

i Please note:

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

1. Applicant Details

1a. Do you have an existing CHESS sponsored Share Trading Account?

<input type="radio"/> Yes	Please provide the details in 1b.
<input type="radio"/> No	Please attach all pages of this Suitability Questionnaire form to your Share Trading Account application.

i The entities applying for the Exchange Traded Options trading account must be identical with those on the Share Trading Account application. An entity cannot have an Exchange Traded Options trading account without a Share Trading account in place.

1b. Existing account details (if applicable)

Username	Trading account number
<input type="text"/>	<input type="text"/>
Account name	Designation – <i>If applicable</i>
<input type="text"/>	<input type="text"/>
Full name of applicant completing questionnaire	
<input type="text"/>	

2. Suitability Questionnaire

Please indicate which levels of access you require.

<input type="radio"/> Tier 1	Allows you to trade Long Puts or Calls and Covered Calls as single leg and rollover Covered Calls using Multi Leg orders. (Complete questions 1 to 10)
<input type="radio"/> Tier 2	Allows you to trade Long Puts or Calls and write Puts or Calls as single or Multi Leg orders. Ratio spreads may be traded over the phone only. (Complete questions 1 to 16)

1. Have you traded Exchange Traded Options before?	<input type="radio"/> Yes – <i>Go to question 2</i>	<input type="radio"/> No – <i>Go to question 6</i>		
2. How many times have you traded Exchange Traded Options in the last 12 months?	<input type="radio"/> 0	<input type="radio"/> 1-2	<input type="radio"/> 3-5	<input type="radio"/> 6+
3. Have you previously written Covered Options (i.e. scrip covered)?	<input type="radio"/> Yes	<input type="radio"/> No		
4. Have you previously written Uncovered Options?	<input type="radio"/> Yes	<input type="radio"/> No		
5. Why do you wish to trade Options? Please refer to the latest ETO Target Market Determination for guidance if applicable.	<input type="radio"/> Hedging/risk management	<input type="radio"/> Income generation		
	<input type="radio"/> Speculation	<input type="radio"/> Other		
If 'Other' please give details	<input type="text"/>			

6. Assuming no public holidays, if your bought call expires in the money on Thursday the 4th, when will funds be debited from the lined bank account.

- Thursday the 4th
- Friday the 5th
- Monday the 8th
- Tuesday the 9th

7. You hold an American call and wish to acquire the stock on the expiry date. Are you able to exercise your call on the expiry date?

- No, American options can only be exercised on the expiry date.
- Yes, American options can be exercised at any time up until and including the expiry date.

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

- Your position will be cash settled
- Your put will be auto exercised, the stock will be sold at the strike price and cash will be credited to you options account.

9. On Monday ABC stock is trading at \$5.00. You buy \$5.50 ABC call for \$0.50 expiring on Thursday. On Thursday the price of ABC closes at \$5.60. What is the net amount made or lost on the position? (If exercised, assume stock is sold at the closing price of \$5.60 the following day).

- Loss: \$0.50 per contract (The contract has expired worthless)
- Loss: \$0.40 per contract (The call was exercised at \$5.50 and stock sold at \$5.60, although the call cost \$0.50)
- Gain \$0.60 (the stock was \$5.00 when you bought the call and \$5.60 when expired)
- Gain \$0.10 (The stock was \$5.00 when you bought the call and \$5.60 when expired, although the call cost \$0.50)

10. You sold American style calls over your XYZ stock, which is due to pay dividends in the near future. On the final cum-dividend date, the counterparty/buyer exercises their option. The following morning the stock goes ex-dividend. Your broker is notified of the overnight assignment and informs you that you must deliver the stock.

Who is entitled to the Dividend?

- You as the seller as you were not assigned until the Ex-Dividend date, therefore you are still entitled to the dividends.
- The counterparty/buyer as you were assigned on American Style calls on the final cum-dividend date, therefore you are not entitled to the dividends.
- Neither party as American style options cannot be exercised prior to the day of expiry.

Tier 2 Trading Applicants

i This section to be completed by Tier 2 applicants only.
Tier 2 trading allows you to place more complex orders such as short calls or puts.

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

- Call 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

12. All else remaining constant the price of an in the money option:

- Will be more sensitive to movements in the underlying price than out of the money options
- Will be less sensitive to movements in the underlying price than out of the money options. Will be more sensitive for calls and less sensitive for puts
- Will be more sensitive for puts and less sensitive for calls

13. You sell 1 x 7,000 XJO call for 20 points with a multiplier of \$10 per point. What is the premium received excluding brokerage and fees?

- \$70,000
- \$200
- \$10
- \$14,000

14. You hold the below spread over XYZ.

Buy 15 XYZ January \$4.00 Put @ \$2.00

Sell 15 XYZ January \$6.00 Put @ \$3.00

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

15. You enter the below Spread over XYZ.

Buy 15 XYZ January \$4.00 Put @ \$1.00

Sell 15 XYZ January \$6.00 Put @ \$2.25

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

- Debit of \$3.25 paid
- Debit of \$1.25 paid
- Credit of \$1.25 received
- Credit of \$3.25 received

16. You sell 1 x \$10.00 put at 100 shares per contract over ABC for a credit of \$0.25, receiving a premium of \$25. What is the maximum loss excluding brokerage and fees?

- \$975. If the stock goes to \$0, you will need buy the stock at the strike price of \$10 x100 shares = \$1,000 -\$25 premium.
- \$25. The most you can lose by selling an option is the premium.
- \$9.75. If the stock goes to \$0, you will need buy the stock at the strike price of \$10 – \$0.25 premium.
- \$0.25, the most you can lose by selling an option is the premium.

3. Signature of applicant

Full name

Date signed – DD/MM/YYYY

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Signature – Must be signed pen to paper with the exception of using DocuSign

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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, 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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