

Intercontinental Financial Services
Corporation Limited



INTERCONTINENTAL™
FINANCIAL SERVICES CORPORATION LIMITED
DISCLOSURE STATEMENT
CLIENT AGREEMENT

CONTRACT INFORMATION GUIDE
& CLIENT ACKNOWLEDGEMENT

Intercontinental Financial Services Corporation Ltd

Before deciding whether to trade with Intercontinental Financial Services Limited ("**IFSC**L") in the products we offer, you should consider the information included within this document and whether dealing in any margin trading products offered by us is a suitable investment for you. We recommend you obtain independent financial and taxation advice concerning the Disclosure Documents, the Client Information Guide, Client Agreement and Client Acknowledgement before you apply to open an account with us.

IFSC L provides execution and clearing services for contracts traded on all principal global exchanges as well as over the counter derivative products, which include non-derivative foreign exchange products. IFSC L operates across a broad range of trading markets including currencies, energy, metals, agricultural and other commodities through key market making relationships in major financial centres including New York, Chicago, London, Hong Kong, Singapore and Dubai.

Trading derivative contracts may not be suitable for all investors. You may lose a substantial amount of money in a very short period of time. The amount you may lose is potentially unlimited and can exceed the amount you originally deposit with IFSC L. This is because derivative trading is highly leveraged, with a relatively small amount of money used to establish a position in assets having a much greater value. If you are uncomfortable with this level of risk, you should not trade derivative contracts.

Important contact information

Intercontinental Financial Services Corporation Limited
(Company Registration Number: AK 1154502)

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DISCLOSURE STATEMENT

BACKGROUND

The Securities Markets Act 1988, Securities Act 1978 and Securities Markets (Investment Advisers and Brokers) Regulations 2007, provide for the disclosure of information by people who give investment advice to, or receive investment money or investment property from the public. Investment advice means a recommendation, opinion, or guidance given to an investor in relation to buying or selling (or not buying or selling) securities. Investment money means "any money received from, or on account of a member of the public in relation to buying or selling securities". Investment property has an equivalent meaning.

This Disclosure Statement ("DS") replaces all previous versions of the DS. This DS is issued 4 February 2008.

If you are an existing customer of IF SCL, the updated version of the DS is available on IF SCL's website. It is recommended that existing customers trading with IF SCL, should read this DS before continuing to trade with IF SCL.

1. Initial Disclosure

Offences

Neither the Company nor any of its Directors have been:

- (a) convicted of an offence under the Securities Markets Act 1988, the Securities Act 1978, or of a crime involving dishonesty (as defined by the Crimes Act 1961); or
- (b) a Director or Principal officer of a body corporate at the time the body corporate committed such an offence; or
- (c) adjudged bankrupt; or
- (d) prohibited by an Act or by a court from taking part in the management of a company or a business
- (e) the subject of an adverse finding by a court in any proceeding that has been taken against the broker in a professional capacity
- (f) expelled from, or prohibited from being a member of a professional body

Procedures for Dealing with Money & Property

1. In transferring money to the Company the Client must ensure that it obtains the Segregated Client Bank Account details of the Company before transferring money.
2. All money received from the client is held in a separate Segregated Client Bank Account pursuant to the Futures Industry (Client Funds) Regulations 1990. These Regulations expressly govern what can and can't be paid out of the Segregated Client Bank Account.

3. Records will be kept pertaining to the activity of the account and are available to the client via the internet. Records are also kept in respect to contracts entered into by the Client with the Company and include online order placement logs, phone tapes and chat logs. All of these records are available on request by the client.

4. The Company's financial records including its Segregated Client Bank Account will be audited by:

**BDO Spicers
Chartered Accountants
Level 8, 120 Albert Street, P O Box 2219, Auckland
Telephone +64 9 379 2950 Facsimile +64 9 303 2220**

5. The Client consents to the Company holding client money in a Specified Client Investment as defined in the Futures Industry (Client Funds) Regulations 1990. The Company will earn interest in connection with the client's cash deposits in its ordinary course of business.

2. Risk Disclosure

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

(a) you could sustain a total loss of the initial margin funds that you deposit with the Company to establish or maintain a position in Foreign Exchange and/or Futures Contract ;

(b) if the market price moves against your position, you may be required, at short notice, to deposit with the Company additional margin funds in order to maintain your position. Those additional funds may be substantial. If you fail to provide those additional funds within the required time, your position may be liquidated at a loss and in that event you will be liable for any shortfall in your account resulting from that failure;

(c) under certain conditions, it could become difficult or impossible for you to liquidate a position (this can, for example, happen when there is a significant change in prices over a short period);

(d) the placing of contingent orders (such as a " stop-loss" order) may not always limit your losses to the amounts that you may want. Conditions may make it impossible to execute such orders;

(e) a "spread" position is not necessarily less risky than simply "long" or "short" position;

(f) the high degree of leverage that is obtainable in trading Foreign Exchange and/or Futures Contracts, because of small margin requirements, can work against you as well as for you. The use of leverage can lead to large losses as well as large gains; and

(g) if you propose to trade in options, the maximum loss in buying an option is the amount of the premium, but the risks in selling an option are the same as in other Foreign Exchange and/or Futures Contracts.

(h) Market risk and financial risk are generally the two types of risk associated with owning equity securities(e.g. stocks, shares in a company) Market risk is associated with the movement of the stock market in general. Financial risk is the risk associated with the financial condition and profitability of the Company in question. Companies with smaller capitalizations may experience higher growth rates and higher failure rates than companies with larger capitalization.

(i) The two types of risks all fixed income securities are subject to are credit risk and interest rate risk. Credit risk relates to the ability of the issuer to meet the interest and principal payments on a security as they become due. Generally, higher yielding lower grade bonds have a higher credit risk than lower yielding investment grade bonds. Interest rate risk is characterized by fluctuations in the price of fixed income securities resulting from changes in the prevailing interest rates. These risks mean that investments in lower grade securities are at greater risk of not achieving the income or value gains expected from such securities and that the investments net value is at greater risk of decline.

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

3. Investment advice

IFSCCL does not give personal investment advice. We recommend you obtain independent financial and tax advice concerning the Client Agreement, Disclosure Statement, Contract Information Guide and Client Acknowledgement Forms before you open an account with us.

Important Note:

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



CLIENT AGREEMENT

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

Intercontinental Financial Services Limited ("the Company") of 396 Queen Street, Level 16B, Auckland 1010, New Zealand; and

THE PARTY IDENTIFIED IN THE CLIENT ACKNOWLEDGEMENT OF THIS AGREEMENT and of the address also shown in the Client Acknowledgement of this agreement ("the Client").

PREAMBLE

A. The Client wishes the Company to deal in Foreign Exchange and Futures Contracts in accordance with the terms of this agreement.

B. The Company is an Authorised Futures Dealer pursuant to the Securities Markets Act 1988.

AGREEMENT

A. The Client and the Company agree that the Client Agreement, Disclosure Statement, Contract Information Guide and Client Acknowledgement are the one agreement for the purposes of this agreement.

B. The Client acknowledges that the Client Agreement, Disclosure Statement, Contract Information Guide and Client Acknowledgement are the one agreement by executing the Client Acknowledgement in this agreement.

IT IS AGREED

DEFINITIONS AND INTERPRETATIONS

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

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

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

Client Bank Account has the meaning given to it in the Futures Industry (Client Funds) Regulations 1990.

Client Funds has the meaning given to it in the Futures Industry (Client Funds) Regulations 1990.

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

Contract for Difference (or "CFD") means an agreement which allows you to make a profit or loss from fluctuations in the price of a CFD. The price of a CFD is based on the price of an underlying asset or index ("**Underlying Asset or Index**") eg. a share or commodity on an exchange.

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

End of Day means the end of business day of the U.S trading session, which is 5:00 PM Eastern Time. U.S markets are open for trading From Sunday 5:00 PM till Friday 5:00 PM Eastern Time.

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

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

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

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

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

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

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

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

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

Specified Client Investment has the same meaning as in the Futures Industry (Client Funds) Regulations 1990

Spot means the price that is quoted for immediate (spot) settlement (payment and delivery). Spot settlement is normally one or two business days from trade date.

Underlying Asset or Index The underlying asset, property or index with reference to which the value of a CFD is determined

1. Application of Rules

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

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

2. Client to Provide Information

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

3. Risk and Financial Objectives

3.1 The Client acknowledges that they have read and understood:

(a) the attached Client Acknowledgement and Disclosure Statement; and

(b) the document given to them which explains the nature of Foreign Exchange and Futures Contracts; and

(c) details of the contract specifications of Foreign Exchange and Futures Contracts in which the Company will deal on behalf of the Client.

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

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

3.4 IFSC Allocation Policy provides that orders will be executed in the sequence in which they are received; except that client orders will be filled before house trades are filled.

4. Nature of the Company's obligations and rights of the Client

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

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

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

(a) the Securities Markets Act 1988 or any other legislation, regulation or Exchange rule applicable to Futures Contracts;

(b) this Client Agreement.

5. The Company taking opposite position

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

6. Rollover

At End of Day all customer open spot positions are closed out or rolled over to the next day.

7. Liability for margin calls

7.1 Liability to pay an initial margin accrues at the time the Foreign Exchange and/or Futures Contract is executed regardless of when a call is made.

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

8. Default

8.1 If:

(a) the Client fails to pay, or provide security for, amounts payable to the Company or fails to perform any obligation arising pursuant to the settlement of a Foreign Exchange and/or Futures Contract;

(b) a guarantee or other security provided by the Client to the Company is withdrawn or becomes ineffective; or

(c) any other event occurs which the Company and the Client have agreed in their Client Agreement entitles the Company to take action under this clause 8; or

(d) the Client fails to pay, or provide security for amounts payable to the Company, then the Company reserves the right to close one or more Contracts and/or liquidate, sell or otherwise deal with Approved Securities, Collateral or other cover of the Client, in part or in whole, at the Company's sole discretion. The Company assumes no responsibility and liability towards the Client in this regard; and

8.2 The Company may, in addition to any other rights which it may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstance in connection with Foreign Exchange and Futures Contracts entered into for the Client (including, without limitation, open positions arising from Foreign Exchange and Futures Contracts) and, without limitation, the Company may enter into one or more transactions to effect the close out of one or more open positions.

8.3 The Client must account to the Company as if those actions in 8.1 and 8.2 above were taken on the instruction of the Client and, without limitation, is liable for any deficiency and is entitled to any surplus which may result.

9. Commissions and fees

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

10. Tape recording of conversations

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

11. Electronic Trading

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

(a) the Client has the necessary skills, facilities and procedures to operate such a system; and

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

(c) the Client is bound by instructions it transmits to the Company Dealer through the system; and

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

12. Exchange Rate Risk

The client agrees that in the case of the client's defaults under the terms of this Agreement, the Company may elect to convert any amount owed by the Client (including any interest) in to New Zealand currency either at the date of the Client's default or on the date on which the Client pays the amount owed to the Company in full.

13. Right to refuse to deal

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

14. Termination of Client Agreement

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

15. Effect of termination

Termination does not affect the existing rights and obligations of the Client or the Company at termination. Upon termination of this Client Agreement, the Company will close out all Foreign Exchange and Futures Contracts and close out, abandon or exercise any Foreign Exchange Options Contracts not yet exercised, entered into by the Company for the Client, unless, in accordance with a direction from the Client, those contracts are transferred to another Futures Dealer.

16. Segregation of client funds and property

16.1 The Company and the Client agree that all money and property deposited with the Company or received by the Company on behalf of the Client will be segregated by the Company in accordance with the Client Funds Regulations 1990.

16.2 The Client acknowledges that its monies and the monies of other clients of the Company will be combined and deposited by the Company in a Client Bank Account. The Client acknowledges that all monies credited to the Client Bank Account maintained by the Company may be used by the Company to meet the default of any client of the Company.

17. Nature of Company's obligations and rights of Client

Notwithstanding that the Company may act in accordance with the instructions of, or for the benefit of, the Client, the Client acknowledges that any Foreign Exchange and Futures Contract arising from any order submitted by the Company, is entered into by the Company as principal. As such, the Company will incur a personal obligation when dealing in Foreign Exchange and Futures Contracts as a result of instructions received from a Client.

18. The Company may call for funds or security

The Company may call for payment of money or the provision of other security which the Company considers, in its absolute discretion, appropriate in connection with the obligations incurred by the Company in respect of Foreign Exchange and Futures Contracts entered into for the account of the Client. The time by which the Client must pay any amount called or provide security is of the essence and, if no other time is stipulated in the Client Agreement, the Client must pay the amounts, or provide the relevant security, within 24 hours of the call for payment or, where the Client is not a resident or domiciled in New Zealand, within 48 hours.

19. Interest on Client Funds

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

20. Discretionary Accounts

The Client acknowledges that neither the Company nor its staff trade on a discretionary basis. If a staff member of the Company approaches the client to trade on a discretionary basis the client is to reject such an offer and immediately notify the Company of this approach.

21. Entire Agreement

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

22. Client's Suitability to Trade

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

23. Governing Law

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

Important Note:
Please sign the Client Acknowledgement at the end of this document.



CONTRACT INFORMATION GUIDE

IMPORTANT INFORMATION

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

How Do Contracts Work

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

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

CONTRACT FOR DIFFERENCES

A contract for difference or "CFD" is an agreement which allows you to make a profit or loss from fluctuations in the price of a CFD. The price of a CFD is based on the price of an underlying asset or index ("**Underlying Asset or Index**") eg. a share or commodity on an exchange. However, you do not own that Underlying Asset or Index by owning a CFD. By entering into a CFD, you are either entitled to be paid an amount of money, or required to pay an amount of money, depending on movements in the price of the CFD. The amount of any profit or loss made on a CFD will be the net of:

- the difference between the price of the CFD when the CFD is opened and the price of the CFD when the CFD is closed;
- any adjustments made in respect of the CFD;
- commissions, rollover adjustments and financing
- charges and benefits relating to the CFD.

The balance on your Account will also be affected by other amounts you must pay to the Company in respect of your Account such as exchange fees and interest on debit balances.

Futures

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

The legal definition however of "futures contract" under New Zealand law, and for which the Futures and Options Dealer is authorised by the Securities Commission (the Commission), is wider and includes futures contracts not made on a recognised exchange. Pursuant to section 37(1) of the Securities Markets Act 1988, a "futures contract" is defined as:

- (a)** An agreement under which one party agrees to deliver to another party at a specified future time a specified commodity or a quantity of a specified commodity at a price which is fixed when the agreement is made but under which it is contemplated or understood that the obligations of the parties may be satisfied by means other than actual delivery; or
- (b)** An agreement under which each party has either—
 - (i)** An obligation to pay a sum of money to the other or to credit the account of the other with payment of a sum of money; or
 - (ii)** A right to receive payment, or a credit, of a sum of money from the other— depending on whether at a future date the value or price of a specified commodity calculated in a manner specified by, or in accordance with, the agreement is greater or less than the value or price agreed upon by the parties when the agreement was made; or
- (c)** An agreement under which each party has either—
 - (i)** An obligation to pay a sum of money to the other or to credit the account of the other with payment of a sum of money; or
 - (ii)** A right to receive payment, or a credit, of a sum of money from the other— depending on whether at a future date the value or level of a specified index calculated in a manner specified by, or in accordance with, the agreement is greater or less than the value or level agreed upon by the parties when the agreement was made; or
- (d)** An option or right to assume, at a specified price or value, or within a specified period, or by a specified date, rights and obligations under an agreement of a kind described in a preceding paragraph; or
- (e)** An agreement, option or right which is declared by the Commission to be a "futures contract";
- (f)** An agreement, option or right which is of a class of agreements, options or rights declared by the Commission to be a class of "futures contracts".

An agreement or option of the kind described in paragraphs **(a)** - **(f)** above is a futures contract whether or not it—

- (i)** Has any other effect; or
- (ii)** Contains any other provisions; or
- (iii)** Is capable of being varied or discharged before the time fixed for performance.

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

- (i)** A currency swap agreement to which a registered bank in New Zealand is a party.
- (ii)** An interest rate swap agreement to which a registered bank in New Zealand is a party.
- (iii)** A forward exchange rate contract to which a registered bank in New Zealand is a party.
- (iv)** A forward interest rate contract to which a registered bank in New Zealand is a party.

Types of Futures Contracts

(1) an agreement under which the seller agrees to deliver to the buyer, and the buyer agrees to take delivery of, the quantity of the commodity described in the contract. Such contracts will be described in this document as deliverable contracts; or

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

Futures Contract Specifications

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

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

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

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

Forward Contracts

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

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

Spot Cash Contracts: These are agreements between the buyer and seller for immediate shipment or conveyance of title of a specific quantity and quality of commodity at a specific location and at an agreed price. Should there be no delivery component, it could be quoted as a contract for differences or quite simply a spot cash contract can be reversed (squared) before delivery i.e. before 5 working days before the delivery or expiry date.

INVESTMENT PRODUCTS & SERVICES

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

My/our trading activity will cover the following areas (Strike out contracts not applicable)

- Foreign Exchange
- Options
- Contracts for Difference
- Fixed Income Securities / Bonds
- Futures
- Securities
- Warrants

Important Note:
Please sign the Client Acknowledgement at the end of this document.

CLIENT ACKNOWLEDGEMENT

Client's Name: _____ (the Client)

Address: _____

The Client acknowledges that:

1. The Client has appointed the Company as the Client's agent for the purpose of dealing in Foreign Exchange and Futures Contracts in accordance with the terms of this Client Acknowledgement, Disclosure Statement and the terms of the Client Agreement.

2. The Client agrees that the Client Agreement, Risk Disclosure Statement, Contract Information Guide and Client Acknowledgement are the one agreement for the purposes of this agreement.

3. The Client acknowledges that they are the beneficial owner of all monies lodged with the Company and should funds wished to be lodged for the benefit of the Client's account that are not wholly owned by the Client, the Client will request approval from the Company in writing prior to lodging such monies.

4. The Client confirms that it does not have any pending litigation, disputed accounts or other unresolved matters whatsoever. If the Client does have any pending litigation, disputed accounts or other unresolved matters whatsoever then the Client must advise the Company in writing of such matters and the Company must consider such matters prior to approving the opening of the account.

5. The Client acknowledges that all information provided in this agreement including all information pertaining to the Client in the Client Information section of this agreement is true and accurate. Further, the Client will immediately notify the Company in writing if any representations materially change or cease to be true and accurate.

6. The client acknowledges that in accordance with Regulations 4(2), 10(2) and 15(2) of the Futures Industry (Client Funds) Regulations 1990 (the Regulations) that in the course of your dealings in Futures Contracts:

i) The Company will or may from time to time, on my (our) behalf credit client money to client funds accounts and deposit client property in safe custody with financial institutions outside New Zealand.

ii) That from time to time some if not all, of those institutions have given the acknowledgements required by Regulations 4(1), 10(1), and 15(1) of the Regulations and as a consequence the money or property may not have the protection afforded by regulation 20 of the Regulations.

iii) The client authorizes the Company to credit its funds and or property to client bank accounts and client funds accounts held by the Company with a Financial Institution outside New Zealand.

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

(Client's Signature)

(Witness Signature)

(Print Name)

(Print Name)

(Dated)

(Dated)

Accepted by Intercontinental Financial Services Corporation Limited by:

Dated: _____
Authorised Signatory of Intercontinental Financial Services Corporation Ltd