optionsXpress Australia
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Extended Hours Trading Risks

optionsXpress' Extending Trading offering has two components, the Pre-Market Trading session and After Hours Trading session. These are completely independent from the standard trading session. Extended hours orders must be placed on the special Extended Hours Trading screens at http://www.optionsxpress.com. Commissions for extended hours trading are based on optionsXpress' standard fee and commission schedule. Please note that commissions for trades executed in multiple sessions are not aggregated. Extended hours trades will settle three business days from the date the order is executed. Keep in mind that only limit orders for the particular Extended Hours session are accepted. Most NYSE and NASDAQ securities are available in the extended hours session. All orders are only good for the particular session in which they are placed and there is no carryover into any following sessions

optionsXpress' extended hours trading system sends orders to our trading platform. These orders are transmitted to the Archipelago ("ARCA") ECN once received and reviewed by the system. In addition, the quotes displayed on the optionsXpress Extended Hours Trading System only represent the current available prices through the ARCA ECN at the time. Note that NBBO does not apply to extended hours trading, and other ECNs may independently provide a variety of quotes, including higher or lower quotes which are not available in the ARCA ECN. System or communication problems could impact quotes or delay the placement of your orders, and you agree to hold optionsXpress harmless in regard to the quote data received through this system and for any losses related to system issues.

The following are common risks associated with trading in extended sessions that you should be aware of:

- **Risk of Lower Liquidity.** Liquidity refers to the ability of market participants to buy and sell securities. Generally, the more orders that are available in a market, the greater the liquidity. Liquidity is important because with greater liquidity it is easier for investors to buy or sell securities, and as a result, investors are more likely to pay or receive a competitive price for securities purchased or sold. There may be lower liquidity in extended hours trading as compared to regular market hours. As a result, your limit order may only be partially executed, or not at all.
- **Risk of Higher Volatility.** Volatility refers to the changes in price that securities undergo when trading. Generally, the higher the volatility of a security, the greater its price swings. There may be greater volatility in extended hours trading than in regular market hours. As a result, your order may only be partially executed, or not at all, or you may receive an inferior price in extended hours trading than you would during regular market hours.
- **Risk of Changing Prices.** The prices of securities traded in extended hours trading may not reflect the prices either at the end of regular market hours, or upon the opening the next morning. As a result, you may receive a different or inferior price in extended hours trading than you would during regular market hours.
- **Risk of Unlinked Markets.** Depending on the extended hours trading system or the time of day, the prices displayed on a particular extended hours trading system may not reflect the prices in other concurrently operating extended hours trading systems dealing in the same securities. Accordingly, you may receive an inferior price in one extended hours trading system than you would in another extended hours trading system.
- **Risk of News Announcements.** Normally, issuers make news announcements that may affect the price of their securities after regular market hours. Similarly, important financial information is frequently announced outside of regular market hours. In extended hours trading, these announcements may occur during trading, and if combined with lower liquidity and higher volatility, may cause an exaggerated and unsustainable effect on the price of a security.
- **Risk of Wider Spreads.** The spread refers to the difference in price between what you can buy a security for and what you can sell it for. Lower volumes and higher price fluctuations in extended hours trading may result in wider than normal spreads for a particular security.