

AFS Licence No: 246743
Address: Unit 5, 4 Skyline Place, Frenchs Forest, NSW 2086
Telephone: 1300 781 132 or +612 8297 5500
Internet: www.optionsxpress.com.au

Purpose

The purpose of providing this Financial Services Guide (FSG) is to provide you (an Australian client) with information about optionsXpress Australia Pty Limited ACN 085 258 822 (“optionsXpress”, “we”, “us” or “our”), the services we offer and how we charge for those services, how we disclose any potential conflicts of interest and how we manage client complaints. This information is provided to you to enable you to compare our services with similar providers and to make an informed decision on whether to use our services.

As part of our ongoing relationship we may provide you with other documents, namely Product Disclosure Statements or Statements of Advice relating to our or third party products or services.

These documents are to assist you in making informed choices about the services we offer, or about third party services that you may choose to use in conjunction with our own. optionsXpress’ Australian Financial Services licence permits us to provide the following financial services:

Provide Financial Product Advice and Arrange for others to deal in financial products in:

- Securities
- Derivatives
- Government Debentures Stocks or Bonds
- Interests in Managed Investment Schemes
- Foreign Exchange
- Standard Margin Lending Facility

Deal in financial products in:

- Securities
- Derivatives
- Interests in Managed Investment Schemes
- Standard Margin Lending Facility

to retail and wholesale clients.

Whenever we provide these services we will be acting on your behalf and not on behalf of any product issuer. We may appoint other persons including associated entities (such as optionsXpress Inc) to facilitate trades on your behalf and any person we appoint may appoint relevant execution or clearing agents in relation to the relevant trades. Certain remuneration outlined in this document may be paid to persons we appoint directly or out of remuneration paid to us.

Commissions and Fees

optionsXpress is remunerated directly through the commission and fees we charge you. The following table outlines the maximum amount for commissions and fees we may charge you for trading in U.S. exchange listed securities and derivatives. Special rates may apply to customers of related companies.

STANDARD BROKERAGE RATES	
US TRADING (All prices in \$US and inclusive of GST)	
Options	\$1.50 per contract, subject to a \$14.95 minimum per trade
Stocks	\$14.95 total for 1 - 1,000 shares. \$0.015 per share for 1,001 shares and above.
Penny Stocks	Brokerage on Penny Stocks will be capped at 5% of total purchase price, subject to a \$14.95 minimum per trade.
Penny Options Buy to Close	\$0.50 per contract , subject to a \$4.95 minimum per trade
Spreads/Straddles/Combination Orders	\$14.95 minimum per order up to 4 legs with a maximum of 10 contracts.
Covered Calls/Buy Writes	Each leg of the combination represents a trade, consequently, the standard brokerage rates above apply, subject to a \$22.90 minimum per order.
Exercise or Assignment	\$9.95 per exercise/assignment
Bonds	\$5.00 per bond subject to a \$14.95 minimum
Partial Fills	If an order is partially filled one day and the balance of the order is filled on another day, two separate commissions will be charged.

* Broker call is a variable rate that is published daily in the Wall St Journal and Investors Business Daily.

To qualify for the frequent trader rate, customers must complete and maintain a minimum of 35 equity and/or option trades per quarter. Customers must request that the rate be applied.

STANDARD COMMISSION RATES		All prices in \$US and inclusive of GST	
Futures	# of Contracts	Price per Contract, per Side	
	Over 1,000 Contracts/Month	\$2.99/contract	
	301 – 1,000 Contracts/Month	\$3.99/contract	
	101 – 300 Contracts/Month	\$4.99/contract	
	41 – 100 Contracts/Month	\$5.99/contract	
Futures Options	# of Contracts	Price per Contract, per Side	
	Over 1,000 Contracts/Month	\$5.99/contract	
	301 – 1,000 Contracts/Month	\$6.99/contract	
	101 – 300 Contracts/Month	\$7.99/contract	
	41 – 100 Contracts/Month	\$8.99/contract	
1 – 40 Contracts/Month	\$6.99/contract		
	\$12.99/contract		

Trades at some foreign exchanges may be subject to additional fees. The table above does not include customary NFA and exchange fees. A transaction fee of \$.50 futures transaction fee or \$.75 futures options applies. Additional fees may apply at some foreign exchanges. Exchange fees will be available on our website at www.optionsxpress.com.au/welcome/commissions.asp

Standard Commissions are accurate as at the date of this document and are subject to change at any time. For current commissions, please visit our website at www.optionsxpress.com.au/welcome/commissions.aspx

Interest Charged on Margin Balances

INTEREST CHARGED ON MARGIN BALANCES		
Interest charged on Margin Balances	\$0 - \$49,999	8.25%
	\$50,000 - \$99,999	7.25%
	\$100,000 - \$249,999	7.00%
	\$250,000 - \$499,999	6.75%
	\$500,000 - \$999,999	6.50%
	Over \$1,000,000	6.00%

Data Charges – For US and other international quote data, optionsXpress reserves the right to charge you for access to live data upon prior notice to you.

Government Taxes

Australian GST will be charged on all brokerage and fees at the rate of 10%. The U.S. Securities and Exchange Commission also levies a charge on the sales of equity transactions at a current rate of \$41.80 charged for every \$1,000,000.00 in sales. This fee is listed on your official Trading Statement if applicable. For more information about SEC fees please read: www.sec.gov/answers/sec31.htm.

We will deduct these charges from the proceeds of a sale or add applicable government charges to the purchase price of an order you make.

Other remuneration

In addition, we also receive remuneration from third party product providers whose products you may choose to use in conjunction with our services.

These include:

- Foreign Currency Transactions – optionsXpress receives 10% of the net margin charged by third party foreign exchange brokers where clients avail themselves of our recommended provider for the conversion of funds to another currency.
- CMC Markets - optionsXpress receives commission from CMC Markets. These commissions will vary depending on the number of clients introduced to CMC Markets by optionsXpress, the number of trades placed by you, the value of your trading account with CMC Markets from time to time and any overnight financing fees.

optionsXpress Representative Remuneration

Our representatives are remunerated by salary payments from optionsXpress. Representatives may be eligible for a bonus payment annually. All bonus payments are based upon merit and achievement of set objectives and are at the discretion of senior management.

Relationships or Associations

optionsXpress is a related company of The Hubb Organisation Pty Ltd, Hubb (Australia) Pty Ltd and Optionetics Pty Ltd under the common ownership of optionsXpress Holdings, Inc. The Hubb Organisation Pty Ltd, optionsXpress Australia Pty Ltd. and their officers, employees, independent contractors, and owners may receive compensation in connection with marketing efforts and offers. Hubb and optionsXpress may refer you to or provide you with financial products or services of related companies.

Instructions from you

We will seek to act on your specific instructions in a timely and efficient way. You can provide instructions to us via our website, verbally and in writing (mail, fax or email), however we reserve the right to request written instructions where we consider it necessary.

Privacy of client information

In providing our services to clients we collect personal information about them, including sensitive information. Please note we treat all information you provide to us in confidence and will take all reasonable steps to ensure non-disclosure to anyone other than for the purpose of fulfilling your instructions. We treat all client information in accordance with the provisions of the Privacy Act 1988. Our detailed Privacy Policy can be viewed on our website www.optionsxpress.com.au.

Problems with our service

If you ever have a difficulty or are not satisfied with our services you are entitled to complain. We have procedures in place to ensure that complaints are fully considered and properly dealt with. If at the first point of contact your problem is not resolved to your satisfaction, please contact our Customer Service Manager:

Post: Customer Service Manager
optionsXpress Australia Pty Limited
Unit 5, 4 Skyline Place Frenchs Forest NSW 2086
Email: compliance@optionsxpress.com.au
Facsimile: +612 9247 7379

Please be aware that we will do everything within reason to address and resolve your concerns. If you are not satisfied with a response received from our Customer Service Manager within 14 days, you are entitled to refer the matter to an independent complaint handling body. We are a member of the Financial Ombudsman Service ("FOS") (Membership number 11659). FOS can be contacted at:

Post: GPO Box 3
Melbourne VIC 3001
Telephone: 1300 780 808
Facsimile: +613 9613 6399
Email: info@fos.org.au
Website: www.fos.org.au

Professional Indemnity Insurance

optionsXpress has professional indemnity insurance in place which complies with the requirements of S912B of the Corporations Act. This insurance provides cover to you even when a representative ceases to be employed or act on our behalf.

If you have any further questions about our financial services, please contact us on 1300 781 132.