate determined by us from time to time having regard to, among things,

	market rates and financing rates.
TOTAL MARGIN REQUIREMENT	means the sum of your Margin Requirements for all of your open Positions.
TRADING DAY	means Monday to Friday (Trading Platform Time) including public holidays during which our Trading Platform is open for trading. A Trading Day starts at 00:00 and ends at 24:00 of the Trading Platform Time.
TRADING PLATFORM	means the trading platform we make available to you by which you may trade with us online in our Products. This includes any electronic service provided by us, for example an internet trading service offering clients access to information and trading facilities, via an internet service, a WAP service and/or an electronic order routing system and relevant software provided by us to enable you to use an electronic trading service.
TRADING PLATFORM TIME	means the time zone our Trading Platform is set in. This may change from time to time and is generally GMT+2 or GMT+3. Please refer to our website for the time zone of our Trading Platform Time.
UNDERLYING INSTRUMENT	means the instrument which we list as being available to underlie an Order or Contract. An Underlying Instrument could be currency, an index, Commodity, futures contract, or other instrument or asset or factor the reference to which the value of a Product is determined.
UNDERLYING MARKET	means the market in which the Underlying Instrument is traded.
WEBSITE	means *https://www.zeromarkets.co.nz*

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