

become familiar with all aspects of futures and/or option trading before commencing to trade.

FORM 6

INTRODUCING BROKER – PRINCIPAL BROKER AGREEMENT

AGREEMENT dated the day of 19
BETWEEN ('the Principal Broker')
AND ('the Introducing Broker')

INTRODUCTION

- A. The Introducing Broker carries on the business of dealing in futures and option contracts as an introducing broker on behalf of its clients ('Clients').
- B. The Introducing Broker and the Principal Broker are Members of New Zealand Futures and Options Exchange Limited ('the Exchange').
- C. The Principal Broker has agreed to accept instructions from the Introducing Broker on behalf of clients of the Introducing Broker and to act as Principal Broker in terms of this agreement and the agreement signed by each Client with the Principal Broker.

IT IS AGREED

- 1. The Principal Broker will accept instructions from the Introducing Broker to deal in futures and option contracts on behalf of clients of the Introducing Broker for whom the Principal Broker has previously agreed to act ('Clients') and the Principal Broker will execute, or instruct third persons to execute, those instructions. The Principal Broker may also accept instructions at any time direct from the Client.
- 2. The Introducing Broker will not give any instructions to the Principal Broker on behalf of a Client until the Client has given or executed client acknowledgements or client agreements in an appropriate form with the Introducing Broker and the Principal Broker. Copies of both acknowledgements or agreements will be held by the Introducing Broker and the Principal Broker.
- 3. The Principal Broker, the Introducing Broker and each Client will be bound by the provisions of the Articles of Association and By-Laws of the Exchange and the business rules of any other futures or options exchange on which any dealing for that Client takes place.
- 4. The Introducing Broker will be acting under this agreement as agent of the Client and not of the Principal Broker and the Introducing Broker will not hold itself out as agent, partner or representative of the Principal Broker or as authorised to speak or act in any manner on behalf of, or as agent of, the Principal Broker.
- 5. Where there is any inconsistency between the instructions given by the Introducing Broker and those given by a Client, the Principal Broker is entitled to accept and act on the instructions of the Client.
- 6. Where the Principal Broker instructs third persons to deal in futures or option contracts on behalf of a Client, the Principal Broker may share all commission and other remuneration with those persons in such manner as the Principal Broker thinks fit.
- 7. The Principal Broker will pay the Introducing Broker commission on all business transacted by the Principal Broker for each Client in accordance with this agreement,