

Negative Balance Protection Policy

Valid as of 11th of October, 2018

Negative Balance refers to the net balance across all CFD accounts held with Admiral Markets Pty Ltd (hereinafter as Admiral) that is below zero.

1. This Policy provides the framework and circumstances under which Admiral may relieve Clients who have incurred a Negative Balance on their Accounts. Note that Admiral is not subject to EU Directive 2014/65/EU ('MiFID II') and accordingly falls outside the scope of any ESMA measures, notices or decisions. The Negative Account Balance Policy offered by Admiral is entirely separate and distinct from the negative balance protection measures required by ESMA.

2. When trading financial products on margin, it is possible to reach an account deficit state, i.e. a situation when the account's balance is negative, for instance where a leveraged exposure loses more than the value of the Free Margin on the account.

3. The Negative Account Balance Policy applies to Retail Clients only. The Policy does not apply to Wholesale Clients including but not limited to those who are subject to supervision by a financial services regulator or to funds managed by such a company or to legal entities that are Professional Investors by virtue of being a large undertaking.

4. If the Client has incurred a Negative Balance and is seeking relief, the Client must inform the Admiral local customer services by email, no later than 2 business days after incurring the Negative Balance. Admiral will evaluate the inquiry and at its discretion may take the following actions:

- set all account balances to zero (if under AUD 100,00); or
- set account balances to the outstanding figure once it has been increased by AUD100,000 or equivalent in foreign currency; or
- do nothing - in which case the client will need to make additional deposits if they wish to continue trading.

The action decided upon by Admiral shall be affected upon the balance as at the time Admiral makes the decision.

5. The Client will forfeit all realised and unrealised profits on individual trades or individual accounts should they rely on the Negative Account Balance Policy relief provided by Admiral. This Negative Account Balance Policy is a right to be exercised by Admiral and not an obligation. Admiral may refuse to extend relief for any Negative Balance by any Client. You agree that the determinations and discretions exercised hereunder by Admiral and any reasoning provided shall be excluded from merits review in any dispute resolution forum. If the Client has more than one account, the balances will be netted. Admiral may take as much time as it requires to investigate and make any determination or exercise any discretion available under this policy. Admiral shall not be liable for any losses due to delay.

6. Subject to these terms and Admiral's absolute discretion, the Client may request Negative Account Balance Policy relief as many times as they like, however each request is limited to a Negative Balance of AUD 100,000 or equivalent in foreign currency. The Client remains liable for any Negative Balance thereafter.

7. The provisions of this policy shall not apply where:

- negative balance has occurred in what ADMIRAL in its sole discretion considers to be abnormal market conditions or exceptional market movements/volatility;
- Admiral has determined that the negative balance is unrelated to the Client's trading activity (for example, where the negative balance relates to any fees or charges of Admiral);
- the Client deals through a credit arrangement or bonus arrangement provided by the Admiral;
- the Negative Balance is connected to or a result of, either direct or indirect, the Client's breach of any provision of the Terms and Conditions of Admiral or from the breach of the market rules or practice, including but not limited to the laws of the Client's country of origin or Client's country of residence;
- in its sole and absolute discretion, Admiral considers that the Client has abused the relief afforded pursuant to this Policy to Admiral's detriment which, without limitation, includes a situation where a Client is pursuing a strategy whereby the Client would benefit from such relief whilst holding, himself or in cooperation with another Client, other positions with us which benefit the Client in the event the relief is or might be triggered;

- Admiral has previously notified the Client that he is excluded from this Policy;
- there is an event arising as described in the following: the acts, omissions or negligence of any multilateral trading facility, organised trading facility, regulated market, liquidity provider or intermediate broker;
- in Admiral's sole and absolute discretion, it determines that the Negative Balance is connected to a Force Majeure Event - an act of God, war, terrorism, malicious damage, civil commotion, industrial acts, any exceptional market event, or acts and regulations of any governmental or supranational bodies or authorities which in the opinion of ADMIRAL, prevent an orderly market in relation to the Client's Orders.