

i Filling out this form will enable you to qualify for Tier 2 of Options trading. This will include selling uncovered Options (Call and Puts).

Self-Managed Super Funds (SMSF) are limited to Tier 1 access.

Client Details

Options account number

Account name

Designation - *If applicable*

Financial Details

What is your approximate annual gross income (pre-tax)?

- Less than \$50,000
 \$50,000 - \$100,000
 Greater than \$100,000

Detail the approximate value of your substantial assets and liabilities.

	Applicant/Director/ Trustee 1	Applicant/ Director/ Trustee 2	Applicant/Director/ Trustee 3
Assets	Value	Value	Value
Investment properties - <i>Value</i>	\$	\$	\$
Investment properties - <i>Quantity</i>			
Cash in bank accounts	\$	\$	\$
Listed shares - <i>Unencumbered</i>	\$	\$	\$
Other assets	\$	\$	\$
Total assets (A)	\$	\$	\$
Liabilities	Value	Value	Value
Name of mortgagor			
Property mortgage - <i>Primary residence and investment property</i>	\$	\$	\$
Credit Card - <i>Current balance</i>	\$	\$	\$
Line of credit/overdraft - <i>Drawdowns</i>	\$	\$	\$
Other debts outstanding - <i>e.g personal loans, car loans</i>	\$	\$	\$
Total liabilities (L)	\$	\$	\$
Net assets (A) - (L)	\$	\$	\$

Suitability Questionnaire Details

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- For Joint and Company/Trust accounts, we require up to 3 account holders to complete and satisfactorily pass our ETO Suitability Questionnaires.
 - For Self-Managed Super Fund (SMSF) accounts, we require ALL account holders to complete and satisfactorily pass the ETO Suitability Questionnaires. Where there are more than 3 account holders, please repeat one of the additional Suitability Questionnaires found on the ETO forms section of our website.
 - Suitability Questionnaire 1 is below while Suitability Questionnaires 2 and 3 are found on the ETO forms section of our website.

Please indicate the individual completing Suitability Questionnaire 1 below:

Suitability Questionnaire 1

1. Assuming no public holidays, if you buy an options contract on Monday the 1st, what day will the funds be debited from the linked account?

- Monday the 1st
- Tuesday the 2nd
- Wednesday the 3rd
- Thursday the 4th

2. You hold a European call and wish to acquire the stock before the expiry date. Are you able to exercise your call before the expiry date?

- No - European options can only be exercised on the expiry date
- Yes - European options can be exercised at any time

3. What will happen if your long call over ABC stock expires in the money and you take no-action?

- Your position will be cash settled
- Your call will be Auto-exercised, you will receive stock and will be required to pay the strike price
- Nothing, your option will just expire
- You will need to buy additional ABC stock

4. On Monday ABC stock is trading at \$9.00. You buy a \$10.00 ABC call for \$0.25 expiring on Thursday. On Thursday the price of ABC closes at \$9.95. How much have you made or lost?

- Gain: \$0.95 per contract (the amount ABC has appreciated)
- Loss: \$0.05 per contract (the difference between the ABC option strike price and ABC stock price)
- Loss: \$0.25 per contract (the call has expired worthless as the stock price of ABC is less than the strike price)
- Gain: \$1.00 per contract (the difference between ABC stock on Monday and the strike price)

5. You buy an ABC put though do not hold ABC stock. On the day of expiry the stock price of ABC closed below the strike price of the put and is exercised. You are advised by your broker that your position has been exercised and as such you need to deliver ABC stock. What action do you need to take?

- You must sell ABC the stock - As you have been assigned you must sell the stock on market (this will not happen automatically)
- You must buy the stock - As you do not hold the stock and are required to deliver ABC stock, you will need to buy stock on market
- No need to take any action

6. If additional margin is needed to cover a position, what actions can your broker take:

- Call on you to lodge additional cash or stock
- Automatically lodge additional cash or stock on your behalf
- Sell stock or close existing options positions on your account to recover funds and reduce exposure
- All of the above

7. All else remaining constant, an increase in volatility for the underlying will lead to:

- Calls and puts become more expensive
- Calls become more expensive, puts become cheaper
- Puts become more expensive, calls become cheaper
- Calls and puts become cheaper

8. You sell 1 x \$5.00 ABC call for \$0.35 at 100 shares per contract. What is the premium received excluding brokerage and fees?

- \$5.00
- \$500.00
- \$35.00
- \$0.35

9. You hold the below spread over XYZ:

Buy 15 XYZ January \$4.00 Put @ \$0.40

Sell 15 XYZ January \$6.00 Put @ \$2.00

What is the most likely outcome if you close (sell) the \$4.00 put?

- Your margin obligations will increase
- You will make a loss
- You will make a profit
- You will no longer be required to pay margin

10. You open the below spread over ABC:

Buy 5 ABC January \$10.00 Call @ \$2.00

Sell 5 ABC January \$14.00 Call @ \$0.40

What is the net price received or paid for the spread?

- Debit of \$2.40 paid
- Debit of \$1.60 paid
- Credit of \$1.60 received
- Credit of \$2.40 received

11. If you are assigned on a sold ABC call and do not hold the stock, what action do you need to take?

- Deliver cash instead
- Buy ABC stock immediately
- No action is required. The position has already been assigned
- Sell additional calls

Acknowledgement & Signature/s

- I/We confirm that the information I/we have provided in this Tier 2 Trading Upgrade form is true and correct.
- I/We agree to a limited range of Exchange Traded Options trading strategies until I/we have successfully completed and answered all required Tier 2 questions, after which more complex strategies can be entered.
- I/We understand the term 'Leverage' as defined in the Risk Disclosure Statement in the Exchange Traded Options PDS, and have considered and accept all the risks involved when writing a Call or Put Option.
- I/We have read the ASX Margins booklet and are aware of my/our margin obligations when writing Call or Put Options.
- I/We understand that if I/we intend to lodge stock to meet my/our margin obligations that the stock will be subject to a security interest granted to ASX Clear and that I/we authorise the Participant to grant such security interest under and in accordance with the ASX Rules.
- I/We understand that the Participant may call for proof of my/our ability to service the obligations of my/our open short positions. I/We agree to provide any requested financial statements and understand the Participant may restrict my/our trading activity until I/we have done so.
- I/We understand that the Participant requires all trades to settle through the same settlement arrangement as nominated on my/our Share Trading Account.
- I/We agree that when I/we give an instruction to write a Call or Put Option, that I/we have considered all information relating to that position that is available to the market (including but not limited to Financials, Announcements, Dividends) and that I am/we are responsible for the instructions that I/we confirm for placement.
- I/We agree that when I/we enter an Options position, that at all times I/we will be responsible for that position up until that position has been closed in full, and that I am/we are required to meet all settlements on T+1.
- I/We understand that corporate actions and other anomalies that occur in the market without prior warning may adversely affect my/our position.
- I/We agree that at any time without giving prior notice, the Participant has the right to reduce the trading level of my/our account and/or close any open positions if it is considered to be in the Participant's reasonable interest to do so.
- I/We have read the ETO Target Market Determination and am/are satisfied I/we match the target market criteria for this product.

By signing this Tier 2 Trading Upgrade form in the place/s provided, I/we acknowledge the correctness of these statements.

Applicant/Director/Trustee 1

Full name

Date signed – DD / MM / YYYY

 / /

Signature – *Must be signed pen to paper*

Applicant/Director/Trustee 2

Full name

Date signed – DD / MM / YYYY

 / /

Signature – *Must be signed pen to paper*

Applicant/Director/Trustee 3

Full name

Date signed – DD / MM / YYYY

 / /

Signature – *Must be signed pen to paper*

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For full details, please refer to the ETO Product Disclosure Statement ("PDS") and the Target Market Determination ("TMD") available on the forms section of our website where you can either download a current version or request us to mail one to you.

Trading Exchange Traded Options (i.e., ETOs, Options) can involve considerable risks. You should only trade Options if you understand the nature of the product (especially your rights and obligations) and the extent of the risks you are exposed to. Before trading in ETO's, you should carefully assess your experience, investment objectives, financial resources, and other relevant issues and carefully consider the PDS available on our website, and the relevant educational booklets regarding Options from the ASX at <https://www.asx.com.au>.

ETO information has been prepared by AUSIEX without taking account of your objectives, financial situation or needs. For this reason, before acting on the information you should consider whether it is appropriate to you, having regards to your objectives, financial situation and needs and, if necessary, seek appropriate financial advice.

How to submit your documents

Once completed and signed,
please scan and email the form to

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