



5th January 2015

Our Ref LQM//3137206

Your Ref 3137206

BY EMAIL

Arun Maharaj
Chief Executive Officer
BBY Limited
Level 17
60 Margaret Street
SYDNEY NSW 2000

Dear Arun

Saxo Capital Markets (Australia) Pty Ltd and BBY Ltd - Letter of Agreement

1 Background

- 1.1 Saxo Capital Markets (Australia) Pty Ltd ABN 32 110 128 286 (**SCMA**) and BBY Ltd ABN 80 006 707 777 (**BBY**) are parties to the following agreements:
- (a) Institutional Trading Agreement dated 21 June 2012 (**Institutional Trading Agreement**);
 - (b) Letters of Agreement dated 9 December 2013 and 19 December 2013 amending the Institutional Trading Agreement (**Variation Letters**);
 - (c) White Label Trading System Agreement dated 21 June 2012 (**White Label Agreement**); and
 - (d) International Swaps and Derivatives Association Inc 2002 Master Agreement dated 21 June 2012,
- (**Material Agreements**).
- 1.2 The contractual relationship formed under the Material Agreements is referred to by the parties as the 'white label' relationship (**White Label Relationship**).
- 1.3 By letter to BBY dated 1 December 2014, SCMA:
- (a) terminated the White Label Relationship effective 1 February 2015;

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- (b) implemented a "reduce only" requirement on BBY's existing client accounts; and
 - (c) notified BBY that no new accounts could be created as of 1 December 2014,

(Termination Notice).

1.4 On 9 December 2014, the parties agreed to negotiate the commencement of an "introducing broker" relationship from 1 April 2015, under which:

- (a) BBY will act as introducing broker;
- (b) SCMA will contract directly with clients introduced to it by BBY; and
- (c) SCMA will hold client monies directly under BBY's introducing broker account,

(Introducing Broker Relationship).

1.5 By signing a copy of this letter, the parties confirm their agreement as set out in this letter.

2 Acknowledgments

2.1 The parties acknowledge that:

- (a) BBY has paid to SCMA an amount equal to 100% of the amount calculated in accordance with clause 4.1 of the Institutional Trading Agreement (as amended by the Variation Letters) by way of the following transfers in cleared funds:
 - (i) AUD6,500,000 on 9 December 2014; and
 - (ii) an amount equivalent to AUD6,500,000 on 12 December 2014;
- (b) on 9 December 2014, SCMA gave notice to BBY of the removal of the "reduce only" requirement imposed on BBY's client accounts pursuant to the Termination Notice; and
- (c) SCMA permitted BBY to hold an additional AUD3,000,000 of client funds to help BBY manage client redemptions (**Liquidity Buffer**).

3 Parties to negotiate commencement of Introducing Broker Relationship

3.1 The parties agree that:

- (a) the termination date of the White Label Relationship notified by SCMA to BBY in the Termination Notice is extended from 1 February 2015 to 1 April 2015;
- (b) SCMA will set up an introducing broker account as soon as practicable for new accounts which BBY wants to open for BBY's clients (which the parties

intend will ultimately constitute BBY's introducing broker account under the Introducing Broker Relationship); and

- (c) the White Label Relationship will terminate on or about 1 April 2015 (unless otherwise agreed by the parties) and BBY and SCMA will negotiate in good faith to commence the Introducing Broker Relationship from that date.

4 Liquidity Buffer

4.1 In relation to the Liquidity Buffer, the parties agree that:

- (a) SCMA, on request from BBY, will transfer to BBY's trading account the amount required to balance BBY's and SCMA's trading accounts pursuant to a report of daily netting of client monies calculated in accordance with clause 4.1 of the Institutional Trading Agreement as amended by the Variation Letters (**Daily Netting**);
- (b) subject to clause 4.1(e) below, SCMA will allow BBY to maintain a deficit in BBY's trading account of up to AUD3,000,000 (i.e. as would be shown in BBY's trading account on the Daily Netting report) (**Buffer Limit**) which may consist of:
 - (i) money paid to BBY's client's trading accounts by BBY's clients as deposits under the White Label Relationship; and
 - (ii) commissions, interest payments and taxes following a withdrawal request for those amounts by BBY;
- (c) the surplus amount in clause 4.1(b) constitutes the Liquidity Buffer;
- (d) BBY must meet client redemption requests from the Liquidity Buffer before making a withdrawal request from SCMA (other than a withdrawal request under clause 4.1(b)(ii));
- (e) the Buffer Limit will reduce to:
 - (i) AUD1,500,000 at 5.00pm on 30 January 2015; and
 - (ii) zero at 5.00pm on 27 February 2015 (or earlier if SCMA requires funding to move the White Label Relationship to the Introducing Broker Relationship);
- (f) in reducing the Buffer Limit to zero in accordance with clause 4.1(e)(ii) above, any payment of the Liquidity Buffer from BBY to SCMA will include the total amount of all negative cash account balances held in the underlying client accounts in accordance with clause 2.1.6 of the Institutional Trading Agreement;
- (g) on and from 2 March 2015, the parties will move to Daily Netting and the Liquidity Buffer will not apply;
- (h) Daily Netting will be settled only on the request of a party and, in that case, by 5.00pm on the day after Daily Netting is calculated in relation to that request; and

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- (i) Daily Netting will continue until such time as all underlying clients of BBY under the White Label Relationship have been novated to contract directly with SCMA under the Introducing Broker Relationship (or otherwise cease to be clients of BBY under the White Label Relationship).

5 Material Agreements not affected

- 5.1 The parties agree that except as expressly provided for in this letter, all provisions of the Material Agreements remain in full force and effect and are unchanged in all other respects.

6 Execution and date

- 6.1 Please confirm your agreement to the matters set out in this letter by signing two copies of the letter and returning one signed copy to us.

Regards
Saxo Capital Markets (Australia) Pty Ltd

Executed as a deed

Date: [5th] January 2015

**Signed by Saxo Capital Markets
(Australia) Pty Ltd by:**


Signature of director/company secretary

Anthony Ian Griffin
Print name
Chief Executive Officer

Signature of director

Print name

Signed by BBY Ltd by:

Signature of director/company secretary

Print name


Signature of director

Glenn Rosewall
Print name