

Ord Minnett Limited

ABN 86 002 733 048

AFSL 237121

Ord Minnett Management Limited

ABN 55 002 262 240

AFSL 237123

ARSN 090714 588

# Terms and Conditions

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- Equities Trade Rules and Information
- Equities Terms and Conditions
- Chess Sponsorship Terms and Conditions
- Clearing Participant's Disclosure Statement
- Exchange Traded Options PDS
- Portfolio Administration and Reporting Services Agreement
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# Financial Services Guide

## Introduction

### The issuers of this Guide

This Financial Services Guide ("FSG") is issued by:

- Ord Minnett Limited ("Ord Minnett")

In this FSG we refer to this company as "the Company", "we", "us" and "our".

The Company is a member of the Ord Minnett Group of companies, and holds an Australian Financial Services License.

Ord Minnett is a Market Participant of ASX Limited (ASX) operator of the Australian Securities Exchange market and a Broker Participant in the CHESS system operated by ASX Settlement Pty Limited (a group company of ASX). Ord Minnett is also a participant of Cboe Australia Pty Ltd (Cboe) and is authorised to trade in the Cboe market.

The Company can be contacted via the addresses listed at the back of this Guide.

### Non-Aligned but not independent

In September 2019, a consortium of Ord Minnett staff and private investors bought out our two former shareholders IOOF Holdings Limited and JPMorgan, thereby securing 100% ownership.

As a consequence, Ord Minnett is now the largest non-aligned financial services provider in Australia. We are not owned or partly owned by any other financial services business and do not have any obligation to sell or advise on any specific brand of financial product.

This means that our advisers are always in a position to recommend the products they feel will be in the best interests of their clients.

However, Ord Minnett and its representatives are not independent, impartial or unbiased (which are restricted words or expressions under the Corporations Act) in relation to the provision of personal advice to retail clients because its representatives may receive monetary benefits in connection with that advice.

It is important to understand that disclosing our lack of independence and detailing our remuneration structure does not reduce our obligation to act in your best interests. If you are a retail client and we give personal advice, we have a duty to act in your best interests when providing personal advice and are obliged to provide you with appropriate advice.

### The purpose of this Guide

This FSG has been produced to inform you about our products and services and the fees that we charge.

### The documents you may receive from us

#### Statement of Advice (SoA)

If you are seeking personal financial product advice, we will ask you to provide details of your financial situation, particular needs and investment objectives. We will use this information to prepare a written Statement of Advice.

A Statement of Advice is a written record of the advice provided by us to you, and includes information about fees, commissions and associations that may have influenced our advice.

Personal advice is advice that takes into account your personal objectives, financial situation and needs. In general we must give you a Statement of Advice the first time we provide personal advice about any financial product.

You may request a copy of a Statement of Advice however the request must be made within seven years of the provision of advice.

#### Record of Advice

For certain financial services, we may not need to issue you with a Statement of Advice, and a Record of Advice (RoA) may be prepared instead. The RoA will only be issued to you if you request it, within a reasonable time-frame, from your adviser.

#### Product Disclosure Statement

A Product Disclosure Statement (PDS) is a type of offer document and provides information about a product – for example, its features, benefits, fees and associated risks – to enable you to make an informed investment decision.

A PDS must be given to you in connection with any offer or recommendation to invest in;

- Managed funds
- Options
- Warrants
- Superannuation products.

#### Prospectus

A Prospectus may be issued instead of a PDS for some financial products – for example, shares and debentures.

All details and information in this FSG are current as at the date of issue. We will publish any minor changes to the FSG on our website (ords.com.au). We will update the FSG if there are material adverse changes or as required by law.

The distribution of this Financial Services Guide has been authorised by Ord Minnett Limited.

## Part One

The products and service solutions we can provide are on our website at [ords.com.au](http://ords.com.au)

### Ord Minnett Limited

Ord Minnett is authorised to offer the following products and services:

1. Trading in domestic and international equities
2. Fixed interest products
3. Managed funds
4. Margin Lending
5. Derivatives, including Exchange Traded Options
6. Initial Public Offerings and other capital raisings
7. Corporate Finance
8. Research and advisory services
9. Discretionary and Non-Discretionary Portfolio Management Services.

Ord Minnett is also authorised to deal in foreign exchange in order to facilitate settlement of international transactions and to provide custodial services which are incidental to our stockbroking business.

It is important that you understand the type of advice we will provide to you as a client of Ord Minnett.

Ord Minnett has been a part of the Australian stockbroking industry since the 1940's. Ord Minnett is very proud of this heritage and today is a Principal Member of the Stockbrokers Association of Australia.

As a traditional stockbroking firm, Ord Minnett generally provides stockbroking advice, which is 'scaled' advice relating to a specific area of your investment needs. In effect, this means that we will be advising you on the investment of a portion of your assets into primarily listed investments.

We can also provide an execution-only service which enables you to instruct us to transact on listed securities, derivatives and/or managed funds on your behalf. Should you elect to use this service we will not provide you with any personal advice and therefore will not take into account your objectives, financial situation and needs.

### Ord Minnett Financial Planning

If you need comprehensive and strategic financial advice, you may consider using our financial planning service which is provided by Ord Minnett Financial Planning.

If you choose to use our financial planning service, your adviser will consider your individual needs and objectives, your investment time frame and tolerance for risk and provide you with a comprehensive investment strategy which may include any or all of the following relevant areas of advice:

1. Asset allocation
2. Investments in securities, derivatives, listed products and/or managed funds
3. Superannuation
4. Gearing strategies
5. Wealth protection (through the use of income protection, trauma or life insurance)
6. Retirement planning
7. Redundancy/early retirement.

Your adviser will formulate an appropriate investment strategy and then create a personalised and comprehensive Statement of Advice. In formulating recommendations, your adviser may consider taxation, legal and estate planning implications. However, as we are not specialists in these areas, you should seek further advice, as relevant, from an appropriate specialist.

Should you accept the recommendations contained within the Statement of Advice, we will then assist you with the implementation of the recommendations.

Ord Minnett Financial Planning also provides you with an ongoing advisory relationship and associated services. We will ensure that your investment strategy remains relevant to your changing situation, legislative changes and market developments.

### Giving instructions to buy or sell

Instructions to buy or sell are to be provided to us in person or by telephone only.

### Privacy

We recognise the importance of protecting your privacy. Your personal information will be handled in accordance with our privacy policy, which outlines how the information we collect from you is used, stored and disclosed.

We will collect your personal information from the client information questionnaire you complete with your financial adviser. As a financial service provider, we are obligated to verify your identity and the source of any funds. Accordingly, we will ask you to present identification documents, such as, your passport and driver's licence, which will be held on file.

The main reason we collect, use and/or disclose your personal information, is to provide you with the products and services that you request. This may also include the following related purposes:

- To help your financial adviser provide you with financial advice and ongoing services in relation to your account with us.
- To facilitate internal administration, accounting, research, risk management, compliance and evaluation of our products and services.
- To provide you with information about other products and services that we or our associates offer which may be of interest to you.

We may also disclose your information to external parties some of whom act on your or our behalf. These parties may include:

- Your financial adviser
- Banks or other financial institutions
- Insurers and reinsurers and their claims agents and assessors
- Product providers
- Mail houses

We are also permitted to collect and disclose your personal information when required or authorised to do so by law.

By signing the client information questionnaire, you agree to us collecting, storing, using and disclosing your personal information. If you do not provide all the information requested in your application form, we may not be able to provide you with financial advice.

If you have concerns about the accuracy and completeness of the information we hold, you may request access to your personal information by contacting the Privacy Officer:

By mail: Privacy Officer  
Ord Minnett Limited  
Level 8, 255 George St  
Sydney NSW 2000

By email: [privacyofficer@ords.com.au](mailto:privacyofficer@ords.com.au)

By phone: (02) 8216 6300

Depending upon the nature of the request, we may have the right to impose a reasonable charge.

To obtain a copy of our privacy policy please contact our client services team on 1300 221 697 or download from our website at [www.ords.com.au/privacy-policy](http://www.ords.com.au/privacy-policy).

## Complaints Handling Procedures

We want to hear all your comments, whether they are favourable or not, because it is in our interests to promptly address any concerns you may have. We have implemented internal complaint handling procedures consistent with Australian Standard ISO 10002, Quality Management – Customer Satisfaction – Guidelines for complaints handling in organisations.

You should firstly contact your adviser and discuss your concerns. If your concerns are not resolved to your satisfaction, then please write to:

**The Compliance Manager**  
Ord Minnett  
Level 18, Grosvenor Place  
225 George Street  
Sydney NSW 2000

Ord Minnett is required to deal with client complaints in accordance with the relevant Australian Standard. If you are dissatisfied with our response to your complaint you may contact:

**The Australian Financial Complaints Authority**  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Mail: GPO Box 3, Melbourne VIC 3001

Ord Minnett is covered by a Professional Indemnity Insurance Policy which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act.

## Part Two

### Relationships and associations

The Ord Minnett Group of companies includes;

- Ord Minnett Limited
- Ord Minnett Hong Kong Limited
- Ord Minnett Management Limited – which acts as a responsible entity for managed investments such as the Ord Minnett Cash Management Trust.

In June 2019, a consortium of Australian private investors and Ord Minnett employees led by Ord Minnett's Executive Chairman, Karl Morris agreed to acquire 100% of Ord Minnett from its shareholders, IOOF and J.P. Morgan. Following the successful completion of the acquisition in September 2019, Ord Minnett became one of the largest privately owned wealth management firms in Australia.

### Ord Minnett and FinClear

Ord Minnett has entered into an agreement with FinClear Services Pty Ltd AFS Licence 338264 and ABN 60 136 184 962 ("FinClear") to settle and clear all ASX transactions executed by Ord Minnett.

### Ord Minnett and HUB24

We have outsourced the administration and reporting obligations of our Portfolio Administration and Reporting Service (including our Managed Discretionary Account Service) as well as our Unified Managed Account Service to our partner HUB24 Custodial Services Ltd (HUB24).

HUB24 is an ASX listed company which specialises in the provision of trading and reporting platforms to the financial services industry and provides Ord Minnett advisers with the technology to efficiently manage and add value to their client portfolios.

We have chosen HUB24 as we can be assured that due skill and care will be taken when providing services to our clients and we monitor the performance of these services on a daily basis to ensure that this is the case.

### Remuneration and other benefits

Generally, our remuneration takes the form of;

- Brokerage which we charge you when we buy or sell financial products on your behalf
- Fees charged at a fixed rate for services provided
- Fees based on the value of your funds under management, or
- Initial and ongoing commission paid to us by product and service providers for referring you to them.

All fees are exclusive of GST and we reserve the right to change these fees from time to time.

While some of the fees we charge are tax deductible, we recommend that you seek independent taxation advice.

We may charge fees above, or in addition to, those disclosed in this FSG where we have disclosed such fees to you in writing prior to providing the relevant service. Where we are required to issue you with an SoA in connection with personal advice, that document will provide details of the fees payable relative to that advice.

### Brokerage Schedules - Australian Exchange Traded Equities and Derivatives (excluding GST)

Brokerage is charged as a percentage of the total consideration when buying or selling shares or derivatives. Brokerage rates are subject to negotiation between the client and the Adviser, and will depend on the type and service required, including the size and frequency of transactions. The brokerage rate may be applicable to all transactions or a rate may be applied to a single transaction.

Brokerage rate charges range up to 3.00% for all domestic Equity,

Warrant and ETO (Exchange Traded Options) transactions depending on the 'agreed brokerage rate' between the Client and the Adviser. If there is no agreed brokerage rate a 'Default Brokerage Rate' will be applied to the client account of 1.00% per contract/confirmation note with a minimum charge of \$100, excluding GST.

### The 'Default Brokerage Rate' schedule is set out below.

#### Australian Equities (excl. GST)\*

Consideration	Brokerage Rate
\$1 and over	1%

#### Australian Exchange Traded Options (excl. GST)\*

Premium Value	Opening Position	Closing Position
\$1 and over	1%	1%

\* A minimum charge of \$100, excluding GST, applies.

### Miscellaneous Fees and Charges

A number of fees and charges may be charged and are subject to discussion between you and your adviser.

These are set out in the table below (excl. GST);

Fail Fee – On undelivered sales	\$100.00 per day up to a maximum of \$5000 per day
SRN Query	\$16.50
Off Market Transfers	\$100.00
Dishonoured Cheques	\$9.50
International Telegraphic Transfers	\$20.00
RTGS Payments	\$13.20
Late payment fee – Buys	\$50.00 plus Interest
Early settlement fee – Sells	\$50.00 plus Interest
Print and Post of Contract Notes	up to \$5.00
Confirmation/Statement re-prints	\$5.00
Re-print of Dividend Advices/ Tax Statements	\$25.00
Reprinting of CHES Holding Statement	\$16.50
Re-print of Dividend Advices/ Tax statements	\$25.00

### International Equities

Through the Ord Minnett International Service (OMIS), clients can gain access to international equities, exchange traded funds, fixed interest and foreign exchange products.

International transactions are typically subject to a fee of 1% of the value and subject to a minimum charge of USD\$200.

Exchange rate movements may affect the final price paid in Australian dollars. If you wish, we can facilitate conversion of the total cost/proceeds into Australian dollars, which is the amount payable by you/to you.

### Miscellaneous Fees and Charges

A number of fees and charges may be applied and are set out in the table below;

Custody Fee for inactive accounts	USD\$65 p.a.
Non-US Securities Custody Fee	USD\$2 per security, per month, per account
Cash Deposit Fee	AUD\$30
Cash Withdrawal Fee	USD\$20

For a comprehensive list of fees please ask your Ord Minnett Financial Adviser.

Ord Minnett reserves the right to pass through to your account any additional charges, or changes to existing charges that Ord Minnett may incur as a result of changes in industry practices or through the course of normal business operations. You will be notified of any of these changes prior to their implementation.

### Partial Execution

For all limit and market orders which are partially executed in the same trading day, normal brokerage will be charged for the total portion executed per day. Brokerage charges may be converted and applied in the local currency, and as a result this may result in variances in the USD\$ equivalent brokerage being applied.

### Fees for Portfolio Services

#### Portfolio Administration and Reporting Service

Our Portfolio Administration and Reporting Service (PARS) charges an annual management fee calculated according to the value of your portfolio. Government taxes and charges may apply.

#### Non-Discretionary Portfolio Management (excl. GST)

Total Portfolio Value	1.50% p.a.
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A minimum fee of \$7,000 p.a. applies

#### Managed Discretionary Account Service

Our Managed Discretionary Account (MDA) service allows your adviser to make day to day investment decisions on your behalf without first consulting you.

To open an MDA Account you must sign an MDA Agreement with Ord Minnett. You must also agree to subscribe to Ord Minnett's Portfolio Administration Reporting Service.

When you open an MDA Account your adviser will prepare an Investment Program based on your personal circumstances, as well as your financial situation, needs and objectives. Your adviser will regularly review your Investment Program to ensure this remains suitable to your needs.

The Investment Program acts as a Statement of Advice and therefore complies with Division 3 of Part 7.7 and Division 2 of Part 7.7A of the Corporations Act. The Investment Program will include information about;

- The nature and scope of your adviser's discretion
- Any significant risks associated with the MDA service
- The basis upon which entering an MDA Agreement is considered to be suitable for you
- Warnings about the importance of any limitations relating to the MDA service which you must consider before signing the MDA Agreement

If you have instructions in relation to the rights attached to your investments (for example: product communications, take over offers, rights issues, share purchase plans etc) you should direct these to your adviser in writing.

MDA services are not suitable for all clients. It is important that you understand the risks associated with having someone else make significant investment decisions on your behalf.

Due to the volatile nature of the share market, there is a risk that actions which your adviser takes when investing your money may result in a loss to you.

Your adviser may make investment decisions that you disagree with. Provided your adviser acts within the scope of his or her authority, and has done so efficiently, honestly and fairly; the fact that you disagree with an investment decision does not mean that you have any right to recourse. You are obliged to accept any tax consequences, transaction costs and any capital loss resulting from any transactions validly executed by your adviser.

Ord Minnett's MDA service allows you to hold portfolio assets directly as we do not rely on custodial or depository providers.

The Management Fee for our MDA services is as follows:

#### Discretionary Portfolio Management (excl. GST)

Total Portfolio Value	2.0% p.a.
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A minimum fee of \$7,000 p.a. applies

#### Unified Managed Account (UMA) Service

Ord Minnett's UMA Service provides you with the convenience of custodial and reporting services through our partner HUB24).

The UMA Service allows you to monitor your investment strategy and proactively determine how your portfolio is invested. The UMA Service incorporates innovative features not previously seen in a single account product in the Australian market, including:

- Cost effective management of trades through a wholesale execution facility
- Online tools which provide real time portfolio trading and performance information
- Efficient administrative features which will allow you and your adviser to more easily manage your investments
- Your portfolio is securely and beneficially held on your behalf by HUB24, a licensed custodian

#### UMA Superannuation

Ord Minnett's UMA Superannuation Service (UMA Super) is an ideal way to access all the tax benefits of Superannuation without the need to assume Trustee responsibilities yourself. Through our market leading platform, you can access a wide range of investment options as well as insurance and margin lending in one secure online account.

If you choose to use UMA you will have access the following account types:

- UMA (Non Super) accounts to provide you with a wide investment choice and convenience.
- Self-Managed Super Funds – you assume the Trustee responsibility yourself while accessing the UMA wide variety of investments.
- UMA Superannuation Accounts – allows you to invest in a superannuation environment and potentially receive superannuation guarantee employer contributions.
- Account based and Transition to Retirement Pension accounts – A pension plan that allows you to turn your superannuation savings into a flexible income stream in retirement.

#### Unified Managed Account Service (excl. GST)

Total Portfolio Value up to	2.0% p.a.
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In addition to the Management Fee set out above, you may be required to pay a Custodian and Administration fee of between 0.22% and 0.33% to HUB24. In addition, Ord Minnett reserves the right to charge a fee of up to 5.5% on initial contributions.

#### Online Asset Reporting Service

Our Online Asset Reporting Service (OARS) charges an annual management fee calculated according to the value of your portfolio. Government taxes and charges may apply.

#### Online Asset Reporting Service (excl. GST)

Total Portfolio Value up to	1.50% p.a.
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A minimum fee of \$2,000 p.a. applies

We may charge brokerage at standard rates or performance fees agreed in writing with you for certain transactions in addition to the above annual management fee.

#### Commissions and other benefits we receive from Product Issuers

We may receive payments from Product Issuers. Such payments will vary from one Product Issuer to another at their discretion. Such payments are not an additional cost to you.

Our Clearing Participant is required by law to maintain a trust account on your behalf in order to hold funds which are to be used for your share trading account. We will retain any interest that may be earned on this account.

#### Financial Planning

##### Financial Plan

A plan will be charged at a rate commensurate with the level of complexity of your financial situation. A fixed quote will be provided prior to work commencing. The minimum charge is \$1,200 excluding GST.

##### Premier Service

This planning service includes ongoing advice, portfolio reviews and comprehensive reporting and carries a minimum annual fee of \$5,000 excluding GST.

This fee may be calculated as a percentage of portfolio value, with a maximum of 1.1% of all funds under advice. There may also be an additional fee in the first year of up to 1.65% which compensates for our time in assisting you with your financial plan, reorganisation of your affairs and liaising with your lawyer and accountant as required.

Our fees may be tax deductible, and we make every effort possible to keep non-tax deductible fees to a minimum.

##### Review Service

The Review Service includes an annual investment portfolio review and limited ongoing advice and carries a minimum annual fee of \$3,000 excluding GST. We may also charge an hourly fee where your situation is more complex.

Our Review Service fee may be calculated as a percentage of portfolio value, with a maximum being 0.88% of all funds under advice. There may also be an additional fee in the first year of up to 1.65% which compensates for our time in assisting you with your financial plan, reorganisation of your affairs and liaising with your lawyer and accountant as required.

All Review Service fees and the method of their payment will be clearly detailed to you. Our fees may be tax deductible, and we make every effort possible to keep non-tax deductible fees to a minimum.

##### Consulting Service

An hourly rate will be charged commensurate with the complexity of your financial situation. A minimum charge of \$300 per hour excluding GST will apply. An estimate of the cost will be provided prior to work commencing.

#### Investment Products

**Managed Funds; If we recommend a managed fund investment to you, the relevant manager may remunerate us should you chose to invest in that particular product. Commission rates vary and we will discuss them with you at the time we make the recommendation.**

**Such payments will be paid out of the manager's own funds and are not a cost to you. Your adviser will give you details of such payments and they will also be disclosed in the Product Disclosure Statement or SoA provided to you.**

**Cash Management accounts; Cash Management accounts, including the Ord Minnett Cash Management Trust account, charge a variety of fees and varying rates of interest which will be disclosed in the Product Disclosure Statement or Statement of Advice provided to you.**

The commission earned by your Ord Minnett adviser on the Ord Minnett Cash Management Trust is 0.25%, which is comparable to other Cash Management Trusts available to you.

**Life Insurance products;** A life insurance company or insurance broker may remunerate us when we arrange life risk insurance or investment life insurance products through that company or broker. As the remunerated amounts may vary, your adviser will give you details when advising you about such products and such remuneration will also be disclosed in the Product Disclosure Statement or SoA provided to you.

We may also have arrangements with insurance brokers under which a broker may pay us a portion of any commission they receive. Your adviser will give you details about the amount when advising you about such products with the exact rates disclosed in the Product Disclosure Statement and/or Statement of Advice provided to you.

### Ord Minnett Margin Lending

Ord Minnett offers margin lending products, including a margin lending facility which is provided by Leveraged Equities and branded as Ord Minnett Margin Lending.

We will not recommend that you use a margin lending facility or increase the size of an existing facility without undertaking an assessment of your circumstances in order to confirm suitability. You are entitled to request a copy of any such assessments that we carry out.

### Fixed Interest Securities

Fixed Interest Securities include:

- Capital Notes
- Convertible Notes
- Corporate Bonds
- Debentures
- Income Securities
- Term Deposits
- Government and Semi-government Bonds
- Fixed Interest Managed Investment Schemes
- Floating Rate Notes

Rates vary for these products and the exact rate payable will be disclosed in the Product Disclosure Statement or Statement of Advice provided to you.

However, we will charge brokerage as follows in respect of any purchases and/or sales of unlisted fixed interest securities on your account.

#### Fixed Interest Securities (excl. GST)

\$0 – \$15,000	3.5%
\$15,000 – \$50,000	3.0%
\$50,000 – \$250,000	2.50%
\$250,000 – \$500,000	1.50%
\$500,000 and over	1.00%

A minimum charge of \$500 applies

### Administrative Fees

Internal Transfer Fee (transfer between accounts held with Ord Minnett)	\$40 + GST
External Transfer Fee (transfer between accounts external to Ord Minnett)	\$40 + GST

We may also charge a trailing commission of up to 0.2% on Term Deposits. The distribution of this Financial Services Guide has been authorised by Ord Minnett Limited.

# FinClear Financial Services Guide (FSG)

Issued by FinClear Services Pty Ltd  
ABN 60 136 184 962  
Australian Financial Services Licence No. 338264  
Date FSG was prepared: 28 July 2021

## 1. Terms used in this FSG

<b>AFSL</b>	Australian Financial Services Licence
<b>ASX</b>	ASX Limited ABN 98 008 624 691 or the market operated by it, as the context requires.
<b>Broker</b>	A Participant of one or more Relevant Exchanges which has engaged FinClear Services to clear transactions executed by the Broker on a Relevant Exchange.
<b>Cboe</b>	Cboe Australia Pty Ltd (Cboe) ABN 47 129 584 667 or the market operated by it, as the context requires.
<b>Client</b>	Clients are considered 'wholesale' or 'retail' as defined under the Corporations Act.
<b>Correspondent</b>	Your Broker or Financial Intermediary, as the case may be.
<b>ETOs</b>	Exchange Traded Options
<b>Financial Intermediary</b>	An AFSL holder who has engaged FinClear Services to execute and clear transactions on a Relevant Exchange.
<b>FSG</b>	Financial Services Guide
<b>IDPS</b>	Investor Directed Portfolio Services
<b>International Securities Trader</b>	A FinClear Services group entity or a third party authorised to provide securities dealing and/or custody services on an international market.
<b>MDA</b>	Managed discretionary accounts, being a service which a Correspondent may provide to you under which you authorise the Correspondent to manage an investment portfolio on your behalf and to make investments decisions in relation to the portfolio in accordance with an investment program agreed with you.
<b>PDS</b>	Product Disclosure Statement
<b>FinClear Services, we, us, our</b>	FinClear Services Pty Ltd ABN 60 136 184 962; AFSL No. 338 264
<b>FinClear Services Nominees</b>	FinClear Services Nominees Pty Ltd ACN 137 911 730, a wholly owned subsidiary of FinClear Services, or another nominee company appointed by FinClear Services
<b>Relevant Exchange</b>	ASX or Cboe or any other securities exchange on which FinClear Services transacts, or the financial markets operated by them (as the context requires).

## 2. Purpose of this FSG

This FSG provides information about:

- Who we are;
- What relationships and associations we have;

- The services we provide;
- How you may provide us with instructions and make payments into our trust account
- The remuneration that may be paid to us or to other relevant persons for the services we provide;
- The documents you may receive from us;
- How we handle complaints; and
- Your privacy and how we use your personal information.

This FSG has been prepared by FinClear Services and was prepared on 28 July 2021 to assist you in deciding whether to use the services we provide. You should read it carefully and make sure you understand it.

Together with this FSG, you will have received an FSG from the Correspondent. You should read both documents before deciding whether to use the services that we provide.

## 3. Who is FinClear Services?

FinClear Services is licensed under the Corporations Act (Australian Financial Services Licence (AFSL) No 338 264) to provide financial services and is a Trading Participant of ASX, a Participant of Cboe, a General Participant of ASX Clear Pty Ltd. ABN 48 001 314 503 (ASX Clear) and a Settlement Participant of ASX Settlement Pty Ltd.

ABN 49 008 504 532 (ASX Settlement). FinClear Services may become a participant of other Relevant Exchanges from time to time.

FinClear Services is a wholly owned subsidiary of FinClear Holdings Pty Ltd.

FinClear Services has authorised the distribution of this FSG.

## 4. The services offered by FinClear Services FinClear Services is authorised under its AFSL to:

- a) deal in (including arranging to deal in) the following financial products:
  - Securities (such as shares, options and warrants that can be traded on a Relevant Exchange);
  - Interests in managed investment schemes (other than IDPS), such as units in ASX listed trusts; Derivatives, such as ASX Exchange Traded Options (ETOs);
  - Foreign exchange contracts; and

### b) provide a custodial or depository scheme service (other than IDPS), to wholesale and retail clients.

FinClear Services provides/arranges to provide execution, clearing, settlement and nominee services. You have received a copy of this FSG because the Correspondent has arranged for FinClear Services to provide one or more of the following services:

### c) Clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange

FinClear Services may be engaged by a Broker to clear the transactions in securities and interests in managed investment schemes executed on or facilitated through a Relevant Exchange by the Broker. If you are a client of one of those Brokers and you effect a transaction in securities or interests in managed investment schemes on a Relevant Exchange through the Broker, FinClear Services (as clearer) will be responsible for the settlement obligations in respect of that transaction. FinClear Services may also settle transactions not executed on a Relevant Exchange (e.g. primary market transactions or off market transactions).

For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of that transaction directly to FinClear Services and not to the Broker.

If you are a client of one of those Brokers, you will be provided with a Disclosure Statement which contains more information concerning the clearing services FinClear Services provides and the terms of your agree

**b) Execution and clearing services for transactions in securities and interests in managed investment schemes executed through a Relevant Exchange**

FinClear Services may also be engaged by a Financial Intermediary to provide to clients of the Financial Intermediary, execution and clearing services in securities and interests in managed investment schemes. This means that FinClear Services will execute or facilitate the transaction on a Relevant Exchange for you and clear and settle those transactions.

FinClear Services may also settle for you transactions not executed on a Relevant Exchange (e.g. primary market transactions or off market transactions).

As a client of one of those Financial Intermediaries, you may effect a transaction in securities or interests in managed investment schemes on a Relevant Exchange by providing instructions to the Financial Intermediary. The Financial Intermediary will then, as your agent, communicate your instructions to FinClear Services who may then execute the transaction on a Relevant Exchange for you or facilitate settlement of the transaction. For this purpose, you will become FinClear Services' client.

In addition, FinClear Services will also clear all transactions in securities or interests in managed investment schemes that FinClear Services has executed on your behalf under this arrangement. Accordingly, FinClear Services will be responsible for the settlement obligations in respect of those transactions.

For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of those transactions directly to FinClear Services and not to the Financial Intermediary.

If you are a client on one of those Financial Intermediaries, you will be provided with a document that summarises FinClear Services' Best Execution Policy and explains how we handle and execute your orders, as required under the *ASIC Market Integrity Rules (Securities Markets) 2017*.

**e) Clearing services for transactions in Exchange Traded Options executed on ASX**

FinClear Services may also be engaged by a Broker to clear the transactions in ETOs executed on ASX by the Broker.

If you are a client of one of those Brokers and you effect a transaction in an ETO on ASX through the Broker, FinClear Services (as clearer) will be responsible for the settlement obligations in respect of that transaction. For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of that transaction directly to FinClear Services, not to the Broker.

If you are a client of one of those Brokers, and wish to trade in ETOs on ASX through it, you will need to enter into a Derivatives Client Agreement with FinClear Services.

You may also need to enter into a Derivatives Client Agreement with the Broker, and the Broker may be required to give you a Product Disclosure Statement (PDS) in relation to the ETOs that you may trade. The PDS will contain information concerning ETOs to assist you in deciding whether those products are appropriate for your needs.

**f) Execution and clearing services for transactions in Exchange Traded Options executed on ASX**

FinClear Services may also be engaged by a Financial Intermediary to provide to clients of the Financial Intermediary execution and clearing services in ETOs. This means that FinClear Services will execute transaction in ETOs on ASX for you and clear and settle those transactions.

If you are a client of one of those Financial Intermediaries and you wish to deal in ETOs on ASX, you may do so by communicating an order to deal in ETOs to the Financial Intermediary. The Financial Intermediary (as your agent) will communicate that order to FinClear Services who will execute the transaction on ASX on your behalf. For this purpose, you

will become a client of FinClear Services.

In addition, FinClear Services will also clear all transactions in ETOs that are executed by FinClear Services on your behalf. Accordingly, FinClear Services will be responsible for the settlement obligations in respect of those transactions. For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of those transactions directly to FinClear Services and not to the Financial Intermediary.

If you are a client of a Financial Intermediary and wish to trade in ETOs on ASX, you will need to enter into a Derivatives Client Agreement with FinClear Services.

We may also be required to give you a PDS in relation to the ETOs that you may trade. The PDS will contain information concerning ETOs to assist you in deciding whether those products are appropriate for your needs. The Correspondent may also be required to give you a PDS in relation to the ETOs that you may trade.

**g) Clearing services for transactions in Exchange Traded Options "given up" to FinClear Services on ASX**

FinClear Services may clear a transaction in ETOs executed on ASX by another Participant of ASX Group if the transaction is "given up" to FinClear Services. If FinClear Services accepts the "give up" of such a transaction executed for you, FinClear Services will be responsible for the settlement obligations in respect of that transaction. For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of that transaction directly to us and not to the other Participant.

Before FinClear Services can accept the "give up" to it of a transaction in ETO executed for you, you will need to enter into a Derivatives Client Agreement with FinClear Services. You will be provided with a PDS relating to ETOs as part of your client application documentation with the Derivatives Client Agreement.

**h) Execution, clearing and settlement services for transactions in securities on international markets**

FinClear Services may also be engaged by a Correspondent to arrange execution, clearing and settlement services in securities on international markets for clients of the Correspondent. This means that FinClear Services will arrange for the execution, clearing and settlement of the transaction with an entity which holds the appropriate authorisation to do so in that market (International Securities Trader). The International Securities Trader may be a FinClear Services group entity or a third party entity.

As a client of one of those Correspondents, you may effect an international securities transaction on an international market by providing instructions to the Correspondent. The Correspondent, acting as your agent, will then communicate your instructions to FinClear Services who, in acting for you, will communicate them to the International Securities Trader for fulfilment through FinClear Services' Account with that International Securities Trader. Securities traded on your behalf using FinClear Services' Account will be traded beneficially for you by FinClear Services. For this purpose, you will become FinClear Services' client, but not the client of the International Securities Trader.

FinClear Services will also arrange for the International Securities Trader to clear and settle all transactions in securities that it has executed on your behalf under this arrangement. Accordingly, FinClear Services will be responsible for the settlement obligations in respect of those transactions. For this purpose, you will become a client of FinClear Services and you will owe your settlement obligations in respect of those transactions directly to FinClear Services and not to the Correspondent or the International Securities Trader.

**i) Settlement and nominee services - general**

FinClear Services may also be engaged by a Correspondent to provide to clients of the Correspondent settlement services in securities and interests in managed investment schemes. This means that FinClear Services will settle transactions arranged for you by the Correspondent and

executed on a Relevant Exchange for you by a Trading Participant of a Relevant Exchange (other than FinClear Services and the Correspondent).

However, FinClear Services will only settle such transactions if, in the case of a purchase, the necessary funds are made available to FinClear Services and, in the case of a sale, the financial products sold are made available to FinClear Services, in each case in sufficient time before the time the transaction is to be settled.

As part of this service, FinClear Services may also arrange for your securities and interests in managed investment schemes to be held by FinClear Services Nominees as nominee for you.

For the purpose of settlement and nominee services, you will become FinClear Services' client.

#### **j) Settlement and nominee services – MDA accounts**

FinClear Services may be engaged to provide settlement and nominee services as described in paragraph 4 a) above to clients of the Correspondent in connection with the provision to the Client by the Correspondent of managed discretionary account (MDA) services. In that event, FinClear Services will be responsible only for the following services:

- the settlement of transactions which the Correspondent has arranged to be executed on a Relevant Exchange on your behalf (provided that FinClear Services will only settle such transactions if, in the case of a purchase, the necessary funds are made available to FinClear Services and, in the case of a sale, the financial products sold are made available to FinClear Services, in each case in sufficient time before the time the transaction is to be settled);
- the holding by FinClear Services Nominees as nominee for you of securities and interests in managed investment schemes which are acquired or otherwise form part of your investment portfolio (Investments) which the Correspondent manages for you as part of the MDA services;
- as FinClear Services Nominees will be the registered holder of your Investments:
  - it will receive any dividends or other distributions in respect of those Investments and will deal with them in accordance with instructions from the Correspondent;
  - it will be entitled to cast any votes in respect of your investments and may do so in accordance
- FinClear Services if required to do so under relevant regulatory requirements will provide you with an activity statement in respect of any transactions which it settles on your
- any other services to be provided by FinClear Services to you under the Nominee and Settlement Services Agreement entered into with you.

The Correspondent will be responsible for the following:

- management of your Investments based on an investment program agreed between you and the Correspondent, including the making of all investment decisions on your behalf in connection with your Investments;
- arranging for transactions to be executed on a Relevant Exchange for you by a Trading Participant of a Relevant Exchange (other than FinClear Services and the Correspondent);
- giving instructions to FinClear Services in connection with the settlement of transactions executed on a Relevant Exchange for you and the distributions and rights in respect of the Investments held by FinClear Services Nominees on your behalf; and
- any other services required in connection with the provision of MDA services to you which are not to be provided by FinClear Services.

#### **k) CHES Sponsorship services**

FinClear Services may act as a CHES Sponsoring Participant of the clients of its Correspondents. Clients that are to be CHES sponsored by FinClear Services must enter into a Sponsorship Agreement with FinClear Services.

#### **l) Nominee and custody services**

FinClear Services may, in its absolute discretion, arrange for its wholly owned subsidiary, FinClear Services Nominees and/or another entity to provide nominee and other custody services for clients of the Correspondents for whom it provides clearing services and other clients. If you want FinClear Services to arrange for FinClear Services Nominees to provide nominee or custody services to you, you will need to enter into an agreement for this purpose. Where FinClear Services provides nominee services the financial products held by FinClear Services on your behalf may be held in the same account in which FinClear Services Nominees holds securities for other persons.

#### **m) Other services**

FinClear Services acts as agent for the clients of Correspondents in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

FinClear Services does not provide any financial product advice to retail clients. FinClear Services is authorised under its AFSL to provide general financial product advice to wholesale clients only for the following classes of financial products:

- derivatives;
- foreign exchange contracts;
- interests in managed investment schemes excluding investor directed portfolio services; and
- securities.

### **5. Capacity in which FinClear Services acts**

The capacity in which FinClear Services acts depends on the service to be provided as follows:

#### **a) Clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange**

FinClear Services acts as principal with ASX Clear or the relevant counterparty in relation to the clearing and settlement of transactions in securities and interests in managed investment schemes executed on a Relevant Exchange on your behalf. However, there may be certain activities which FinClear Services will perform as agent for another person (such as the despatch by FinClear Services of confirmations to clients as agent for the Broker that executed the transaction).

In clearing the transaction, FinClear Services acts as agent for the client for whom the transaction was executed. However, FinClear Services will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

#### **b) Execution and clearing services for transactions in securities and interests in managed investment schemes executed on a Relevant Exchange**

FinClear Services acts as principal with ASX Clear or the relevant counterparty in relation to the execution of your orders which are communicated to it by the Financial Intermediary for execution on a Relevant Exchange on your behalf.

We act as principal (and not as agent for the Financial Intermediary) in relation to the clearing and settlement of such transactions. However, there may be certain activities which we will perform as agent for another person (such as the despatch by us of confirmations to clients as agent for the Financial Intermediary that arranged for the execution of the transaction).

In clearing the transaction, FinClear Services acts as agent for the client for whom the transaction was executed. However, we will owe the settlement obligations in respect of that transaction to ASX Clear as principal.

**c) Execution and clearing services for transactions in securities on international markets**

When FinClear Services enters into a contract with you to arrange for the execution, clearing and settlement of international securities transactions on a foreign market by an International Securities Trader for you, it does so as principal on its own behalf, and not as someone's agent.

When FinClear Services arranges for the provision of international securities trading services to you in accordance with this contract, FinClear Services acts as agent for you.

In order to provide these services to you, FinClear Services (as principal), has entered into agreements with an International Securities Trader, and will owe obligations in relation to any transactions directly to the International Securities Trader. (It is then your contract with FinClear Services which enables FinClear Services to ultimately call upon you to satisfy these obligations).

**d) Clearing services for transactions in Exchange Traded Options executed on ASX**

FinClear Services acts as principal in relation to the clearing and settlement of transactions in ETOs executed on ASX on your behalf. FinClear Services also acts as principal in respect of the clearing and settlement of transactions in ETOs executed on ASX on your behalf for which FinClear Services accepts the "give up".

However, there may be certain activities which FinClear Services will perform as agent for another person (such as the despatch by FinClear Services of confirmations to clients as agent for the Broker that executed the transaction).

The rights of FinClear Services against the ASX Group in respect of any transaction in ETOs executed on ASX for which FinClear Services has the settlement obligations will be personal to FinClear Services, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the ETO, FinClear Services acts as principal and not as an agent or trustee for the client. However, FinClear Services will owe corresponding obligations to the client as a principal.

**e) Execution and clearing services for transactions in Exchange Traded Options executed on ASX**

FinClear Services acts as principal in relation to the execution of your orders which are communicated to it by the Financial Intermediary for execution on ASX on your behalf.

We act as principal (and not as agent for the Financial Intermediary) in relation to the clearing and settlement of such transactions. FinClear Services also acts as principal in respect of transactions in ETOs executed on ASX on your behalf for which FinClear Services accepts the "give up".

However, there may be certain activities which FinClear Services will perform as agent for another person (such as the despatch by FinClear Services of confirmations to clients as agent for the Financial Intermediary who arranged for that transaction to be executed).

The rights of FinClear Services against the ASX Group in respect of any transaction in ETOs executed on ASX for which FinClear Services has the settlement obligations will be personal to FinClear Services, and the benefit of those rights will not pass to the client for whom the transaction was executed. Accordingly, in clearing the transaction and being the registered holder of the ETO, FinClear Services acts as principal and not as an agent or trustee for the client. However, we will owe corresponding obligations to the client as a principal.

**f) Settlement and nominee services**

FinClear Services acts as your agent in relation to the settlement of transactions in securities and interests in managed investment schemes which the Correspondent has arranged for another Trading Participant to execute on a Relevant Exchange on your behalf.

FinClear Services may arrange for FinClear Services Nominees to provide nominee services to clients. Subject to the terms of the relevant documentation, FinClear Services Nominees acts as nominee or trustee for the client in providing those services.

**g) Sponsorship services**

FinClear Services acts as principal in providing sponsorship services to clients.

**h) Nominee and custody services**

FinClear Services may arrange for FinClear Services Nominees and/or another entity to provide nominee and other custody services to you. FinClear Services Nominees or the other entity, will act as nominee or trustee for you in providing the service.

**i) Other services**

FinClear Services acts as agent for the client in providing settlement services for the client in respect of transactions executed by the client or on behalf of the client by another person.

**6. How you may provide instructions and make payments into our trust account**

To provide instructions to FinClear Services, you must contact your Correspondent or Broker as appropriate (and not FinClear Services directly).

You may only deposit funds into a FinClear Services trust account if the funds are paid in connection with financial services provided (or to be provided) by FinClear Services to you.

FinClear Services' trust accounts are not "holding" accounts where your funds, with no connection to FinClear Services or the financial services provided by FinClear Services to you, may be deposited for convenience or by any other party other than you or your Correspondent or Broker on your behalf.

FinClear Services will not facilitate or accept the deposit of funds into its trust accounts in the form of cash or cheques over-the-counter in bank branches or via automated telling machines by you, your Correspondent, your Broker or any other party.

You and your Correspondent or Broker (as appropriate) must only deposit or facilitate the deposit of cleared funds from your client bank account by electronic funds transfer or BPay in relation to the financial services provided by FinClear Services.

**7. How we are remunerated**

**a) Remuneration for execution, clearing and settlement services**

FinClear Services will charge the Correspondent fees for executing and/or clearing transactions, and for providing settlement and nominee services to clients.

The fees that FinClear Services may charge the Correspondent may be a fixed monthly fee, a fee per trade, a fee per service and/or other fees.

You or the Correspondent may be charged fail fees by FinClear Services where you fail to perform your settlement obligations in respect of a transaction that has been executed on your behalf. Fail fees may include a fee imposed by a Relevant Exchange, an administrative fee and a default charge on the amount outstanding from time to time.

FinClear Services may also charge you or the Correspondent for services provided by FinClear Services which are directly related to or ancillary to the transactions executed on your behalf including, without limitation, charges and fees related to FinClear Services holding foreign exchange in its trust account for extended periods of time, payment return fees, dishonour fees, cheque issuance or processing fees, wire fees, delayed payment fees and holding fund fees.

You may also be charged brokerage or commission or other fees by FinClear Services on a contract for the transfer of

underlying securities following the exercise of an ETO at a rate determined by FinClear Services and advised to you from time to time. All or part of this fee or commission may be passed on to the Correspondent.

The Correspondent will also charge you brokerage or commission and/or other fees agreed with you in respect of the services that it provides to you. Information concerning such brokerage, commission and fees may be obtained from the Correspondent.

**b) Remuneration for CHESS sponsorship services**

FinClear Services may charge you a fee for providing you with CHESS sponsorship services. You will be advised in writing of the fee (if any) to be charged by FinClear Services before you agree to receive CHESS sponsorship related services from FinClear Services.

FinClear Services may also charge the Correspondent fees relating to the provision of CHESS sponsorship services to you, and the Correspondent will be advised in writing of the fee (if any) to be charged by FinClear Services.

**c) Remuneration for nominee and custody services**

FinClear Services may charge you a fee for providing nominee or custody services. The fees that we charge the Correspondent may include fees relating to the provision of nominee and/or sponsorship services to you.

**8. Commission, Remuneration and other Benefits received by FinClear Services**

FinClear Services is remunerated by the fees it charges the Correspondent for the services it provides to them.

FinClear Services is also remunerated by the fees that it may charge clients, as described above. 8. Commission, Remuneration and other Benefits received by FinClear Services

FinClear Services is remunerated by the fees it charges the Correspondent for the services it provides to them. FinClear Services is also remunerated by the fees that it may charge clients, as described above.

FinClear Services may also earn and retain interest on moneys held for clients in our trust accounts (including in respect of margin payments made by clients to FinClear Services for ETOs).

FinClear Services may also receive commissions, trailing commission or other benefits from other entities. *As a guide, FinClear Services may receive the following:*

Entity	Commission / Benefits
<b>Margin Lenders</b>	Ongoing commission can range from 0.25% per annum to 0.75% per annum of the margin lending facility
<b>Cash Management Trusts Providers</b>	Ongoing commissions can range from 0.15% pa to 0.65% per annum on balance invested
<b>Foreign Exchange</b>	A percentage of the fee charged by the International Securities Trader in entering foreign exchange contracts to facilitate settlement of an international securities transaction. FinClear Services may charge to clients an amount for transactions in foreign currencies which is between 0.1% and 1.0% of the relevant Australian dollar transaction amount.
<b>Stock lending fees</b>	Where FinClear Services is facilitating securities lending to cover short sales requested by you or your Correspondent, FinClear Services may receive fees or interest from the relevant securities lender.

**9. How our representatives are remunerated**

Our representatives are remunerated by way of salary and they do not directly receive any remuneration calculated by reference to the amount of fees or commissions received by FinClear Services.

They may also be entitled to a bonus or other employment benefits based upon performance and achievement of various objectives by both the representative and FinClear Services.

**10. Referral fees**

FinClear Services will not pay a third party a fee for referring you to us.

Similarly, FinClear Services will not be paid a fee for referring you to the Correspondent.

**11. Relationships or associations with financial product providers**

FinClear Services may enter into arrangements with financial product providers. Therefore, we may receive commissions, trail fees or other benefits as a result of your investing or dealing in any such product. See paragraph 7 in this FSG for further details.

**12. Documents you will receive when you go through FinClear Services' client application process**

**a) Clearing services for transactions executed by the Correspondent**

You will receive a Disclosure Statement which will contain more information relating to the clearing service provided by FinClear Services and the terms and conditions of those services where FinClear Services is to clear transactions executed for you by a Correspondent through a Relevant Exchange.

**b) Execution and clearing services**

You will receive our Equities Client Terms which will contain more information relating to the execution and clearing services provided by FinClear Services and the terms and conditions of those services where FinClear Services is to execute and clear transactions on a Relevant Exchange for you. You will also be provided with a summary of our Best Execution Policy, which explains how we handle and execute your orders, as required under the ASIC Market Integrity Rules (Securities Markets) 2017.

Where FinClear Services is to arrange for the execution and clearing of securities on a foreign market by an International Securities Trader, you will receive our International Securities Trading Terms which will contain information and the terms and conditions on which FinClear Services will arrange for those services to be provided to you.

**c) Transactions in ETOs**

If you wish to transact in ETOs, you will need to enter a Derivatives Client Agreement with FinClear Services. Depending on whether FinClear Services or the Correspondent is to execute your trades in ETOs on ASX, you will be provided with an ETO Product Disclosure Statement by FinClear Services or the Correspondent. The ETO Product Disclosure Statement will contain important information regarding trading ETOs, including the fees charged by ASX Clear. If the Correspondent (and not FinClear Services) is to execute your trades in ETOs on ASX, you will also be required to execute a Derivatives Client Agreement with the Correspondent.

**d) Settlement and nominees services - general**

If FinClear Services is to settle transactions in securities and interests in management investment schemes which the Correspondent arranges for another Trading Participant to execute on a Relevant Exchange for you, you will need to enter into a Nominee and Settlement Services Agreement with FinClear Services which will contain more information relating to the settlement and nominee services provided by FinClear Services and the terms and conditions of those services.

**e) Settlement and nominees services – MDA accounts**

If FinClear Services is engaged to provide settlement and nominee services to you in connection with the provision to you of MDA services by the Correspondent, you will need to enter into a Nominee and Settlement Services

Agreement with FinClear Services which will contain more information relating to the settlement and nominee services provided by FinClear Services and the terms and conditions of those services.

#### **f) CHESSE Sponsorship Services**

If FinClear Services is to act as your CHESSE Sponsoring Participant, you will need to enter into a Sponsorship Agreement with FinClear Services.

#### **g) Nominee and custody services**

If FinClear Services is to arrange for FinClear Services Nominees or another entity to provide nominee or other custody services to you, you will need to enter into an agreement with FinClear Services for this purpose.

#### **h) Advice**

You will not receive a Statement of Advice from FinClear Services as we do not provide any personal financial product advice.

If you receive personal financial product advice from the Correspondent, the Correspondent may be required to give you a Statement of Advice.

### **13. Dispute Resolution and Complaints**

FinClear Services is dedicated to providing quality service and as part of our service commitment to clients, it is important to provide an efficient and accessible system for resolving disputes.

Should you be of the opinion that the service provided by FinClear Services is not at an acceptable level, you have the right to complain and this complaint will be dealt with as promptly as possible. FinClear Services will aim to resolve any complaint quickly and fairly.

If you have a complaint, put your complaint in writing and address it to:

**FinClear Services Pty Ltd**  
**Head of Compliance**  
**GPO Box 5343**  
**Sydney NSW 2001**  
**Ph: 02 8999 4000**  
**Fax: 02 8999 4099**

You should try to include as much detail about the circumstances of the complaint as possible including the names of any FinClear Services employees involved and include any supporting documentation.

Following receipt of your complaint, FinClear Services' Head of Compliance will acknowledge receipt of your complaint in writing and provide you with an estimate of the time it will take to investigate the issues you have raised. A full investigation will be undertaken which will include reviewing all the supporting documentation, speaking to you and interviewing relevant FinClear Services employees. You will be provided with a detailed written response once the investigation of the complaint has been finalised.

If we do not resolve the complaint to your satisfaction, you have the option of pursuing your complaint with the Australian Financial Complaints Authority (AFCA).

AFCA's contact details are:

**Australian Financial Complaints Authority**  
**GPO Box 3**  
**Melbourne, VIC 3001**  
**Telephone: 1800 931 678 (free call)**  
**Email: [info@afca.org.au](mailto:info@afca.org.au)**  
**Web: [www.afca.org.au](http://www.afca.org.au)**

Alternatively you may also be able to pursue the matter with a Relevant Exchange. ASX has offices in all capital cities and their details are available on [www.asx.com.au](http://www.asx.com.au). Cboe's contact details are available on [www.cboe.com.au](http://www.cboe.com.au)

Alternatively, the Australian Securities & Investments Commission (ASIC) also has a free call information line (1300 300 630) that you may use to make a complaint and obtain information about your rights.

If your complaint relates to a service provided to you by the Correspondent (rather than FinClear Services), you should seek to have your complaint dealt with in the manner advised by the Correspondent (in its FSG or otherwise).

Alternatively, the Australian Securities & Investments Commission (ASIC) also has a free call information line (1300 300 630) that you may use to make a complaint and obtain information about your rights.

If your complaint relates to a service provided to you by the Correspondent (rather than FinClear Services), you should seek to have your complaint dealt with in the manner advised by the Correspondent (in its FSG or otherwise).

### **14. Compensation Arrangements**

FinClear Services has arranged for Professional Indemnity insurance cover which it considers to be adequate, having regard to the following:

- FinClear Services' maximum liability under the Australian Financial Complaints Authority of which FinClear Services is a member;
- volume and nature of FinClear Services' business;
- number and kind of its clients; and
- the number of representatives and Authorised Representatives it has.

FinClear Services considers its compensation arrangements for clients to be in compliance with s912B of the Corporations Act. If you require further information about our compensation arrangements please contact FinClear Services' Head of Compliance.

### **15. Privacy**

FinClear Services and/or its agents may use personal information collected from you for the following purposes:

- to provide you with services, products and/or information that you have requested or may reasonably expect to receive;
- to conduct research, product development, marketing, risk assessment and modelling; or
- to comply with our rights and obligations and under relevant laws and regulations.

FinClear Services and/or its agents may also disclose the information collected from you to third parties such as mailing houses or others who provide services to us (but will not do so for marketing purposes). FinClear Services will not disclose your information to any other person except where that disclosure is authorised or permitted by the Australian Privacy Principles or by law.

FinClear Services takes all reasonable steps to ensure that information we have collected from you is secure. All stored personal information is protected from unauthorised access by user login requirements, passwords or other security procedures.

You are able to access and update the personal information held by FinClear Services. Please contact your Correspondent to do so.

If you have any questions about privacy, please contact FinClear Services' Privacy Officer by writing to the address in section 16 below.

### **16. Contact Details**

Our contact details are as follows:

**FinClear Services Pty Ltd**  
**GPO Box 5343**  
**Sydney NSW 2001**  
**Ph: 02 8999 4000**  
**Fax: 02 8999 4099**

# Equities Trade Rules and Information

In addition to the Terms and Conditions of dealing with Ord Minnett, please note the following Trade Rules and Information:

## Ord Minnett and FinClear

Ord Minnett has entered into an agreement with FinClear Services Pty Ltd AFS Licence 338264 and ABN 60 136 184 962 (“FinClear” or “Ord Minnett’s Clearing Participant”) to settle and clear all Transactions executed by Ord Minnett. This relationship will have the following implications for you as a client of Ord Minnett:

- Ord Minnett will act as your CHESSE Sponsoring Participant, however FinClear will administer your holdings in CHESSE.
- Confirmations will be issued by FinClear and will reference FinClear as Ord Minnett’s Clearing Participant.
- If you elect to settle your Ord Minnett transactions via direct debit or credit arrangements your account statement will identify FinClear instead of Ord Minnett as the entity which has debited or credited your nominated bank account.
- If you elect to settle your Ord Minnett purchases using the BPAY facility, you will notice that the BPAY Biller will be FinClear.

## Confirmations

When you provide an electronic address (“email address”) to Ord Minnett, you authorise Ord Minnett’s Clearing Participant to dispatch electronic Confirmations to the email address provided. It is your responsibility to ensure that the email address you provide to Ord Minnett is operational and available for receipt of electronic Confirmations and to advise Ord Minnett of any change to your email address as soon as practicable after the change is made. If you do not provide Ord Minnett with an email address, Confirmations will be sent to a fax number provided by you in this Application Form. In the absence of an email address or fax number, Confirmations in paper based form will be sent to the registration address provided by you. Additional charges may apply for the production and postage of paper based Confirmations.

Where we enter into multiple Transactions in order to complete an order, you authorise us to accumulate those transactions on a single confirmation and to specify the volume weighted average price for the transactions. If requested by you, we will give you a statement of all the individual prices of the relevant transactions which are accumulated and averaged in a confirmation.

If you are a Wholesale Client for the purposes of the Market Integrity Rules, we may elect not to give any Confirmations to you in relation to Transactions executed for you.

## Purchase of Shares

Payment for purchases must first be received by Ord Minnett’s Clearing Participant so that the Clearing Participant can settle these purchases on Ord Minnett’s behalf by the Settlement Date. If you are purchasing shares which are Issuer Sponsored, these shares will not be registered until payment has been received by Ord Minnett’s Clearing Participant and these funds have cleared. Therefore, when purchasing shares, payment must be made in time to reach Ord Minnett’s Clearing Participant by the close of business on the second Business Day following the transaction, in readiness for settlement on the third Business Day. You also have the choice

of paying by:

## Ord Minnett Cash Management Trust

By providing details of your Ord Minnett Cash Management Trust you authorise Ord Minnett’s Clearing Participant, as agent of Ord Minnett, to use the Sweep Facility on your Ord Minnett Cash Management Trust to settle securities transactions.

## Other Cash Management Trusts

Other Cash Management Trust managers may require a separate authorisation to allow Ord Minnett’s Clearing Participant to settle transactions on your behalf. If this is the case, please attach the appropriate Authority.

Banking Details – Credit and Debit–By allowing Ord Minnett’s Clearing Participant to directly credit and/or debit your account when settling securities transactions, you will ensure the fastest and most secure method of settlement.

BPAY–If you have elected to settle your purchases via the BPAY facility you must schedule payment prior to 6.00 pm the day before market settlement to ensure your transaction settles on time. The BPAY facility details will be listed on your Confirmation.

## Sale of Shares

Shares which are sponsored by Ord Minnett for you in CHESSE at the time of the sale will be available for settlement on the nominated day. If your shares are issuer sponsored, Ord Minnett must know your Shareholder Reference Number (SRN) before your order is placed. If you are selling shares represented by share certificates (these are still valid for a very few securities), you must mail the share certificates to Ord Minnett before you place your order, or have them delivered to us no later than the first Business Day following the transaction. If they are not received in time, fail fees may be imposed by the Relevant Exchange and passed onto you. Proceeds from sales are made available to you by Ord Minnett’s Clearing Participant, usually on the third Business Day following the transaction and as noted on your Confirmation either by:

1. Transfer to your Ord Minnett Cash Management account, where your funds will begin to earn interest immediately; or
2. Direct credit – cleared funds to your nominated bank account, subject to your election of a direct credit facility in the Application Form.

## Ord Minnett Cash Management Trust

We strongly recommend that you establish an Ord Minnett Cash Management Trust to settle your trades. The Ord Minnett Cash Management Trust provides for the establishment of a ‘sweep’ facility to and from your share account for the settlement of purchases and sales of your shares. Your liquid funds will earn market-related interest in your Cash Management Trust account whilst being readily accessible on a ‘same day’ basis.

A Product Disclosure Statement and Application Form can be obtained from your Adviser. Please note that funds which are held in a Cash Management Trust account are not covered by the ASX National Guarantee Fund or the Cboe Fidelity Fund.

## Ord Minnett Sponsorship

We recommend that you choose to register your shareholdings in the CHES system, via Ord Minnett Sponsorship, as an alternative to Issuer Sponsorship. This will allow us to maintain an accurate record of your holdings and ensures convenient settlement of share transactions and timely delivery of sales.

CHES is a centralised electronic transfer and settlement system which is operated by the ASX. The integrity of holdings which are Broker Sponsored in CHES are protected by the ASX National Guarantee Fund.

Being sponsored by Ord Minnett does not preclude you from dealing with any other Broker. To elect to have your shares sponsored by Ord Minnett you must sign the enclosed CHES Sponsorship Agreement and return this to us together with your Application Form as soon as possible. Any valid holdings statement under an SRN (where your holdings are Issuer Sponsored) or share certificates that you now hold or which may result from your initial purchases with us may also be forwarded to Ord Minnett for conversion to CHES. You will then receive statements from CHES to confirm your holdings.

## Ord Minnett Best Execution Policy

The ASIC Market Integrity Rules (Competition in Exchange Markets) 2011 ("the Competition Integrity Rules") require that Ord Minnett Limited ("Ord Minnett") take all reasonable steps to obtain the best possible execution for its clients.

Our Best Execution policy sets out the measures we will take to ensure the best possible outcome for clients who place orders through Ord Minnett. This overarching obligation to obtain the best possible result for clients is referred to, in this document, as our obligation of "Best Execution". Specific terms used within this policy are as defined in the Competition Integrity Rules.

### Scope

This policy applies to all Ord Minnett clients and to dealings in financial products. Best Execution is only owed when we accept an order to execute a transaction on your behalf or in other circumstances where we have otherwise expressly agreed to accept Best Execution obligations.

When you give a specific instruction, Ord Minnett will be bound to follow your instruction notwithstanding that executing your instruction may not result in Best Execution.

### Our Obligation

When executing orders on your behalf in relation to financial products, Ord Minnett will take all reasonable steps to achieve Best Execution of your orders. Ord Minnett has in place policies and processes which are designed to obtain the best possible execution result on a consistent basis, subject to and taking into account the financial product, the market for the financial product and your instructions to Ord Minnett. These policies and processes provide, in Ord Minnett's view, the best balance across a range of sometimes conflicting factors.

Subject to any instruction to the contrary from you, Ord Minnett will generally give price a higher relative importance when obtaining the best possible result for orders executed on your behalf. However, Ord Minnett may also take into consideration a range of different factors, including, the need for timely execution, availability of price improvement, the liquidity of the market (which may make it difficult to execute an order), potential price impact, the size of the order.

Ord Minnett will monitor the effectiveness of its execution arrangements and assess on a regular basis whether our policies and processes provide for the best possible result for orders it executes on your behalf.

## Our Markets

Ord Minnett will trade wholly on the ASX and Cboe markets and will look to find the Best Execution on each market.

We undertake to ensure that you obtain Best Execution irrespective of the market on which a financial product is traded.

Ord Minnett will not structure or charge commissions in such a way as to discriminate unfairly between markets.

## Your Instructions

Where you give us specific instructions, relating to an order or a particular aspect of an order, we will execute so far as is reasonably possible in accordance with those instructions. This may prevent us from taking the steps that we have put in place to obtain the best possible result for the execution of your orders.

In the absence of express instructions from you Ord Minnett will exercise its own discretion, having regard for the terms of your order in determining the factors that it needs to take into account for the purpose of providing you with Best Execution.

## Aggregation and allocation

Ord Minnett maintains policies surrounding the aggregation of orders within its operating procedures. Where we enter into multiple transactions and the transactions are executed on one or more licensed markets, you authorise us to accumulate those transactions on a single confirmation and to specify the volume weighted average price for the transactions

## Direct Credit Facility and Direct Debit Request

Ord Minnett's Clearing Participant, FinClear Services Pty Ltd ("Ord Minnett's Clearing Participant") offers clients a Direct Credit Facility for payments of sale proceeds. There is no additional charge for making use of the Direct Credit Facility.

The Direct Credit Facility operates as follows:

1. Except for contracts which have failed to settle by the specified date, payment will be made by our Clearing Participant on the settlement date by electronic transfer and cleared funds should be available in your account no later than 48 hours after settlement date.
2. Your bank account statement will be narrated to identify direct credits received from FinClear.

## Direct Debit Facility

If you complete the Direct Debit Request Form you:

- (a) request and authorise FinClear (Debit User Identification number 227738) to arrange for any amount which you owe to FinClear from time to time to be debited through the Bulk Electronic Clearing System and paid to FinClear from the account you have nominated the Application Form;
- (b) authorise FinClear to debit in accordance with the Direct Debit Agreement the account nominated by you in the Application Form with any amount FinClear may debit or charge you; and
- (c) acknowledge having read and understood, and agree to be bound by, the terms in the Direct Debit Request Service Agreement below.

## Direct Debit Request Service Agreement

### 1. Definitions

In this Direct Debit Agreement:

Account means the account identified as the direct debit account in the Direct Debit Request Form, but only if that account is held with a Financial Institution.

Banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia, or where there is a public holiday simultaneously in Victoria and New South Wales.

Debit Day means the day that payment is due from you to FinClear.

Debit Payment means a particular transaction where a debit is made.

Direct Debit means the direct debit request which you make to FinClear by completing and signing Direct Debit Request Form.

Financial Institution means a financial institution with whom FinClear has a direct debit facility arrangement. Please contact your adviser to check whether FinClear has a direct debit facility arrangement with Your Financial Institution.

Ord Minnett Limited ABN 86 002 733 048 ("Ord Minnett") means your executing broker.

FinClear means FinClear Services Pty Ltd ABN 60 136 184 962 ("FinClear") and Ord Minnett's Clearing Participant.

Your Financial Institution means the Financial Institution at which the Account is kept.

## 2. Debiting the Client's Account

- 2.1 By completing the Direct Debit Request you authorise FinClear to arrange for funds to be debited from the Account and you warrant and represent that you are duly authorised to request the debiting of payments from the nominated bank account.
- 2.2 FinClear will only arrange for funds to be debited from the Account as authorised in the direct debit request.
- 2.3 If the Debit Day falls on a day that is not a Banking day, FinClear may direct Your Financial Institution to debit the account on the following Banking day. If you are unsure about the day on which the Account has or will be debited, you should ask Your Financial Institution.

## 3. Your Obligations

- 3.1 It is your responsibility to ensure that there are sufficient clear funds available in the Account to allow a Debit Payment to be made in accordance with the Direct Debit Request.
- 3.2 If there are insufficient funds in the Account to meet a Debit Payment:
  - (a) you may be charged a fee and/or interest by Your Financial Institution;
  - (b) you may also incur fees or charges imposed or incurred by FinClear; and
  - (c) you must arrange for the Debit Payment to be made by another method or arrange for sufficient clear funds to be in the Account by an agreed time so that FinClear can process the Debit Payment.
- 3.3 You should check the Account statement to verify that the amounts debited from the Account are correct.
- 3.4 If FinClear is liable to pay goods and services tax (GST) on a supply made in connection with this agreement, then you agree to pay FinClear on demand an additional amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## 4. Changes

- 4.1 You may request deferment of, or alteration to, suspension of these direct debit arrangements or stop any debit item by providing signed written instructions to your financial adviser.
- 4.2 You may also cancel your authority for FinClear to debit the Account by providing notice to your financial adviser.
- 4.3 FinClear may make changes or terminate these arrangements at any time by giving 14 days notice in writing to you.

## 5. Dispute

- 5.1 If you believe that there has been an error in debiting the Account, you should notify FinClear directly on (02) 8999 4000 and confirm that notice in writing as soon as possible by faxing to (02) 8999 4099 or positing to GPO Box 5343, Sydney NSW 2001.
- 5.2 If FinClear concludes as a result of our investigations that the Account has been incorrectly debited FinClear will arrange for Your Financial Institution to adjust the Account accordingly. FinClear will also notify you in writing of the amount by which the Account has been adjusted.
- 5.3 If FinClear concludes as a result of our investigations that the Account has not been incorrectly debited FinClear will provide you with reasons and any evidence for this finding.
- 5.4 Any queries about an error made in debiting the Account should be directed to FinClear in the first instance (and not to Your Financial Institution) so that FinClear can attempt to resolve the matter with you. If the matter cannot be resolved in this manner FinClear may refer it to Your Financial Institution which will obtain details from you of the disputed transaction.

## 6. Accounts

FinClear recommends that you:

- (a) confirm with Your Financial Institution whether direct debiting through the Bulk Electronic Clearing System (BECS) is available from the Account as direct debiting may not be available on all accounts offered by Your Financial Institution; and
- (b) check that the Account details provided to FinClear are correct by checking them against a recent Account statement.

## 7. Confidentiality

- 7.1 FinClear will keep any information (including Account details) in your Direct Debit confidential.
- 7.2 FinClear will only disclose information that it has about you:
  - (a) to the extent specifically required by law; or
  - (b) for the purposes of this Direct Debit Agreement (including disclosing information in connection with any query or claim); or
  - (c) as permitted by the Terms.

## 8. Governing Law

These terms are governed by the laws in force in New South Wales

### Directors Indemnity

Where you execute this Agreement in the capacity of a director or officer of a body corporate ("the Client") you agree to indemnify Ord Minnett against any liability incurred as a consequence of any dealing on any account whatsoever established by the Client as well as any liability or loss arising from, and any costs, damages, charges and expenses incurred in connection with:

- (a) any failure by the Client to pay Ord Minnett any monies which are due and payable by the Client on any account whatsoever of the Client; and
- (b) any failure by the Client to fulfil its obligations to Ord Minnett.

Where there is more than one person executes this agreement in the capacity of a director or officer of the Client, they acknowledge that they have assumed joint and several liability for any monies payable to Ord Minnett by the Client and that Ord Minnett may pursue recovery against one or any of them at its discretion.

The indemnity shall be a principal and continuing obligation and shall be in addition to and not merge with, or be affected by, any other security held by Ord Minnett, now or in the future, notwithstanding any rule of law or equity, or any statutory provision to the contrary

## **Sophisticated Investor Acknowledgement**

By choosing to register as a Sophisticated or Professional Investor, you confirm and acknowledge that:

- (a) You will be classified as a wholesale client. This means that Ord Minnett will not be required to provide you with Statements of Advice and other forms of disclosure that it is required to provide to retail clients.
- (b) Offers of investment products made to you by Ord Minnett will be made on the basis of your status as a wholesale client.
- (c) You have sufficient financial knowledge and experience investing in securities to independently assess the merits, value and associated risks of a securities offer without the benefit of a prospectus or like disclosure document.

# Equities Terms and Conditions

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1. By instructing Ord Minnett to deal on behalf of the Account, the Client is taken to have agreed to these Terms and Conditions as well as the Trading Rules and Information which forms part of this Application Form.
2. If more than one person constitutes the Client, then they are jointly and severally bound by this agreement and each of those persons has full authority to operate the Client's account and Ord Minnett may act on the instructions of any one of those persons.
3. These terms and conditions govern the dealings executed on behalf of the Account by Ord Minnett and are subject to the Corporations Act, the Market Integrity Rules, procedures, customs, usages and practices of ASX Limited (ASX) and Cboe Australia Pty Ltd (Cboe), Operating Rules of the ASX Clear Pty Limited (ASX Clear), Operating Rules of ASX Settlement Pty Limited (ASX Settlement) (where applicable) and any other applicable law as amended from time to time (together the 'Regulatory Requirements').
4. By completing this Application Form, the Client acknowledges receipt of the following documentation from Ord Minnett:
  - Ord Minnett Financial Services Guide;
  - Ord Minnett Privacy Policy;
  - Client Profile (where personal advice is given to the Client by an Ord Minnett Adviser);
  - Ord Minnett's Clearing Participant's Financial Services Guide;
  - Ord Minnett's Clearing Participant's Disclosure Statement.
5. The Client warrants that the information provided by the Client in this Application Form or as notified to Ord Minnett from time to time is complete and accurate and can be relied upon by Ord Minnett and Ord Minnett's Clearing Participant in the absence of any written notification to the contrary. Where insufficient or incorrect information is provided and an account has not been properly established, Ord Minnett reserves the right to refuse an order and/or execute a trade. The Client agrees to notify Ord Minnett in writing of any change to personal information that may be relevant to any dealing or proposed dealing between the Client and Ord Minnett.
6. The Client warrants that he or she has the legal right and power to enter into this Agreement that where the Client is a Trustee, the Client can be indemnified out of the assets of the trust for all liabilities incurred under the Agreement that where the Client is a trustee of a superannuation fund, that the Client has properly considered the law as it relates to superannuation funds before entering into this Agreement.
7. Ord Minnett's Clearing Participant, will on Ord Minnett's behalf issue a Confirmation of each transaction to the Client in accordance with the Regulatory Requirements. A Confirmation is a record of the transaction and includes the price of the shares and brokerage, together with your settlement instructions. Ord Minnett's Clearing Participant may issue a further Confirmation if a previous Confirmation contains any errors or omissions and, in this event, the further Confirmation shall supersede the previous one(s) in all respects.
8. When the Client provides an electronic address ("email address") to Ord Minnett, the Client authorises Ord Minnett's Clearing Participant to dispatch electronic Confirmations to the email address provided by the Client in respect of the Client's dealings. It is the Client's responsibility to ensure that the email address provided to Ord Minnett is operational and available for receipt of electronic Confirmations issued and to advise Ord Minnett of any change to the email address as soon as practicable after the change is made. Where Ord Minnett does not hold an email address for the Client, the Client acknowledges that Confirmations will be sent to the Client's fax number as provided by the Client and where a fax number has not been provided, to the Client's registration address.
9. The Client further agrees that at its discretion, Ord Minnett's Clearing Participant may issue paper based Confirmations to the Client's registration address in lieu of electronic Confirmations. The Client must notify Ord Minnett in writing if the Client does not wish to receive electronic Confirmations.
10. Whilst the Client or Authorised Person of the Client may instruct Ord Minnett to deal on behalf of the Account, Ord Minnett has discretion as to whether to accept or decline such instructions at any time without the need to provide any reason therefore. Further Ord Minnett reserves the right to decline to act on behalf of the Client where either the original instruction from the Client is more than one calendar month old or where a security or other investment medium has been subject to a trading halt and the Client has not reconfirmed his or her instruction subsequently.
11. The Client acknowledges that a Relevant Exchange may require cancellation or amendment of a dealing or order and that Ord Minnett may in its absolute discretion cancel trades pursuant to an order or as contemplated by the Market Integrity Rules, procedures, customs, usages and practices of ASX and Cboe (including without limitation Rules placing obligations on Participants to maintain an orderly market) and ASX Clear without the consent of the Client.
12. Where a Client is seeking personal advice, the Client must complete the Client Profile in this Application Form to ensure that any securities recommendation made to the Client is considered and reasonable. The Corporations Act requires an adviser to have regard to the information he/ she has about a Client's investment objectives, financial situation and needs before making a recommendation to acquire a financial product. The Client acknowledges that in the absence of providing such personal information to an Ord Minnett Adviser, any recommendation made to the Client will be a general securities recommendation.
13. The Client acknowledges that he or she has formed the view that trading through the Account is appropriate to the Client's investment objectives, financial situation and needs and Ord Minnett is entitled to rely on this acknowledgement when accepting and acting upon the Client's instructions.
14. The Client acknowledges that he or she is responsible for any fraudulent or illegal dealings on the Client's account which are attributed to the conduct of the Client and the Client releases Ord Minnett from any liability in this regard.

15. The Client acknowledges that he or she is liable for the cost of purchases including brokerage costs, taxes, duties, administration fees and charges in respect thereof and that the Client must make good delivery in respect of sales, to enable Ord Minnett's Clearing Participant to settle by the due settlement date. Where the Client either fails to make good delivery in respect of sales or fails to meet the costs of purchases by the due settlement date, Ord Minnett is entitled to pass on all costs to the Client. In the event that Ord Minnett's Clearing Participant does not receive payment from the Client for a purchase, Ord Minnett reserves the right to either demand payment from the Client on the settlement date or else settle the purchase in the absence of the Client's payment and either on or after the settlement date, apply any monies held by the Client in any account of the Client to which Ord Minnett has lawful access, in order to satisfy the Client's obligation.
16. Ord Minnett may suspend the Client's account at any time without notice, if the Client fails to settle on time in relation to orders which Ord Minnett has executed on behalf of the Client. The Client agrees to indemnify Ord Minnett for all costs, expenses and losses incurred, including brokerage, GST, fail fees levied by ASX, Cboe or ASX Clear and bank fees, resulting from the Client's failure to settle by the due date. In addition, the Client acknowledges that Ord Minnett and/or its Clearing Participant may report the Client to Financial Services Protection Limited in the event that the Client fails to settle any transactions.
17. The Client warrants that at all times during its dealing with Ord Minnett, the Client will be in position to meet all commitments arising out of dealings with or business conducted on behalf of the Client by Ord Minnett.
18. The Client acknowledges that Ord Minnett will not trade on the Account on a discretionary basis except where specifically authorised by the Client in a separate agreement. Where the Client has not signed an agreement authorising discretionary trading, the Client undertakes to notify Ord Minnett immediately upon becoming aware of any transaction on the Account which was undertaken without the Client's express approval and instruction. If the Client does not notify Ord Minnett of an unauthorised transaction on the Account within 14 days of having been given written notice of the transaction, it will be presumed that the Client agreed to and accepted the transaction and Ord Minnett will not be liable for any losses arising out of such transaction.
19. The Client acknowledges that Ord Minnett does not provide a short selling facility, does not facilitate scrip borrowing and has an obligation to report to ASX where it undertakes sales using borrowed securities. In order to ensure that Ord Minnett meets its reporting obligation, the Client undertakes to notify Ord Minnett the quantities of any borrowed stock which will be used to facilitate a sale prior to execution of the trade.
20. Ord Minnett has implemented internal complaint handling procedures consistent with the relevant Australian Standard. Any dispute between the Client and Ord Minnett must be notified in writing by the Client to the Compliance Manager (Ord Minnett, Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000) whereupon the dispute shall be handled in accordance with Ord Minnett's Complaints Handling procedure as detailed in Ord Minnett's Financial Services Guide.
21. The Client agrees to notify Ord Minnett of any material circumstance affecting the Client's account within two Business Days of the material circumstance including a change to the Client's name, address, telephone number or other such personal information.
22. The Client acknowledges that he or she may appoint an Authorised Person to act on behalf of the Account. Where an Authorised Person has been properly authorised by the Client, unless Ord Minnett receives written notice of the revocation of the authority or of the Client's death or incapacity, Ord Minnett is entitled to assume the authenticity of any instruction which will constitute an instruction by the Client. Ord Minnett is not liable for any loss the Client may incur through Ord Minnett acting on an instruction, where that instruction is given by a person whom Ord Minnett reasonably believes to be the Client or an Authorised Person of the Client. The Client acknowledges that while an Authorised Person is permitted to instruct Ord Minnett in relation to the Client's account, Ord Minnett may in its absolute discretion clarify such instruction with the Client. Ord Minnett may also in its absolute discretion decline any instructions given by the Client or an Authorised Person of the Client at any time.
23. The Client acknowledges that by appointing an Authorised Person to act on behalf of the Account, they authorise the person on whom authority has been conferred to undertake any of the following activities to:
- acquire, buy, deal with, dispose of or sell any traded securities and options;
  - execute all contracts and other documents necessary or proper for the custody, dealing and transfer of securities and related matters;
  - receive, hold, arrange custody of and deliver share certificates and other evidence of title to securities; and
  - exercise all rights and privileges and perform all duties and obligations which may now or in the future pertain to the Client as holder of securities.
24. The Client acknowledges that transactions executed by Ord Minnett will upon settlement be registered as instructed by the Client in the Application Form. Unless the Client indicates otherwise by electing to not be Sponsored by Ord Minnett in CHESS, the Client acknowledges that by signing the Application Form, that they are electing to have their ASX listed share transactions sponsored by Ord Minnett in the Clearing House Electronic Sub-register System (CHESS) in accordance with the CHESS Sponsorship Terms and Conditions which are contained within the Application Form (which may be amended from time to time). As the Client's CHESS Sponsor, Ord Minnett will (through Ord Minnett's Clearing Participant) control the share holdings established by Ord Minnett (or Ord Minnett's Clearing Participant) in CHESS on the Client's behalf. Subject to the terms and conditions for operating an account and the terms of the CHESS Sponsorship Agreement, Ord Minnett will act on the Client's instructions to transfer or convert these shares at the Client's request.
- The Client agrees to notify Ord Minnett of any error or subsequent change to information which is relevant to the registration of shares in the name of the Client.
25. The Client acknowledges that Ord Minnett is not responsible for any missed opportunities in the market during the time it takes Ord Minnett to follow its internal procedures in order to register the Client as a client of Ord Minnett and to place orders.
26. The Client acknowledges that in order for Ord Minnett to meet its obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 and associated Rules (AML obligations), Ord Minnett is required to obtain identification from the Client in order to verify the identity of the Client. Ord Minnett may at any time request further information relating to the identity of the Client and/or the source of transaction monies and the Client agrees to provide Ord Minnett with additional information as requested. If the Client does not provide Ord Minnett with information as requested, or there is

a delay in the Client providing Ord Minnett with this information, Ord Minnett may not be able to open an account. Ord Minnett is not liable for any loss incurred by the Client as a result of any action of Ord Minnett which either delays an account being opened or results in an application being declined, when these actions are necessary for Ord Minnett to comply with its AML obligations. Ord Minnett may require further information from the Client from time to time in order to meet its AML obligations and the Client agrees to provide Ord Minnett with whatever additional information is reasonably required in order for Ord Minnett to meet its AML obligations.

The Client acknowledges that he or she is not aware and has no reason to suspect that:

- the monies used to fund transactions have been or will be derived from or related to any money laundering, terrorism financing or other illegal activities, whether prohibited under Australian law, international law or convention or by agreement; or
- the proceeds of the transactions will be used to finance any illegal activities; and
- the Client is a politically exposed person or organisation.

27. The Client acknowledges that whilst Ord Minnett will make all reasonable attempts to effect any instruction to cancel or amend an order as soon as possible, if an order is placed prior to cancellation or amendment, the Client is obliged to accept the transaction on the original terms.
28. The Client acknowledges that Ord Minnett will use his or her personal information in accordance with the National Privacy Principles including to assess the Client's application to open a share account, to effect purchases, sales and other transactions on behalf of the Client, to provide related facilities and services including settlement, sponsorship and nominee services (as required), to take into account the Client's personal objectives, financial situation and needs when providing personal securities recommendations and to ensure compliance with these terms and conditions and the Regulatory Requirements. The Client consents to Ord Minnett using or disclosing his or her personal information in accordance with the National Privacy Principles which may involve Ord Minnett using or disclosing the personal information of the Client as required by the ASX, Cboe or ASX Clear Rules, the Corporations Act or any other applicable law. If at any time the Client does not wish information held about the Client to be used for marketing purposes, the Client may send a written direction to that effect to Ord Minnett.
29. Ord Minnett is not liable to the Client for any losses, damages, costs and expenses of any kind, which result from the Client's default under this agreement or which are caused by:
- Ord Minnett declining to act on the instructions of a Client;
  - the Client giving instructions to Ord Minnett under this agreement which are incomplete or incorrect which are lawfully acted upon by Ord Minnett;
  - the Client's use of or reliance on any research reports provided by Ord Minnett in a situation where advice was not sought from an Ord Minnett Adviser;
  - Ord Minnett complying with any direction, request or requirement of the ASX, Cboe or ASX Clear Rules, the Corporations Act or any other regulatory authority; and
  - any event or occurrence which is or was outside of Ord Minnett's control.

The Client agrees to indemnify Ord Minnett and keep Ord Minnett indemnified from all claims, actions and demands arising from any losses, damages, expenses and costs

(including legal costs on a full indemnity basis) whatsoever and howsoever arising, which are incurred by Ord Minnett as a result of undertaking the Client's instructions or which result from a failure of the Client to comply with these terms and conditions or the Regulatory Requirements.

30. The Client acknowledges that the liability of Ord Minnett for a breach of any provision implied by law which cannot be excluded is limited to Ord Minnett supplying the relevant services in a manner contemplated by the law.
31. The Client acknowledges that he or she is aware of the existence of the National Guarantee Fund and the Cboe Fidelity Fund which are compensation funds available to investors to meet valid claims arising from dealings with stockbrokers and that to make a claim, the Client needs to contact the ASX or Cboe.
32. Any monies paid to Ord Minnett's Clearing Participant in connection with a transaction contemplated under this Agreement will be paid into a trust account maintained in accordance with section 981B of the Corporations Act. Ord Minnett will keep the interest (if any) earned on any trust account including any interest earned with respect to any of your money which is paid into Ord Minnett's Clearing Participant's trust account.
33. These terms and conditions are governed by the laws of New South Wales.
34. These terms and conditions may be varied or modified by Ord Minnett from time to time by written notification to the Client and/or by notification to the Client as disclosed on Ord Minnett's website [www.ords.com.au](http://www.ords.com.au).
35. These terms and conditions may be terminated by Ord Minnett or the Client by either party giving not less than seven Business Days' notice in writing to the other party. Termination does not affect existing rights and obligations of either party at termination. Any notice given or demand made by either party, or Confirmation issued by Ord Minnett or by Ord Minnett's Clearing Participant, shall be deemed to have been received on the Business Day following the transmission or posting of the notice, demand or Confirmation.
36. If you breach any material provision of these Terms, Ord Minnett may, in addition to any other rights which it may have against you, without giving prior notice to you, take any action, or refrain from taking action, which it considers reasonable in the circumstances and, without limitation, sell (in the manner determined by Ord Minnett) any of your securities or other property held by, or under the control of, Ord Minnett or Ord Minnett's Clearing Participant (including, without limitation, all securities and other property lodged at ASX Clear in respect of your Account, even where this is not owned by you) and set off the proceeds of sale and any other amounts owed to Ord Minnett against any amounts owed by Ord Minnett to you, and you must account to Ord Minnett as if those actions were taken on your instructions and, without limitation, you are liable for any deficiency and entitled to any surplus which may result.
37. You acknowledge that you have engaged of Ord Minnett as an independent contractor and not in any other capacity including as a fiduciary. Ord Minnett may, to the extent it deems appropriate, render the services hereunder through one or more of its related bodies corporate.
38. All defined terms used in this Agreement are as defined in the Interpretation section of the Clearing Participant's Disclosure Statement. Unless otherwise defined in this Agreement, if a term is defined under the Corporations Act, that definition shall apply. All references to a person shall include a reference to a body corporate and the singular shall include the plural and vice versa.

## ASX Bookbuild Client Agreement

### 1. Application of ASX Operating Rules

The Client and the Trading Participant are bound by the ASX Operating Rules of ASX Limited ("ASX"), the Corporations Act and the Procedures, customs, usages and practices of ASX and its related entities, as amended from time to time, in so far as they apply to ASX BookBuild and any allocation of Financial Products in an offer on ASX BookBuild.

### 2. Right to refuse to deal

The Client acknowledges that the Trading Participant may at any time refuse to deal in, or may limit dealings in, the Financial Products offered under ASX BookBuild for the Client. The Trading Participant is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of the ASX Operating Rules or the Corporations Act. The Trading Participant will notify the Client of any refusal or limitation as soon as practicable.

### 3. Offers in the U.S. or to U.S. persons where terms of offer are silent

If the terms of the offer are silent on whether offers and issues of Financial Products are prohibited in the United States or to U.S. persons, then the Client acknowledges that the following terms of the offer will apply:

- (a) The Financial Products have not been, and will not be, registered under the US Securities Act of 1933 (the US Securities Act), and may not be offered, sold or resold in the United States, or to or for the account or benefit of U.S. persons, except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act;
- (b) Expressions used but not defined in these terms have the meanings set forth in Regulation S under the US Securities Act.

### 4. Warranty

When the Client instructs a Trading Participant to enter a Bid in an offer of Financial Products the Client warrants that it is:

- (a) aware of and agrees to the Investment Cap and the terms of the offer;
- (b) entitled, under the Investment Cap and the terms of the offer, To enter that Bid and to subscribe for any Financial Products allocated to it under Rule 4930.

### 5. Allocation

The Client acknowledges that where it has received an allocation of Financial Products as a result of a Bid entered by the Trading Participant on its behalf for the allocation of the relevant Financial Products under the applicable offer it has an obligation to subscribe for the number of Financial Products allocated to it at the final BookBuild Price on the terms of that offer.

### 6. Divestment

When the Client:

- (a) has received an allocation of Financial Products in an offer on ASX BookBuild which represents a percentage of Financial Products in that offer which exceeds the Investment Cap; or
- (b) has received an allocation of Financial Products in an offer on ASX BookBuild which results, or together with allocations to other persons result, in the voting power in the BookBuild Issuer of the Client or any other person increasing from a percentage at or below the Investment Cap to a percentage above the Investment Cap,

the Client acknowledges that such allocation was outside of the parameters established by the BookBuild Issuer for the

offer on ASX BookBuild and that the BookBuild Issuer may, at its election, require that the client divest such number of Financial Products allocated in the offer on ASX BookBuild up to the number required for the relevant person to no longer exceed the Investment Cap.

For the purposes of this clause a person's voting power in the BookBuild Issuer has the meaning given by s610 of the Corporations Act.

The Client acknowledges that damages are not an adequate remedy for a breach of these undertakings and that the BookBuild Issuer can require specific performance of this clause.

### 7. Enforceability by BookBuild Issuer

The Client acknowledges that the warranties and acknowledgments in clauses 4, 5 and 6 above can be enforced by the BookBuild Issuer.

### 8. Effect of termination

Termination does not affect the existing rights and obligations of the Client or the Trading Participant at termination.

### 9. Revised terms prescribed by ASX

If ASX prescribes amended minimum terms for an ASX BookBuild Client Agreement for the purposes of the Rules (the "New Terms"), to the extent of any inconsistency between these minimum terms and the New Terms, the New Terms will override the terms of the ASX BookBuild Client Agreement and apply as if the Client and the Trading Participant had entered into an agreement containing the New Terms.

# Chess Sponsorship Terms and Conditions

This Agreement applies when a person or entity ("the Participant Sponsored Holder") agrees to be sponsored by Ord Minnett Limited, ABN 86 002 733 048, AFSL 237121 ("the Participant") in the Clearing House Electronic Subregister System ("CHESS").

The Participant Sponsored Holder appoints the Participant to provide, and the Participant agrees to provide, transfer and settlement services as the Participant Sponsored Holder's agent on the terms and conditions of this Agreement.

## 1. Interpretation

- 1.1 Any term used in the Agreement which is defined in the ASX Settlement Operating Rules ('Rules') has the meaning given in the Rules. (Should you require a copy of these definitions please contact your adviser).

## 2. Mandatory Provisions

### 2.1 Participant Rights

- 2.1.1 Where the Participant Sponsored Holder authorises the Participant to buy Financial Products, the Participant Sponsored Holder will pay for those Financial Products within three (3) Business Days of the date of purchase.
- 2.1.2 Subject to Clause 2.1.3 the Participant is not obliged to transfer Financial Products into the Participant Sponsored Holding, where payment for those Financial Products has not been received, until payment is received.
- 2.1.3 Where a contract for the purchase of Financial Products remains unpaid, after the Participant has made a demand of the Participant Sponsored Holder to pay for the Financial Products, the Participant may sell those Financial Products that are the subject of that contract at the Participant Sponsored Holder's risk and expense and that expense will include brokerage, GST and stamp duty (if applicable).
- 2.1.4 Where the Participant claims that an amount lawfully owed to it has not been paid by the Participant Sponsored Holder, the Participant has the right to refuse to comply with the Participant Sponsored Holder's Withdrawal Instructions, but only to the extent necessary to retain Financial Products of the minimum value held in a Participant Sponsored Holding (where the minimum value is equal to 120% of the current market value of the amount claimed).

### 2.2 Participant Sponsored Holder's Rights

- 2.2.1 The Participant Sponsored Holder is entitled to receive a copy of the executed Broker Sponsorship Agreement on request.
- 2.2.2 Subject to Clauses 2.1.3 and 2.1.4, the Participant will initiate any Transfer, Conversion or other action necessary to give effect to Withdrawal instructions within two (2) Business Days of the date of the receipt of the Withdrawal Instructions.
- 2.2.3 Subject to Rule 7.4, the Participant will not initiate any Transfer or Conversion into or out of the Participant Sponsored Holding without the express authority of the Participant Sponsored Holder.

- 2.2.4 The Participant is regulated by the Corporations Act 2001 (Cth), the Australian Securities and Investment Commission (ASIC) Act and related legislation applicable to Financial Services Providers, the ASIC Market Integrity Rules, ASX Operating Rules, the Cboe Australia Pty Ltd (Cboe) Operating Rules, ASX Clearing Rules, and ASX Settlement Rules. The Participant Sponsored Holder can obtain information as to the status of the Participant from ASIC, ASX and Cboe.
- 2.2.5 The Participant Sponsored Holder may lodge a complaint against the Participant with the Participant, the Financial Ombudsman Service, ASIC, ASX or Cboe.
- 2.2.6 The Participant Sponsored Holder may lodge a claim for compensation with the Participant, or if the circumstances specified in Part 7.5 Division 4 of the Corporations Regulations 2001 apply, with the National Guarantee Fund.

## 3. Other Rights and Duties

### 3.1 Supply of Information

- 3.1.1 The Participant Sponsored Holder will supply all information and supporting documentation which is reasonably required to permit the Participant to comply with the registration requirements, as are in force from time to time, under the ASX Settlement Operating Rules.

### 3.2 Exchange Traded Options, Pledging and Sub-Positions

- 3.2.1 Where the Participant Sponsored Holder arranges with ASX Clear to lodge Derivatives Cover in a Participant Sponsored Holding, and informs the Participant of the arrangement, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonable required by ASX Clear in accordance with the Rules to give effect to that arrangement.
- 3.2.2 Where the Participant Sponsored Holder arranges with any person to give a charge or any other interest in Financial Products in a Participant Sponsored Holding, the Participant Sponsored Holder authorises the Participant to take whatever action is reasonable required by the person in accordance with the Rules to give effect to that arrangement.
- 3.2.3 The Participant Sponsored Holder acknowledges that where, in accordance with this Agreement and/or the Participant Sponsored Holder's instructions, the Participant initiates any action which has the effect of creating a sub-position over Financial Products in the Participant Sponsored Holding, the right of the Participant Sponsored Holder to transfer, convert or otherwise deal with those Financial Products is restricted in accordance with the terms of the Rules relating to sub-positions.
- 3.2.4 Nothing in this Agreement operates to override any interest of ASX Clear in the Financial Products.

### 3.3 Fees

- 3.3.1 The Participant Sponsored Holder will pay all Brokerage fees and associated transactional costs within the period prescribed by the Participant.

#### **4. Mandatory Notifications and Acknowledgments**

- 4.1 The Participant Sponsored Holder acknowledges that if the Participant is not a Market Participant of an Approved Market Operator, neither the Approved Market Operator nor any Related Party of the Approved Market Operator has any responsibility for regulating the relationship between the Participant Sponsored Holder and the Participant, other than in relation to the Rules relating to Sponsorship Agreements.
- 4.2 The Participant Sponsored Holder acknowledges that if a transfer is taken to be effected by the Participant under Section 9 of the ASX Settlement Operating Rules and the Source Holding for the transfer is Participant Sponsored Holding under the Sponsorship Agreement, then:
- (a) the Participant Sponsored Holder may not assert or claim against ASX Settlement or the relevant Issuer that the Transfer was not effected by the Sponsoring Participant or that the Sponsoring Participant was not authorised by the Participant Sponsored Holder to effect the transfer; and
- (b) unless the transfer is also taken to have been effected by a Market Participant of ASX or a Clearing Participant of ASX Clear, the Participant Sponsored Holder has no claim arising out of the transfer against the National Guarantee Fund under Part 7.5, Division 4 of the Corporations Regulations 2001.
- 4.3 In the event that the Participant breaches any of the provisions of this Agreement, the Participant Sponsored Holder may refer that breach to any regulatory authority, including ASX Settlement.
- 4.4 In the event that the Participant is suspended from CHES participation, subject to the assertion of an interest in Financial Products controlled by the Participant, by the liquidator, receiver, administrator or trustee of that Participant:
- (a) the Participant Sponsored Holder has the right, within twenty (20) Business Days of ASX Settlement giving Notice of Suspension, to give notice to ASX Settlement requesting that any Participant Sponsored Holdings be removed either:
- (i) from the CHES Subregister, or
- (ii) from the control of the suspended Participant to the control of another Participant with whom they have concluded a valid Sponsorship Agreement pursuant to Rule 12.19.10, or
- (b) where the Participant Sponsored Holder does not give notice under Clause 4.4(a), ASX Settlement may effect a change of Controlling Participant under Rule 12.19.11 and the Participant Sponsored Holder will be deemed to have entered into a new Sponsorship Agreement with the substitute Participant on the same terms as the existing Sponsorship Agreement. Where a Participant Sponsored Holder is deemed to have entered into a Sponsorship Agreement, the new Participant must enter into a Sponsorship Agreement with the Participant Sponsored Holder within ten (10) Business Days of the change of Controlling Participant.
- 4.5 The Participant Sponsored Holder acknowledges that before the Participant Sponsored Holder executed the Sponsorship Agreement, the Participant provided the Participant Sponsored Holder with an explanation of the effect of the Sponsorship Agreement and that the Participant Sponsored

Holder understood the effect of the Sponsorship Agreement.

- 4.6 The Participant Sponsored Holder acknowledges that in the event of the death or bankruptcy of the Participant Sponsored Holder, a Holder Record Lock will be applied to all Participant Sponsored Holdings in accordance with the ASX Settlement Operating Rules, unless the Participant Sponsored Holder's legally appointed representative or trustee elects to remove the Participant Sponsored Holdings from the CHES Subregister.
- 4.7 The Participant Sponsored Holder acknowledges that in the event of the death of the Participant Sponsored Holder, this Sponsorship Agreement is deemed to remain in operation, in respect of the legally appointed representative authorised to administer the Participant Sponsored Holder's estate, subject to the consent of the legally appointed representative, for a period of up to three (3) calendar months after the removal of a Holder Record Lock applied pursuant to Clause 4.6.

#### **For Joint Holdings Only**

- 4.8 The Participant Sponsored Holder acknowledges that in the event of the death of one of the Holders, the Participant will transfer all Holdings under the joint Holder Record into new Holdings under a new Holder Record in the name of the surviving Participant Sponsored Holder(s), and that this Sponsorship Agreement will remain valid for the new Holdings under the new Holder Record.
- 4.9 The Participant Sponsored Holder acknowledges that in the event of the bankruptcy of one of the Holders the Participant will:
- (a) unless the legally appointed representative of the bankrupt Participant Sponsored Holder elects to remove the Participant Sponsored Holdings from the CHES Subregister, establish a new Holder Record in the name of the bankrupt Participant Sponsored Holder, transfer the interest of the bankrupt Participant Sponsored Holder into new Holdings under the new Holder Record and request that ASX Settlement apply a Holder Record Lock to all Holdings under that Holder Record, and
- (b) establish a new Holder Record in the name(s) of the remaining Participant Sponsored Holder(s) and transfer the interest of the remaining Participant Sponsored Holder(s) into new Holdings under the new Holder Record.

#### **5. Change of Controlling Participant**

- 5.1 If the Participant Sponsored Holder receives a Participant Change Notice from the Controlling Participant of the Participant Sponsored Holding and the Participant Change Notice was received at least twenty (20) Business Days prior to the date proposed in the Participant Change Notice for the change of Controlling Participant, the Participant Sponsored Holder is under no obligation to agree to the change of Controlling Participant, and may choose to do any of the things set out in clauses 5.2 or 5.3.
- 5.2 The Participant Sponsored Holder may choose to terminate the Agreement by giving Withdrawal Instructions under the ASX Settlement Operating Rules to the Controlling Participant, indicating whether the Participant Sponsored Holder wishes to:
- (a) transfer its Participant Sponsored Holding to another Controlling Participant, or
- (b) transfer its Participant Sponsored Holding to one or more Issuer Sponsored Holdings.
- 5.3 If the Participant Sponsored Holder does not take any action to terminate the Agreement in accordance with 5.2 above,

and does not give any other instructions to the Controlling Participant which would indicate that the Participant Sponsored Holder does not agree to the change of Controlling Participant then, on the effective date, the Agreement will have been taken to be novated to the New Controlling Participant and will be binding on all parties as if, on the effective date:

- (a) the New Controlling Participant is a party to the Agreement in substitution for the Existing Controlling Participant
- (b) any rights of the Existing Controlling Participant are transferred to the new Controlling Participant, and
- (c) the Existing Controlling Participant is released by the Participant Sponsored Holder from any obligations arising on or after the effective date.

- 5.4 The novation in clause 5.3 will not take effect until the Participant Sponsored Holder has received a notice from the New Controlling Participant confirming that the New Controlling Participant consents to acting as the Controlling Participant for the Participant Sponsored Holder. The effective date may as a result be later than the date set out in the Participant Change Notice.
- 5.5 The Participant Sponsored Holder will be taken to have consented to the events referred to in clause 5.4 by the doing of any act which is consistent with the novation of the Agreement to the New Controlling Participant (for example by giving an instruction to the New Controlling Participant), on or after the effective date, and such consent will be taken to be given as of the effective date.
- 5.6 The Agreement continues for the benefit of the Existing Controlling Participant in respect of any rights and obligations accruing before the effective date and, to the extent that any law or provision of any agreement makes the novation in clause 5.3 not binding or effective on the effective date, then the Agreement will continue for the benefit of the Existing Controlling Participant until such time as the novation is effective, and the Existing Controlling Participant will hold the benefit of the Agreement on trust for the New Controlling Participant.
- 5.7 Nothing in this clause 5 will prevent the completion of CHES transactions by the Existing Controlling Participant where the obligation to complete those transactions arises before the effective date and the Agreement will continue to apply to the completion of those transactions, notwithstanding the novation of the Agreement to the New Controlling Participant under this clause 5.

## **6. Claims for Compensation**

- 6.1 You may lodge a complaint or any claim for compensation with the Participant in the first instance and if you are not satisfied with the response you may contact the Financial Ombudsman Service. In addition you may lodge a claim for compensation with any of the regulatory authorities referenced in paragraph 2.2.5.
- 6.2 If the Participant breaches a provision of this Agreement and

the Participant Sponsored Holder makes a claim for compensation pursuant to that breach, the ability of the Participant to satisfy that claim will depend on the financial circumstances of the Participant.

- 6.3 If a breach by a Participant of a provision of this Agreement falls within the circumstances specified in the compensation arrangements applicable to the Approved Market Operator or the Clearing Participant of ASX Clear under the Corporations Act and Corporations Regulations, a Participant Sponsored Holder may make a claim under the relevant compensation arrangements.

## **7. Termination**

- 7.1 Subject to the ASX Settlement Operating Rules, this Agreement will be terminated upon the occurrence of any of the following events:
  - (a) by notice in writing from either the Participant Sponsored Holder or the Participant to the other Party to the Agreement;
  - (b) upon the Participant becoming insolvent;
  - (c) upon the termination or suspension of the Participant, or
  - (d) upon the giving of Withdrawal Instructions by a Participant Sponsored Holder to a Controlling Participant in accordance with Rule 7.1.10(c).
- 7.2 Termination under Clause 7.1(a) will be effective upon receipt of Notice by the other party to the Agreement.

## **8. Variation**

- 8.1 Should any of the provisions in this Agreement be inconsistent with the provisions in the ASX Settlement Operating Rules, the Participant will, by giving the Participant Sponsored Holder not less than seven (7) Business Days written Notice, vary the Agreement to the extent to which in the Participant's reasonable opinion is necessary to remove any inconsistency.

# Clearing Participant's Disclosure Statement

## DISCLOSURE STATEMENT

to clients of Ord Minnett Limited (Broker)

**TERMS OF YOUR AGREEMENT WITH FINCLEAR SERVICES PTY LTD ABN 60 136 184 962 AFSL No 338264 (FINCLEAR)**

### 1. Your clearing arrangements with FinClear

FinClear is admitted as a Clearing Participant in accordance with the ASX Clear Rules.

Whenever you place an Order with the Broker (as your agent) to purchase or sell Traded Products by means of a Transaction, you are immediately deemed to have entered into an agreement with FinClear on the terms and conditions set out below in this Disclosure Statement (Terms and Conditions). By placing an Order with the Broker, you accept and agree to be bound by these Terms and Conditions.

If you effect a Transaction through the Broker, FinClear carries the clearing obligations and any settlement obligations (together, Settlement Obligations) for all Transactions effected through the Broker (including those effected by the Broker on your behalf) and FinClear must settle as principal with ASX Clear or the relevant counter-party, even though the Transaction may have been entered into on your behalf. Your clearing obligations and any settlement obligations are therefore owed directly to FinClear (and not the Broker).

In the event that you fail to complete a contract in accordance with the ASX Clear Rules or fail to pay the amounts due in respect of a Transaction, FinClear has direct rights against you, including rights of sale under the Exchange Rules and ASX Clear Rules and those described in these Terms and Conditions.

### 2. Conduct of Business

You acknowledge and agree:

- (a) to comply with these Terms and Conditions, all applicable laws, the Exchange Rules, ASX Clear Rules and ASX Settlement Rules and the directions, decisions and requirements of each Relevant Exchange and the customs and usages of the Market. Upon request, you are able to inspect copies of the Exchange Rules, ASX Clear Rules and ASX Settlement Rules at the Broker's offices; and
- (b) that all Transactions are subject to the Exchange Rules, ASX Clear Rules, the directions, decisions and requirements of the Relevant Exchange and the customs and usages of the Market, the correction of errors and omissions and, if the sale or purchase is in relation to CS Approved Products, the ASX Settlement Rules.

### 3. FinClear's right to require the Broker to refuse to accept Orders

You acknowledge that FinClear may at any time in its absolute discretion direct the Broker to:

- (a) refuse to accept you as a client or not to accept Orders from, or execute Orders for you; or
- (b) refuse to accept a particular Order from you.

### 4. Purchases and Sales

You must ensure that payment in full is received by FinClear (and not the Broker) before the Settlement Date and Time. FinClear will not accept payment in cash. In accordance with the provisions of the Corporations Act, and the regulations made under the Corporations Act, pending settlement by you, these Terms and Conditions and the relevant Confirmation (if any) constitutes notice to you that FinClear may deposit the Traded Products purchased for you in a particular transaction as security for a loan if FinClear has received and paid for such Traded Products on your behalf.

You must deliver to FinClear (and not the Broker) all documents and security holder information (including the holder identification number or personal identification number and, if applicable, holder reference number) (Security Holder Information) no later than two business days before the Settlement Date and Time.

All documentation and Security Holder Information must be sent to:

FinClear Services Pty Ltd  
Level 7,1 Chifley Square  
Sydney NSW 2000

If you have entered into a Sponsorship Agreement with either FinClear or the Broker, you will be taken to have satisfied this obligation if you ensure that sufficient Traded Products are held in your Sponsored Holding with FinClear or the Broker (as the case may be), those Traded Products are unencumbered and, if the consent of any third party is required before FinClear or the Broker (as the case may be) may withdraw those Traded Products, that consent has been obtained and communicated to FinClear.

You irrevocably authorise FinClear to apply any Traded Products held in your Participant Sponsored Holding to satisfy your Settlement Obligations arising from any Transaction executed by the Broker on your behalf.

Credits in respect of sales are not available until the latest of:

- (a) the Settlement Date and Time;
- (b) when all documents and Security Holder Information have been received by FinClear in deliverable form; and
- (c) all amounts due and payable by you to FinClear or the Broker have been paid.

Unless FinClear has agreed alternative arrangements with you, FinClear will pay all sale proceeds directly to you.

### 5. Misdirected Market Transactions

If at any time Transactions executed by the Broker are also to be cleared through a Clearing Participant (other than FinClear), you acknowledge that:

- (a) the Broker may, incorrectly or otherwise, direct a Transaction which it has executed on your behalf to a Clearing Participant other than FinClear (Misdirected Market Transaction);
- (b) FinClear does not have any Settlement Obligations in respect of any Misdirected Market Transaction; and
- (c) FinClear will not provide you with a confirmation in respect any Misdirected Market Transaction.

## 6. Short sales

A "short sale" is when Traded Products are sold on your behalf, or you place an Order with the Broker to sell Traded Products, at a time when you do not have a presently exercisable and unconditional right to vest the Traded Products in a buyer. Under section 1020B(2) of the Corporations Act, you are prohibited from effecting a short sale unless you are able to rely on an exemption from that prohibition provided in the Corporations Act, Corporations Regulations 2001 (Cth) or provided by way of ASIC class order relief or other current and effective relief granted by ASIC. You must not place an Order for a short sale with the Broker unless you are able to rely on such an exemption. For the avoidance of doubt, you are able to rely on such an exemption where the circumstances of your Order are such that you are able to satisfy all conditions of any one or more exemptions to the prohibition on short selling.

## 7. No Advice

You acknowledge that FinClear does not provide financial product advice, nor does it accept responsibility for any financial product advice given to you by the Broker. You must not represent to any person that FinClear has given any financial product advice to you.

## 8. Settlement Date and Time

The "Settlement Date and Time" for sales or purchases is the date and time that is specified on the front of the relevant Confirmation. If no date and time are specified or no Confirmation is required to be given, the Settlement Date and Time is 9.00am (Sydney time) on the third Business Day after the execution of the Transaction.

The Broker has no authority to extend the Settlement Date and Time.

## 9. Warranties by the client

You represent and warrant that before placing any Order with the Broker:

- (a) you will be in a position to pay for any Traded Products purchased and have a presently exercisable and unconditional right to vest any Traded Products sold in the buyer, to enable settlement at the Settlement Date and Time;
- (b) if your Order relates to the purchase of a Partly Paid Security (as defined in the Market Integrity Rules), you have made arrangements (to FinClear's satisfaction) to pay to FinClear a sufficient amount to cover any liability arising from all possible future calls in respect of the Partly Paid Securities; and
- (c) you will not place an Order for an AQUA Product unless you have received and read the Product Disclosure Statement relating to the product and the ASX Fact Sheet in relation to the ASX Managed Fund Settlement Service.

## 10. Settlement using BPAY facility

If you would like to make payment from your cheque or savings account by BPAY, please make arrangements with your participating financial institution. Please quote the Biller Code and your BPAY reference number (see the front page of the relevant Confirmation (if any)).

## 11. Confirmations

You will be given confirmations as required by the Corporations Act and the Market Integrity Rules (Confirmations).

You authorise FinClear (on behalf of the Broker) to give Confirmations to you electronically to the email address notified to FinClear by the Broker on your behalf from time to time for this purpose. FinClear may not provide you with paper copies of Confirmations.

You agree to promptly check the accuracy of every Confirmation sent to you and to notify the Broker immediately of any error that you consider may have occurred. In the absence of such notification from you within 24 hours, you will be taken to have accepted the accuracy of the Confirmation.

A Confirmation may at any time be re-issued to you in order to correct any errors or omissions and the terms and conditions of the original Confirmation will apply in relation to the reissued Confirmation.

Where the Broker enters into multiple Transactions in order to complete your Order (whether on one or more Relevant Exchanges), you authorise FinClear on behalf of the Broker to accumulate those Transactions on a single Confirmation and to specify the volume weighted average price for those Transactions on that Confirmation. If requested by you, the Broker will, if required under the Market Integrity Rules, give you a statement of all the individual prices of the relevant transactions which are accumulated and averaged in a Confirmation.

If you are a Wholesale Client for the purposes of the Market Integrity Rules, the Broker may elect not to give any Confirmations to you in relation to Transactions executed for you. If the Broker so elects, these Terms and Conditions are taken to be the notification required to be given by the Broker to you under the Market Integrity Rules.

## 12. Failure to Settle

You acknowledge that, if you fail to make any payment due to FinClear or deliver any documents or Security Holder Information to FinClear or otherwise comply with the Settlement Obligations that you owe to FinClear in relation to a Transaction in accordance with these Terms and Conditions or the relevant Confirmation, if any (fail to settle), FinClear may do any one or more of the following:

- (a) charge an administration fee calculated by reference to the additional cost which may be incurred by FinClear or the Broker (including any fail fees imposed by a Relevant Exchange or ASX Clear) as a result of your failure to settle;
- (b) levy a default charge on the amount from time to time outstanding at a rate of up to 15.0% per annum;
- (c) sell out (or procure the sell out of) any Traded Products purchased (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to FinClear and to recover FinClear's costs in so acting;
- (d) buy in (or procure the buy in of) any Traded Products sold (and you are fully responsible for any loss in connection with such purchase) and recover FinClear's costs in so acting;
- (e) sell out (or procure the sell out of) any Traded Products otherwise held on your behalf (and you are fully responsible for any loss in connection with such sale) and apply the proceeds in reduction of your liability to FinClear and to recover FinClear's costs in so acting;
- (f) apply any cash held by FinClear or a related body corporate of FinClear or the Broker on your account or to which they have access, or payments received for or from you in reduction of your liability to FinClear; or
- (g) instruct the Broker to cancel any of your unexecuted Orders,

and you authorise FinClear and each of its directors and employees as your attorney to give instructions on your behalf in respect of your Traded Product holdings sponsored by FinClear or the Broker (or a related body corporate of either them) in CHESS, or held by a related body corporate of either of them in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which either FinClear or the Broker is authorised to give instructions, to enable FinClear to realise those Traded Products or funds and apply the proceeds in reduction of your liability to FinClear and to recover FinClear's costs in so acting.

If you fail to settle, FinClear may make arrangements on your behalf to ensure that your Settlement Obligations are performed (including by buying-in or borrowing the relevant Traded Products).

If you have not met your settlement obligations owed to FinClear in respect of a Transaction executed for you by the Broker by the date

which is 5 Business Days after the date on which that Transaction was executed, it is FinClear's policy (and FinClear may be obliged under the ASX Settlement Rules), without any notice to you:

- (a) in the case of a purchase, to execute a Transaction to close out the failed purchase (by selling the relevant Traded Products); or
- (b) in the case of a sale, to execute a Transaction to close out the failed sale (by buying-in the relevant Traded Products),

and recover any resulting loss from you.

You must pay or reimburse FinClear any such administration fees and default charges (together with any GST payable on those amounts) immediately upon demand or at FinClear's option it may deduct such administration fees and default charges (and any GST) from any sale proceeds or other amounts otherwise payable to you.

The manner in which FinClear may exercise or not exercise, or the timing of or any delay in any exercise by FinClear of, any right of FinClear under this clause is not to be taken to be financial product advice by FinClear to you, and you must not represent to any person that it is financial product advice by FinClear.

FinClear will not be liable to you for any failure by FinClear to exercise (or any delay in the exercise by FinClear of) any right FinClear may have against you, or any loss incurred by you as a result of FinClear not exercising any of its rights against you immediately, or at all, following any failure by you to comply with your obligations.

The rights described in this clause 12 are in addition to any rights that are conferred to FinClear under the Exchange Rules and the ASX Clear Rules.

### 13. Cancellations

Each Relevant Exchange has the power under the Exchange Rules to cancel or amend Transactions or Crossings. You authorise FinClear to, and agree that FinClear may, without your consent, cancel or amend (or request or agree to the cancellation or amendment of) any Transactions or Crossing relating to the sale or purchase (as the case may be) of Traded Products:

- (a) if requested to do so by the Broker in accordance with the Exchange Rules;
- (b) if a Relevant Exchange or a participant of the Relevant Exchange exercises its power under the Exchange Rules to cancel or amend (or require the cancellation or amendment of) the Transaction or Crossing; or
- (c) in the event of an Error or otherwise in the circumstances contemplated in the Exchange Rules.

Your obligations referred to in clause 4, and FinClear's obligations in relation to the settlement of a Transaction, will no longer apply in respect of a cancelled transaction from the time it is cancelled or, in the case of an amended Transaction, apply as amended.

### 14. Interest on FinClear's trust account

You acknowledge that FinClear will retain the interest (if any) earned on monies held in its trust account from time to time.

### 15. Assignment to the Broker of debts owed by you to FinClear

If you have not paid any debt to FinClear, you acknowledge that FinClear may (by notice to you and the Broker) assign that debt to the Broker and the assigned debt will become an obligation of yours owed to the Broker. In the event of such an assignment, the Broker (and each of its directors and employees) will have the rights and powers (and may do all the things) set out in clause 12 as if a reference to FinClear were a reference to the Broker.

### 16. Instructions and other communications to be given via the Broker

You acknowledge and agree that all communications given by you

(including to provide instructions in respect of transactions in respect of Traded Products) are to be given by you to the Broker (such communications to be given in the form and manner agreed with the Broker from time to time) and the Broker will (as your agent) pass on your communication to FinClear.

### 17. Instructions by fax or e-mail

You acknowledge and agree that;

- (a) you are and will at all relevant times be authorised to make communications to the Broker (who will pass on those communications to FinClear on your behalf) (including as the case may be, to give instructions in respect of transactions in respect of Traded Products) by email and fax;
- (b) communication by email and/or fax is not a secure means of communication and involves higher risks of distortion, manipulation and attempted fraud;
- (c) fax communications may be of poor quality or unclear;
- (d) you authorise the Broker and FinClear to accept and act without any inquiry upon, communications (including instructions) provided by email and/or fax which appear to the Broker or FinClear to have been provided by or for you; and
- (e) you indemnify the Broker and FinClear in respect of any and all claims, liabilities, direct or consequential losses, costs, charges or expenses (of any nature) incurred or suffered by the Broker or FinClear as a result of the Broker or FinClear acting on communications (including instructions) provided by email and/or fax.

### 18. Indemnity

You must, to the maximum extent permitted by law, at all times and from time to time, indemnify and keep each of FinClear and its related bodies corporate and any of their respective directors, officers, contractors, agents and employees (each an Indemnified Person) harmless from and against all liabilities, losses, damages, costs or expenses directly or indirectly suffered by the Indemnified Person and from and against all actions, proceedings, claims or damages made against the Indemnified Person as a result of:

- (a) any transaction entered into by the Broker on your behalf;
- (b) any failure by you to settle;
- (c) any other breach by you of these Terms and Conditions;
- (d) any breach by you of any other agreement with FinClear;
- (e) any breach by you of any representation or warranty made or taken to have been made by you (including without limitation in relation to any disclosure to be made in respect of sale Orders) not being true or correct,

other than to the extent that the loss has resulted from FinClear's negligence, wilful default or fraud.

### 19. Credit references

You agree that FinClear may make such enquiries as it thinks fit of any person, including your employer, your bank or a credit agency relating to your creditworthiness.

### 20. Information

You warrant that all information provided by you to the Broker or FinClear is, or will be when given, accurate, true and correct and further agree to immediately notify FinClear in writing upon becoming aware that such information is no longer accurate, true and correct. You agree that FinClear and the Broker may share such information, as well as your account details and information regarding your transactions in Traded Products with each other and with FinClear's related bodies corporate on a confidential basis as FinClear considers appropriate. You also consent to FinClear and/or the Broker disclosing this information and your account details to any regulatory authority, and consent to FinClear and/or the Broker using such information and your account details for the purposes of

monitoring compliance by you, the Broker and/or FinClear with their respective regulatory and contractual obligations, and resolving disputes. Your personal information may be disclosed to credit checking agencies as permitted by law.

You may request access to the personal information that FinClear holds about you.

## 21. Complaints

You have a right to complain about any aspect of your dealings with FinClear, and to have that complaint dealt with in accordance with FinClear's complaint resolution procedures. A summary of those procedures is set out below.

However, if your complaint relates to services provided by the Broker, your complaint should be dealt with in accordance with the Broker's complaint resolution procedures. If you have such a complaint please contact the Broker.

You have the right to have any complaint about the service you have received from FinClear, or any other aspects of your dealings with FinClear, investigated and dealt with as quickly as possible in accordance with FinClear's complaints resolution procedure.

To assist FinClear to respond appropriately to complaints, you are asked to set out complaints in writing, addressed to the Compliance Manager. You should include as much detail about the circumstances of your complaint as possible, including the name(s) of any FinClear staff involved. If available, copies of any background documentation should also be provided.

Following receipt of your complaint, the Compliance Manager will acknowledge receipt of it in writing and provide an estimate of the time it will take to investigate the circumstances. The Compliance Manager will fully investigate your complaint and follow up if further information is required from you. The Compliance Manager will then prepare a detailed written response to you after consideration of all relevant documents and following interviews with the involved employees and their manager(s), if required. The written response will be mailed or delivered to you.

As FinClear is a member of the Australian Financial Complaints Authority (AFCA), FinClear will advise you if you continue to have a complaint that you have the option to pursue your complaint with AFCA. AFCA's contact details are:

The Australian Financial Complaints Authority  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Mail: GPO Box 3, Melbourne VIC 3001

If you are not satisfied with the response to your complaint, you may wish to pursue the matter with a Relevant Exchange. Alternatively, ASIC also has a freecall Infoline on 1300 300 630 which you may use to make a complaint and obtain information about your rights.

## 22. Compensation arrangements

As FinClear is a Participant of one or more Relevant Exchanges, you may be entitled to make a claim on a compensation fund (such as the National Guarantee Fund (NGF) or the Cboe Fidelity Fund) in the circumstances specified under Part 7.5 of the Corporations Act and the Corporations Regulations 2001 (Cth). For more information on the circumstances in which you may make a claim or for information about compensation arrangements generally, contact the Securities Exchanges Guarantee Corporation Limited ABN 19 008 626 793 (in relation to queries about the NGF) or in relation to another Relevant Exchange, that Relevant Exchange.

FinClear has professional indemnity insurance which FinClear considers is adequate having regard to:

- (a) the volume and types of business carried on by it; the number and types of its clients; the number of its representatives; and
- (b) any particular or potential claims that may arise pursuant to our participation in external dispute resolution schemes, including the Australian Financial Complaints Authority scheme.

FinClear considers that these compensation arrangements satisfy the requirements of s 912B of the Corporations Act and associated regulations.

## 23. Sponsorship

If you are not currently sponsored by FinClear or the Broker, FinClear recommends that you enter into a Sponsorship Agreement with FinClear or the Broker to enable easy transfer of your Traded Products under CHES.

## 24. Joint Holder

If you are a joint holder, these Terms and Conditions bind each person jointly and severally, and each person is authorised to issue instructions to the Broker and give receipts to FinClear in relation to any purchase or sale of Traded Products or other matters to which these Terms and Conditions relate.

## 25. Amendment

These Terms and Conditions may be amended from time to time. FinClear will give you 10 days notice of any amendment, after which time, the amendment will become effective.

## 26. Governing law

These Terms and Conditions are governed by the law in force in New South Wales and you and FinClear submit to the non-exclusive jurisdiction of the courts of New South Wales and courts which may hear appeals from those courts.

## 27. Interpretation

**APX** means Asia Pacific Exchange Limited ACN 080 399 220.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited ABN 98 008 624 691

**ASX Clear** means ASX Clear Pty Limited ABN 48 001 314 503, a wholly owned subsidiary of ASX.

**ASX Clear Rules** means the operating rules of ASX Clear as amended from time to time.

**ASX Market Integrity Rules** means the ASIC Market Integrity Rules (ASX Market) 2010 as amended from time to time.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532.

**ASX Settlement Rules** means the operating rules of ASX Settlement as amended from time to time.

**CHES** means the Clearing House Electronic Subregister System

**Cboe** means Cboe Australia Pty Ltd (Cboe) ABN 47 129 584 667

**Cboe Market Integrity Rules** means the ASIC Market Integrity Rules (Cboe Australia Market) 2011 as amended from time to time.

**Cboe Operating Rules** means the operating rules of **Cboe** as amended from time to time.

**Confirmation** has the meaning given to it in clause 11.

**Corporations Act** means the Corporations Act 2001 (Cth)

**Clearing Participant** has the meaning given to it in the ASX Market Integrity Rules.

**Crossing** has the meaning given to it in the Market Integrity Rules.

**Error** has the meaning given to it in the Exchange Rules and in relation to Cboe, has the meaning given to "error trade" in the Cboe Operating Rules, and has the meaning of any equivalent term in any other Exchange Rules including without limitation "error" or "trade error".

**Exchange Rules** means the operating rules of each Relevant Exchange and the Market Integrity Rules.

**Market** means the market operated by the Market Operator under the Market Integrity Rules.

**Market Integrity Rules** means any market integrity rules made by ASIC in accordance with Part 7.2A of the Corporations Act, as amended from time to time, that apply to a Relevant Exchange, including, without limitation, the ASX Market Integrity Rules, the Cboe Market Integrity Rules and the Competition Market Integrity Rules.

**NSX** means National Stock Exchange of Australia Limited ABN 11 000 902 063.

**Order** means an order or instruction for the sale, purchase, issue or redemption of Traded Products to be executed or facilitated by FinClear.

**Participant Sponsored Holding** has the meaning given to it in the ASX Settlement Rules.

**Relevant Exchange** means ASX or Cboe, NSX or APX and, without limitation, any other exchange on which FinClear transacts Orders, or the financial markets operated by them (as the context requires).

**Traded Products** has the meaning given to Cash Market Products in the ASX Market Integrity Rules (and includes an AQUA Product) and Equity Market Product in the Cboe Market Integrity Rules and for other Relevant Exchanges, means the cash equities products (excluding derivatives) admitted for quotation on the relevant market as described in the relevant Exchange Rules or Market Integrity Rules (as the context requires) for that Relevant Exchange.

**Trading Participant** has the meaning given to that term in the ASX Market Integrity Rules and to Market Participant in the Cboe, APX or NSX Market Integrity Rules.

**Transaction** has the meaning given to Cash Market Transaction in the ASX Market Integrity Rules or Equity Market Transaction in the Cboe Market Integrity Rules and for other Relevant Exchanges, has the meaning given to transaction in cash equities products (excluding derivatives) admitted for quotation on the relevant market as described in the relevant Exchange Rules or Market Integrity Rules (as the context requires) for that Relevant Exchange.

**you** means the person or persons in whose name the account is opened with the Broker or named on the account opening or

application form as the client. If that is more than one person, "you" means each of them separately and every two or more of them jointly. "You" includes your successors and assigns.

Words expressed in the singular include the plural and vice versa.

Unless the context otherwise requires, a reference to a document or agreement includes any variation or replacement of it and a reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation issued under, that legislation or legislative provision. Words used in this document have the meanings given to them in the Exchange Rules, ASX Clear Rules or ASX Settlement Rules. If you require a copy of these definitions please contact the Broker.

You agree that in the event of any inconsistency between this document and any applicable laws, the Exchange Rules, ASX Clear Rules or ASX Settlement Rules, the latter will prevail to the extent of the inconsistency. You acknowledge that this document is not exhaustive and agree to be bound by other policies and procedures which concern the operations of your account with the Broker as notified to you from time to time.

**FinClear Services Pty Ltd**  
**A Participant of ASX Group and Cboe**  
**ABN 60 136 184 962**  
**AFSL 338264**

# Exchange Traded Options Product Disclosure Statement

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This Product Disclosure Statement (PDS) is issued by Ord Minnett Limited (AFS Licence 237121 ABN 55 002 262 240), Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000. The Date of this PDS is 1 November 2018.

## Section One

When you invest through Ord Minnett, you become a client of one of Australia's most highly regarded private wealth organisations and will benefit from sound advice, prudent investment management and personal service.

Ord Minnett is a Market Participant of the Australian Securities Exchange ("ASX") and Cboe Australia Pty Ltd (Cboe) and is a Financial Services Licensee.

Ord Minnett has earned the reputation of being one of Australia's leading retail options brokers. Through our years of experience and service focus, you will be able to benefit from the versatility which options trading can add to your investment strategy.

### Ord Minnett's services include:

- Internet access to account balances, open positions, margin details, collateral details and trading statements from our internet page at [www.ords.com.au](http://www.ords.com.au);
- Automatic sweep facility with your Ord Minnett Cash Management Trust account;
- Effortless lodgement of collateral at ASX Clear Pty Ltd ("ASX Clear") for any Ord Minnett sponsored holding;
- Over 120 accredited Derivatives Advisers;
- An experienced and efficient operating team.

### Purpose of a Product Disclosure Statement ("PDS")

This PDS has been prepared by Ord Minnett Limited (Ord Minnett) as the issuer of Exchange Traded Options (ETOs).

This PDS is designed to assist you in deciding whether the products covered in this PDS are appropriate for your needs and to assist you in comparing ETOs with other investment products you may be considering. This PDS will help you understand how ETOs work, the risks associated with trading in ETOs as well as your rights and obligations.

The PDS is an important document and we recommend you contact us should you have any questions arising from the PDS prior to entering any transactions with Ord Minnett.

Please note that when we use terms 'we', 'us' or 'our' in this PDS, the reference is to Ord Minnett.

### What products does this PDS cover?

This PDS deals primarily with Exchange Traded equity and index Options (Exchange Traded Options, or ETOs) that are traded on the Australian Securities Exchange (ASX) and settled and cleared by ASX Clear.

Exchange traded equity options are options over quoted shares (or other securities) of a range of different companies listed on ASX. Exchange traded index options are options over a select group of stock exchange indexes, such as the S&P™/ASX 200™ Index or the S&P™/ASX 200™ Property Trust Index. A list of companies and indices over which Exchange Traded Options are traded can be found on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The information contained within this PDS is general information only and does not take into account your individual objectives, financial situation or needs. Before trading in Exchange Traded Options you should read this PDS and be satisfied that any trading you undertake is appropriate in view of your objectives, financial situation and needs.

We strongly recommend that you consult your financial adviser or obtain other independent advice before trading in exchange traded options.

## Ord Minnett's Clearing Participant

Ord Minnett employs the services of a third party Clearing Participant, which is a member of ASX Clear, to settle and clear all ASX transactions we execute on behalf of clients.

Currently, Ord Minnett uses FinClear Services Pty Ltd ("the Clearing Participant") as its third party Clearing Participant.

This PDS sets out the terms and conditions of your dealings with Ord Minnett and, in a separate section of the PDS, the terms and conditions pursuant to which the Clearing Participant will clear trades undertaken by you. To the extent that Ord Minnett has any rights or obligations with respect to any client pursuant to this agreement, we may choose to exercise such rights or obligations by delegating these to our Clearing Participant to perform on our behalf.

### Establishing an Ord Minnett Options Account

To set up an option trading account with Ord Minnett, you will need to:

1. Have established an equities trading account and completed and returned a Client Profile.
2. Read and understand the ASX publication titled "Understanding Options Trading". A copy of this booklet will be provided to you by your adviser. Alternatively, you may download a copy of this booklet from [www.asx.com.au](http://www.asx.com.au).
3. Read and understand this PDS.
4. Read and understand our Terms of Trading as these materially effect your relationship with Ord Minnett.
5. Read and understand both Ord Minnett's and its Clearing Participant's Derivatives Agreement Terms.
6. Completed and signed the Client Information Form in Section 6 and Application Form in Section 7 (included as part of this document) as ASX regulations prohibit any ASX Market Participant from accepting orders until this has been completed.
7. Complete the Registered Holder Collateral Cover Authorisation Form enclosed for lodgement. You should note that Ord Minnett CHES sponsorship is mandatory for ASX Clear lodgements.

### Ord Minnett Cash Management Trust

Under the ASX Rules, all settlements and margin calls relating to ETOs must be paid within 24 hours.

To prevent any delays in meeting settlement or margin obligations you are required to maintain an Ord Minnett Cash Management Trust account. If you do not already have a Cash Management Trust account, you should ask your adviser for a copy of the Product Disclosure Statement.

### Our Privacy Policy

We recognise the importance of protecting your privacy. Your personal information will be handled in accordance with our privacy policy, which outlines how the information we collect from you is used, stored and disclosed.

We will collect your personal information from the client information questionnaire you complete with your financial adviser. As a financial service provider, we are obligated to verify your identity and the source of any funds. Accordingly, we will ask you to present identification documents, such as, your passport and driver's licence, which will be held on file.

The main reason we collect, use and/or disclose your personal information, is to provide you with the products and services that you request. This may also include the following related purposes:

- To help your financial adviser provide you with financial advice and ongoing services in relation to your account with us.
- To facilitate internal administration, accounting, research, risk management, compliance and evaluation of our products and services.
- To provide you with information about other products and services that we or our associates offer which may be of interest to you.

We may also disclose your information to external parties some of whom act on your or our behalf. These parties may include:

- Your financial adviser
- Banks or other financial institutions
- Insurers and reinsurers and their claims agents and assessors
- Product providers
- Mail houses

We are also permitted to collect and disclose your personal information when required or authorised to do so by law.

By signing the client information questionnaire, you agree to us collecting, storing, using and disclosing your personal information. If you do not provide all the information requested in your application form, we may not be able to provide you with financial advice.

If you have concerns about the accuracy and completeness of the information we hold, you may request access to your personal information by contacting the Privacy Officer:

By mail: Privacy Officer  
Ord Minnett Limited  
Level 18, Grosvenor Place  
225 George St  
Sydney NSW 2000

By email: [privacyofficer@ords.com.au](mailto:privacyofficer@ords.com.au)

By phone: (02) 8216 6300

Depending upon the nature of the request, we may have the right to impose a reasonable charge.

To obtain a copy of our privacy policy please contact our client services team on 1300 221 697 or download from our website at [www.ords.com.au/privacy-policy](http://www.ords.com.au/privacy-policy).

## How to contact us

If you have any questions, you can:

- Speak to your Ord Minnett adviser
- Contact your nearest Ord Minnett office directly. The addresses and telephone numbers of all Ord Minnett offices are listed on the back page of this PDS.

## Section Two

### Introduction

Exchange Traded Options are a versatile financial product which can allow investors to:

- hedge against fluctuations in their underlying share portfolio
- increase the income earned from their portfolio.

Their flexibility stems from the ability to both buy and short sell an ETO contract and undertake multiple positions targeting specific movements in the overall market and individual equities.

The use of ETOs within an investor's overall investment strategy can provide great flexibility to take advantage of rising, falling and sideways markets. However, both the purchase and the sale of ETOs involve risks which are discussed at length below.

Specific concepts which should be practically understood before

engaging in an options strategy are:

- The effect time has on any one position/strategy
- How volatility changes, both up and down, may change the value of an ETO
- How to calculate margins and worst-case scenarios for any position
- The likelihood of early exercise and the most probable timing of such an event
- The effect of dividends and capital reconstructions on an options position
- Liquidity of an options series, the role of market makers, and the effect this may have on your ability to exit a position.

When buying an ETO the initial outlay of capital may be small relative to the total contract value so that transactions are leveraged. Transactions should only be entered into by investors who understand the nature and extent of their rights and obligations as well as the risks associated with trading ETOs.

When selling an ETO the initial income may seem attractive but the downside may be unlimited. Risk minimisation strategies should be employed to mitigate losses when a position does not move in a favourable manner.

Whilst this PDS provides product information including information about the risks, characteristics and benefits of the ETO, investors should inform themselves and if necessary obtain advice about the specific risks, characteristics and benefits of the ETO they intend to trade and relevant ASX rules.

### Educational booklets

ETOs have been traded on the ASX since 1976. Over this time, ASX has prepared a number of educational booklets relating to ETOs which are available on the ASX website at [www.asx.com.au](http://www.asx.com.au).

The Exchange Rules require that we provide you with the ASX booklet entitled "Understanding Options Trading". If you do not receive a copy of this booklet, or have read this but need a further explanation of its contents, you should contact your adviser before opening an options trading account. Your adviser will be happy to provide any assistance which you reasonably require to properly understand ETOs. You should note that Ord Minnett will not accept any responsibility should you choose to trade ETOs without an informed understanding of the risks associated with this product.

This PDS also cross references a number of ASX booklets all of which are available free on the ASX website. These booklets provide useful information regarding ETOs, including options features, advantages of options, risks associated with options, option adjustments, option pricing, margins, taxation and option contract specifications.

If you cannot access the ASX booklets via the ASX website, please contact us immediately and we will arrange to forward copies of the booklets to you at no charge.

If you have any questions on any aspect of the booklets you should consult your Ord Minnett financial adviser before making any investment decisions.

### What are ETO contracts?

ETOs may be American or European style exercise. Most ASX options are American style which means they are tradeable and can be exercised at any time prior to the expiry day. European style options, which include index options, can only be exercised on the expiry date and not before.

An ETO is a contract between two parties which gives the buyer (the taker) the right, but not the obligation, to buy or sell the shares

underlying the option at a specified price (exercise price) on, or before a predetermined date. To acquire this right, the taker pays a premium to the seller (writer) of the contract. When considering options over an index, the same concepts generally apply.

The underlying securities are the securities or indices over which options are available. The securities may either be an ASX listed share or other ASX listed financial product or a share price index (in the case of an index option). For ease of reference the term "share" will be used to denote underlying securities throughout this PDS.

There are two types of options traded on ASX; call options and put options. Call options give the buyer the right, but not the obligation, to buy the underlying shares, while put options give the buyer the right, but not the obligation, to sell the underlying shares.

All options positions consist of one or more of either a bought call, a sold call, a bought put, or a sold put. A long (or bought) option position is created by the purchase of a call or put. A short (or sold) position is created by the sale of a call or put. By combining two or more of these basic positions, an investor can create a trading strategy that meets a range of investment objectives, including the protection of an existing portfolio of shares.

## Other strategies

Options are versatile and there is a broad range of options strategies you can use. As a general rule, more complex strategies will involve additional risk and you should seek advice from your adviser before implementing complex options strategies.

To find out more about the different strategies that you can use we recommend you read the following free ASX educational booklets:

## Understanding Options Trading

Discusses the features and contract specifications of options and outline the risks and advantages of trading options. It also gives examples of how ETOs work and details some basic option trading strategies.

This booklet can be downloaded from:

[www.asx.com.au/documents/resources/understandingoptions.pdf](http://www.asx.com.au/documents/resources/understandingoptions.pdf)

## Understanding Options Strategies

Provides more detail about options trading strategies.

This booklet can be downloaded from:

[www.asx.com.au/documents/resources/UnderstandingStrategies.pdf](http://www.asx.com.au/documents/resources/UnderstandingStrategies.pdf)

## Understanding Margins

Explains what margins are, how ASX Clear calculates them and how margins are paid.

This booklet can be downloaded from:

[www.asx.com.au/documents/resources/UnderstandingMargins.pdf](http://www.asx.com.au/documents/resources/UnderstandingMargins.pdf)

## Call Option: an illustrative example

For example, a XXX October 1700 call option gives the taker the right to buy 100 XXX shares for \$17 each, on or before the expiry date of the option in October. If assigned, the writer (seller) of this option must sell 100 XXX shares for \$17 per share. At the time of effecting the option transaction, the option buyer pays the option seller a premium, which is the cost of the option.

Notably, the taker of the option is not obligated to exercise the option. The taker can sell the option before it expires, or alternatively let the contract lapse at expiry, thereby foregoing the option premium.

## Put Option: an illustrative example

For example, a XXX January 1600 put option gives the taker the right to sell 100 XXX shares for \$16 each, on or before the expiry date of

the option in January. If assigned, the writer (seller) of this option must buy 100 XXX shares for \$16 per share. At the time of the option transaction, the option buyer pays the option seller a premium, which is the cost of the option.

## When are margins paid?

If you buy options, then margins are not payable. It is only when you write options that margins may be payable.

Margins are paid to cover your settlement obligations and these are paid by Ord Minnett to ASX Clear on a daily basis. ASX Clear recalculates margins at the end of each day to ensure an adequate level of margin cover is maintained and will then debit or credit your account depending on whether your margin obligation has increased or decreased.

Where there is a shortfall you will usually be required to pay margins within 24 hours.

When an obligation to the market no longer exists, all margin amounts are credited back to your account with your broker. For example, the writer of a call option would be required to **add to their margin cover** if the share price moved **up from its current level**. This is because the writer has a larger potential obligation under the option contract and may need to buy shares in order to deliver them at the exercise price. If the share price falls, the writer's margin obligations would be reduced.

Margin obligations will arise from both written call option and written put option contracts.

## Example: Call options

For example, say you are the writer of a Boral Ltd (BLD) November \$4.00 call option and the BLD share price is \$4.10. In writing the position you receive the option premium and have an obligation to sell 100 BLD shares at \$4.00 per share if the taker of the option exercises their right.

If the market rises, your written call option could be exercised. If this happens you would have to sell 100 BLD shares to the taker at \$4.00 each. If you did not already own these shares you would have to buy them at the current market price but deliver them to the taker for \$4.00, possibly incurring a loss.

On the other hand, if you are the taker of a BLD \$4.00 call option you would not be required to meet any margins. This is because you have no obligation to buy the BLD shares. In buying the option you would have already paid a premium to the writer for the right to buy the BLD shares. This premium represents your total outlay unless you decide to exercise your option, in which case you would be required to buy the 100 BLD shares at the exercise price of \$4.00. Normally you would only want to do so if the market price was above \$4.00 at the time you decide to exercise.

## Example: Put options

Like the writer of a call option, the writer of a put option has a potential obligation if the taker of the put decides to exercise their right to sell the underlying securities.

For example, say you are the writer of a Woolworths (WOW) October \$12.00 put option. You have the obligation to buy 100 WOW shares at \$12.00 if the taker exercises their right to sell. In return for taking on the obligation to buy 100 WOW shares at \$12.00, you will receive the option premium. In our example, the option premium is \$0.35 per share or \$35 (35 cents x 100 shares) per WOW contract.

To ensure you can meet your potential obligations you will be required to lodge margin cover. On the other hand, if you are the taker of a WOW October \$12.00 put option you will have to pay the premium of \$35 to the writer. As the taker you have the right to sell the WOW shares at \$12.00.

In summary, writers of call and put options are required to lodge margin cover because of their obligations which arise from writing

options.

## ETO Features

ETO trading on the ASX Options Market is assisted by the standardization of ETO contract components. The five components of an option contract are as follows:

### 1. Underlying Securities and Approved Indices

Options traded on ASX's Options Market are only available for certain securities and approved indices. These securities may either be an ASX listed share or other ASX listed financial product or a share price index. They must be listed on ASX and are selected by ASX Clear according to specific guidelines. Calls and puts over the same underlying securities are termed "classes" of options.

### 2. Contract size

Option contract sizes are in most cases standardised at 100 underlying shares on the ASX Options Market. This means that one option contract represents 100 underlying shares, which may change if there is an adjustment such as a new issue or a reorganisation of capital in the underlying share.

In the case of index options, the contract value is fixed at a certain number of dollars per index point (for example, \$10.00 per index point). The size of the contract is equal to the index level multiplied by the dollar value per index point (for example, for an index at 5000 points, one contract would be 5000 times \$10.00 or \$50,000).

### 3. Expiry day

ETOs have a predetermined limited lifespan and expire on standard expiry days set by ASX Clear. The expiry day is the day on which all unexercised options in a particular series expire and is the last day of trading for that particular series. For share options, this is usually the Thursday before the last business Friday in the month. For index options, expiry is usually the third Friday of the contract month, however, ASX Clear has the right to change this date should the need arise.

In general, all options for a particular class follow one of the three quarterly cycles listed below:

- January/April/July/October
- February/May/August/November
- March/June/September/December

ETOs are usually listed for the next three sequential months in the quarterly expiry cycle. For example, assume it is now June 2008 and XXX follows the January, April, July, October expiry cycle. There would be currently listed a July 2008, an October 2008 and a January 2009 series. When the July 2008 series expires, an April 2009 series will be listed. When the October 2008 series expires, a July 2009 series will be listed and so on.

In addition to quarterly expiry cycles, a current or spot month is available for most ETO classes where the option expires at the end of the current month and can be used to trade short term price changes in the underlying shares.

The top ten shares by options volume also have a twelve month expiry cycle listed to provide a longer time frame for investors.

There are also longer term ETO contracts listed over certain classes, with some of these having terms of up to five years.

For more information on these ETO types, please consult your adviser.

### 4. Exercise (or strike) price

The exercise price is the specified buying or selling price for the

underlying share if the option is exercised. ASX Clear sets the exercise prices for all options listed on ASX's Options Market. Usually there is a range of exercise prices available for options with the same date of expiration. New exercise prices are listed on the basis of underlying share price movements. Typically, the range of exercise prices includes one exercise price close to the current price of the underlying share, with two exercise prices above, and two exercise prices below the current share price.

For example, if an underlying price of Share A is \$3.50 (the price at which it is trading), ETO contracts with the following exercise (or "strike") prices may be listed; \$3.00, \$3.25, \$3.50, \$3.75 and \$4.00.

This range of exercise prices allows you to more effectively match your ETO position to expectations of the price movement in the underlying share. Exercise prices may also be adjusted during the life of the option if there is a new issue or a reorganisation of capital in the underlying share.

### 5. Premium

The premium is the price of the ETO. This is determined by negotiation between the buyer ("taker") and the seller ("writer") of the ETO. It is the only component of the five option components that is not specified by ASX Clear.

ETO premiums are quoted on a cents per share basis. To calculate the full premium value for a standard size ETO contract, you need to multiply the quoted premium by the number of shares per contract. This is usually 100.

For example, a quoted premium of 16 cents represents a total premium value of  $(\$0.16 \times 100)$  \$16.00 per contract. To calculate the full premium value for an index ETO, you simply multiply the premium by the index multiplier. For example a premium of 30 points, with an index multiplier of \$10.00, represents a total premium value of \$300.00 per contract.

## Factors Affecting Options Pricing

When considering an option, it is important to understand how the premium is calculated. Option premiums change according to a range of factors including the price of the underlying share, its volatility, and the time left to expiry.

An option premium can be separated into two parts – intrinsic value and time value. Different factors influence intrinsic and time value.

### 1. Intrinsic value

Intrinsic Value is the difference between the exercise price of the ETO and the prevailing market price of the underlying shares at any given time.

### 2. Time value

Time Value represents the amount you are prepared to pay for the possibility that the market might move in your favour during the life of an ETO. The Time Value is determined by:

- Time to expiry
- Volatility
- Interest rates
- Market expectations
- Ex-Dividend payments

As the expiry date draws nearer, the ETO upside is reduced. This erosion of ETO value is called "time decay". Time value does not decay at a constant rate however, increasing in rate as the expiry dates draws closer. As a general guide, an ETO will lose 1/3 of its time value during the first half of its life and 2/3 during the second half.

### 3. Volatility

Volatility is one of the most important influences in the price of an

ETO. Volatility measures the amount by which an underlying share is expected to fluctuate in a given time period.

Volatility contributes significantly to the price of the ETOs premium and to the ETOs time value. The higher the volatility, the more chance the option has of becoming profitable before expiration. Generally, the more volatile the market, the higher the premium will be as the seller ("writer") is exposed to a greater possibility of incurring a loss. The receipt of a higher premium is compensation for this higher risk.

#### 4. Interest rates

A rise in interest rates will increase call option premiums and reduce put option premiums.

#### 5. Market expectations

Ultimately, supply and demand determine the market value of all options. During times of strong demand, premiums will generally be higher.

#### 6. Dividend Ex-dates

If an underlying share goes ex-dividend during the life of an ETO, the premium of a call option will be lower as shares tend to fall in value on going ex-dividend. Conversely, if the share had not gone ex-dividend during the ETOs life, the premium of a put option becomes higher. This is because share price declines make call options less valuable and put options more valuable.

In practice, option pricing is complex and involves the use of mathematical formulae to calculate the intrinsic and time value of options.

#### 7. Dividends and voting

The buyer of a call option or the seller ("taker") of a put option does not receive dividends on the underlying shares until the shares are exercised, nor does the owner have any voting rights until the time of transfer.

Option information can be monitored on the ASX website, [www.asx.com.au](http://www.asx.com.au), or in some major newspapers including The Australian or The Australian Financial Review. You can also obtain the current price of an option by contacting your Ord Minnett adviser.

### Opening an ETO Position

Setting up an ETO contract is referred to as "opening a position."

Once the buyer (taker) of an ETO has an open position they may either;

1. Exercise the option
2. Hold the option to expiry and allow it to lapse
3. Close their position by selling (writing) an option in the same series as originally taken, and instructing their adviser to "close out" the original open position.

The seller (writer) of an ETO has two alternatives;

1. Let the option go to expiry and risk being exercised (if it is not exercised, it will expire without any further obligation or liability on the writer), or
2. "Close out" the option by buying the option in the same series as originally taken (provided it has not been exercised).

### Closing an ETO Position

An ETO position may be "closed out" by placing an order equal and opposite in effect to the original order. This may be done to;

- Take a profit
- Limit a loss
- Avoid an unwanted early exercise (other than an index option which can only be exercised on expiry day).

It is important to confirm with your adviser you want to close out an existing position when placing your order instruction. Closing out can be achieved without reference to the original counterparty to the trade because of the process of novation. ASX Clear is able to substitute a new buyer to the contract.

### Automatic Exercise

Unless you advise us not to exercise an open position prior to 4.30 pm on expiry day, we will automatically exercise any "in-the-money" position. Automatic exercise will take place for any options in your account which are \$0.01 or more in the money at expiry as defined by the reference prices of ASX Clear in the Derivatives Clearing System.

### Settlement Obligations

Payment for, and the delivery of underlying shares, on exercise of an open ETO contract occurs via the ASX's Clearing House Electronic Subregister System (CHES) on T+3 (transaction date + 3 business days). Ord Minnett is obliged to make payment to the ASX within this timeframe.

For cash settled index ETOs, a cash settlement amount calculated having regard to the opening price index calculation on expiry day, is paid to exercising takers on the day following the expiry day. The level used for settling index options is determined by a special formula. If you intend investing in index options you should understand these arrangements.

For more information on settlement of index options please read and understand the ASX Booklet "Understanding Options Trading", and in particular the section on "Trading Index Options".

Ord Minnett requires that you settle at T+1 (that is within 24 hours from the time the trade occurred) for all cash positions (obligations) which arise from premiums, interest and other cash financial transactions. This requirement is stated in the terms of our client agreement with you.

You are required to pay the margin amounts we call from you within 24 hours of the margin obligation falling due.

### Benefits of Options Ownership

The benefits of owning ETOs are;

#### 1. Risk management

Put Options allow you to hedge against a possible fall in the value of shares held. This is similar to taking out insurance against a fall in the share price.

#### 2. Time to decide

By taking a Call Option, the purchase price for the shares is fixed which gives the holder until the expiration date to decide whether or not to exercise the option and purchase the shares. Likewise, the taker of a Put Option has time to decide whether or not to sell the shares.

#### 3. Leverage

Leverage provides the potential to make a higher return from a smaller initial outlay than investing directly, however leverage usually involves higher risk than a direct investment in the underlying shares. Trading in options can allow you to benefit from a change in the price of the share without having to pay the full price of the share.

#### 4. Diversification

Options can allow you to build a diversified portfolio for the same or even lower initial outlay than purchasing shares directly.

#### 5. Income generation

You can earn extra income over and above dividends by writing call options against your shares. By writing an option you receive the option premium upfront, however there is a possibility that

you could be exercised against and have to deliver your shares to the taker at the exercise price.

## 6. Strategies

By combining different ETO types, or stock with ETOs, you can create a wider range of investment strategies that may better suit your needs.

### Risks of Trading Options

#### General Risks of Options Ownership

Trading in ETOs may not be suitable for some investors. In light of the risks associated with trading in derivative products, you should only invest in ETOs where you fully understand the nature of this investment, the associated risks and your regulatory and legal rights and obligations.

Prior to any investment it is also suggested that you assess your experience, investment objectives, current financial resources and any other points of relevance with your financial adviser. You should not rely on this PDS as a full explanation of the risks associated with investing in ETOs.

The purchaser of an ETO, whether it is a call option or a put option, has a known and limited potential loss. If an ETO expires with no value, the buyer will lose the total value paid for the option (the premium), plus any transaction costs incurred.

Selling ("writing") options may entail considerably greater risk than purchasing options. The premium received by the seller of an ETO is both limited and fixed, however the seller may incur losses greater than that amount.

The risks of trading ETOs include but are not limited to the following:

#### 1 Market risks

A range of factors affects the market value of options. They may decline in price or even become worthless before expiry. Changes in the price of the underlying shares may result in changes to the price of an ETO, however the change can sometimes be in a different direction or at a different rate to the change in the price of the underlying share.

#### 2 A limited life asset

Options have an expiry date and therefore a limited life. An ETO's time value erodes over its life and this accelerates as an option nears expiry. It is important to assess whether the options selected have sufficient time to expiry for your market views to be realised.

#### 3 Effect of 'Leverage' ('Gearing')

The initial outlay of capital may be small relative to the total contract value, meaning that ETO transactions are leveraged. Therefore, a relatively small market movement may have a proportionally large impact on the value of the ETO. This may work for you, or alternatively, against you. The use of leverage can lead to larger gains, as well as larger losses.

#### 4 ETO sellers face potentially unlimited losses

Selling ("writing") ETOs may involve considerably greater risk than buying options. The premium received by the seller is fixed and limited however they may also incur losses greater than that amount. The seller who does not own the underlying shares or have offsetting option positions has a potentially unlimited loss position and potential profits and losses can be greater than the money initially outlaid.

#### 5 Margin calls

Your liability in relation to an ETO is not limited to the amount of the margin paid. If the market moves against your position or margin levels are increased, you may be called upon to pay substantial additional funds on short notice to maintain your

position, or upon settlement of contracts. If you fail to comply with a request for additional funds within the time prescribed, Ord Minnett may close out your position and you will be liable for any losses that result.

#### 6 Illiquidity and Pricing Relationships

Market conditions may increase the risk of loss by making it difficult to effect transactions or close out existing positions. Normal pricing relationships may not exist in certain circumstances, for example, in periods of high buying or selling pressure, high market volatility or illiquidity in the market for a particular ETO series.

#### 7 Risk-Reducing Orders or Strategies

The placing of orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders. Strategies using combinations of positions, such as "spread" and "straddle" positions may be as risky as taking simple "long" or "short" positions.

#### 8 Suspension or Restriction of Trading and Pricing Relationships

Market conditions or actions by the ASX or ASX Clear may increase the risk of loss by making it difficult (or impossible) to effect transactions or close out existing positions. Normal pricing relationships may not exist in certain circumstances, for example, in periods of high buying or selling pressure, high market volatility or illiquidity in the market for a particular ASX Derivative Product. ASX and ASX Clear have broad powers under their Exchange Rules to take action in the interests of maintaining fair and orderly markets. In some instances, this may affect your positions.

#### 9 Terms and Conditions of Contracts

Under certain circumstances the specifications of outstanding contracts may be modified by ASX or by ASX Clear. The extent to which you may recover money or property is governed by the Corporations Act and other legislation and rules. In certain circumstances you may have a claim against the National Guarantee Fund.

#### 10 Trading Facilities

As with all trading facilities and systems, the systems used in the market are vulnerable to temporary disruption or failure. An investor's ability to recover certain losses in these circumstances will be limited given the limits of liability imposed by the ASX and ASX Clear.

#### 11 Trade Cancellations

Ord Minnett has the ability to amend or cancel the trade as stated in our "Terms and Conditions of Trading" and any Confirmation (previously known as a Contract Note) issued. This could cause you to incur a loss or increase your loss.

### Section Three

#### Costs associated with trading ETOs

##### ETO brokerage:

The minimum fee charged by Ord Minnett is \$100 per trade. Above this minimum, brokerage is charged on a sliding scale as follows:

Premium Value	Brokerage charged on opening an options position	Brokerage charged on closing out an options position
\$0 - \$5,000	2.5%	1.25%
\$5,001 - \$15,000	2.0%	1.0%
\$15,001 and above	1.5%	0.75%

#### Government Taxes

GST will be charged on all brokerage and fees at the rate of 10%.

## Adviser Commissions

Advisers receive up to 60% of the brokerage received over and above the first \$10 per options transaction.

## Interest

Ord Minnett's Clearing Participant will maintain a trust account to hold funds which you have provided to us to settle transactions we have undertaken on your behalf.

Any interest earned on the trust account by the Clearing Participant will be retained by Ord Minnett. ASX Clear may also pay interest to the Clearing Participant on all cash lodged as collateral to cover ASX Clear margins. The Clearing Participant will pass on any interest received as calculated by ASX Clear to you, less an administration fee of not more than 50 basis points (0.5%). This Interest will appear on your monthly statement.

## ASX Clear fees

ASX Clear charges a registration fee of \$0.13 plus GST per option contract. If you exercise a share option, ASX Clear charges an exercise fee of \$0.50 plus GST per contract. If you are assigned on an option position, ASX Clear charges a fee of \$0.50 plus GST per contract.

In the case of index options, ASX Clear charges \$0.35 per contract plus GST, for both the transaction fee and the exercise fee.

The exact cost of your transaction will be disclosed on your Confirmation/Trading Statement.

## Stamp duty

No stamp duty is payable on option transactions or securities transactions arising from options exercise.

## Margins

If you sell or write an option contract, you have a potential obligation to the market because the buyer may exercise their position. A margin is an amount that is calculated by ASX Clear as necessary to ensure that you can meet the obligation.

Margin obligations may arise from:

1. written call option contracts
2. written put option contracts

ASX Clear calculates margins and take into account the volatility of the underlying share.

The total margin for an ETO is made up of two components;

1. The premium margin is the market value of the particular position at the close of business each day. It represents the amount that would be required to close out your option position.
2. The risk margin covers the potential change in the price of the option contract, assuming the maximum probable inter-day movement (daily volatility) in the price of the underlying share. The daily volatility figure, expressed as a percentage, is known as the margin interval.

Each week, ASX Clear publishes the margin interval for all option classes. Updated margin intervals and options volatility statistics are updated on the ASX website.

If you have a number of option positions open, ASX Clear will evaluate the risk associated with your entire options portfolio and calculate your total margin obligation accordingly. It is possible that some option positions may offset others, leading to a reduction in your overall obligation.

## Margin Payments

Margins are recalculated on a daily basis to ensure an adequate level of margin cover is maintained. This means that you may have to increase your level of margin cover if the market moves against

you. Alternatively, your margins may be reduced if the market moves in your favour.

Settlement requirements for trading options are strict. You must pay any margin calls by the time stated in your Client Agreement. Under Exchange Rules, this can be no longer than 24 hours after being called.

If you do not meet your margin call in time, Ord Minnett may take action to close out your position without further reference to you.

## Section Four

### Client Trust Accounts and Collateral

In order for us to trade an exchange traded option contract for you, we require you to provide the Clearing Participant with money or property to enable us to cover your payment obligations. Client money and property paid or given by you in connection with any dealing in ETOs will be held by the Clearing Participant in trust in accordance with the Corporations Act and the Exchange Rules. **In order to trade ETOs through Ord Minnett you will be required to set up an Ord Minnett Cash Management Trust account** from which the Clearing Participant can withdraw funds as and when these are needed to facilitate settlement.

Money is held on trust for you in a trust account, however, this does not apply to money paid to reimburse us for payments we have had to make to ASX Clear Pty Ltd (ASX Clear) (generally margin calls) in respect of dealings for you. The Corporations Act provides that money held in the trust account can be used for specific purposes such as meeting margin obligations, guaranteeing, securing, transferring, adjusting or settling dealings in derivatives.

CHESS securities (held by you) may be lodged in your name with ASX Clear as collateral for margin obligations relating to option trades. When CHESS securities are lodged with ASX Clear, the securities are held by ASX Clear as a 'third party security'. The lodged securities cannot be used by us (or by the Clearing Participant) in relation to our dealings or for our other clients in relation to their dealings unless authorised by you as third party collateral. **Shares in a client's superannuation fund cannot be used as third party collateral for any other account.**

ASX Clear accepts cash and a range of collateral to cover an investor's margin obligations.

Shares bought using margin lending accounts may be eligible as collateral for written call option strategies.

If you would like to use collateral to cover your margin obligations, you should discuss this with your adviser.

### National Guarantee Fund

The National Guarantee Fund (NGF) provides investors with protection in the following circumstances:

1. If a stock option is exercised, the NGF guarantees completion of the resulting trades in certain circumstances; and
2. If you have entrusted property to Ord Minnett or the Clearing Participant in the course of dealing in options, and Ord Minnett later becomes insolvent, you may claim on the NGF, in accordance with the rules governing the operation of the NGF, for any property which has not been returned to you or has not otherwise been dealt with in accordance with Ord Minnett's obligations to you. There are limits on claims to the NGF for property entrusted.

For more information on the possible protections offered by the NGF see [www.segc.com.au](http://www.segc.com.au).

### Complaints Handling Procedures

We want to hear all your comments, whether they are favourable or not, because it is in our interests to promptly address any concerns you may have. Ord Minnett has implemented internal complaint

handling procedures consistent with Australian Standard ISO 10002, Quality management - Customer Satisfaction - Guidelines for complaints handling in organisations. In summary, the procedures are as follows:

You should firstly contact your Ord Minnett adviser and discuss your concerns. If your concerns are not resolved to your satisfaction, then please write to:

The Compliance Manager  
Level 18, Grosvenor Place  
225 George Street  
Sydney NSW 2000

Ord Minnett is required to deal with client complaints in accordance with the relevant Australian Standard. If you are dissatisfied with our response to your complaint you may contact:

The Australian Financial Complaints Authority  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Mail: GPO Box 3, Melbourne VIC 3001

## Principal Trading

Ord Minnett may from time to time undertake transactions on its own behalf through other Market Participants. You should note that in some circumstances such orders may compete with the orders of Ord Minnett's clients indirectly.

## Taxation Implications

The taxation of options can be complex and may change over time. Accordingly, you are recommended to seek professional tax advice before entering in to or disposing of an exchange traded option.

Ord Minnett does not provide tax advice and does not undertake to advise you in respect of taxation issues associated with trading in ASX Derivative Products.

It is important to note that your tax position when trading exchange traded options will depend on your individual circumstances, in particular whether you are trading on a revenue or capital account

You should take taxation into consideration when you are investing in options, just as you would when investing in shares. Some of the issues that may be relevant include:

- Are you classified as a trader or as a speculator?
- Is an option trade on a revenue account or on a capital account?
- Are there timing issues, for example when an option position is opened in one tax year and closed in the next tax year?
- Where an option strategy is in place around the time a stock goes ex-dividend, are you in danger of not satisfying the 45 day Holding Period Rule and therefore being disqualified from receiving the franking credits attached Cleared to the dividend?
- Could the exercise of an option position crystallise a taxation event for the underlying shareholding thereby giving rise to a Capital Gains Tax liability?

This is by no means a comprehensive list of the taxation issues of options trading and should not be relied upon by individual investors. Taxation issues will vary from investor to investor and individual investors should obtain their own tax advice before investing into the products detailed in this PDS. It is therefore important to discuss your taxation situation with your taxation adviser or accountant, to ensure that any options trades you enter will not have adverse taxation implications.

Additional information on taxation may be found on the ASX

internet site, [www.asx.com.au](http://www.asx.com.au).

## Section Five

### Derivatives Client Agreement

This Client Agreement consists of the following two sections:

- Part A sets out the terms of the agreement between you and Ord Minnett Limited ABN 86 002 733 048 AFSL No. 237121 (**Ord Minnett**) as the Trading Participant (executing broker) that arranges for and executes orders for exchange traded options for you.
- Part B sets out the terms of the agreement between you and FinClear Services Pty Ltd ABN 60 136 184 962 AFSL No. 338264 (**FinClear or Ord Minnett's Clearing Participant**) as the Clearing Participant that clears and settles your exchange traded options.

Because of the operation of the rules of the ASX and ASX Clear there may be some duplication between the terms and conditions applicable to your dealings with Ord Minnett and those applicable to your dealings with the Clearing Participant.

#### **PART A –Terms of your agreement with Ord Minnett as Trading Participant for exchange traded options**

##### **1 Application of Exchange Rules**

The Client and its authorised agent and Ord Minnett are bound by the Exchange Rules of ASX Limited ("ASX"), the Corporations Act and the Procedures, customs, usages and practices of ASX and its related entities, as amended from time to time, in so far as they apply to ASX Derivative Products traded on ASX on the Client's behalf.

##### **2. Authority of Client**

The Client acknowledges that the Client is either:

- (a) acting as principal; or
- (b) acting as an intermediary on another's behalf and specifically authorised to enter into Exchange Transactions by the terms of:
  - (i) a licence held by the Client ; or
  - (ii) a trust deed (if the Client is a trustee); or
  - (iii) an agency contract.

##### **3. Disclosure of the client's investment needs and financial position**

- 3.1 The Client must provide Ord Minnett with all relevant personal details, financial information and client profile information as required in the application form and understand and acknowledge that failure to provide such information and/or provision of incorrect information, will limit Ord Minnett's ability to assess the suitability of Options trading for the Client and may limit the suitability of advice and recommendations made by Ord Minnett. The Client should be aware that the absence of such personal details may result in provision of general advice only.
- 3.2 The Client must promptly notify Ord Minnett of changes to the information the Client has provided in Client Details and the Client Profile. The Client acknowledges that failure to notify changes to the information may mean there are limitations on the appropriateness of any recommendations made to the Client.
- 3.3 Ord Minnett will treat information that it possesses concerning the Client as confidential and in accordance with its Privacy Policy, a copy of which is available on request. In particular, the Client acknowledges that Ord Minnett may provide information concerning the Client to ASX, ASX Clear or related entities in the ASX group as required by the Exchange Rules.

#### **4. Information provided by Ord Minnett**

- 4.1 Ord Minnett must give the Client any information (including updates to the Product Disclosure Statement) that Ord Minnett is required to give the Client under the Exchange Rules or Corporations Act.
- 4.2 Ord Minnett does not warrant the accuracy or completeness of information in any ASX published explanatory booklet.

#### **5. The client's instructions**

- 5.1 Subject to clause 5.8 if the Client wishes Ord Minnett to enter into Exchange Transactions or exercise Options on the Client's behalf pursuant to Part A of this agreement, the Client must notify Ord Minnett of the Client's instructions either in writing, or with the agreement of Ord Minnett, orally.
- 5.2 Subject to clause 5.5 Ord Minnett will use its reasonable endeavours to give effect to the Client's instructions, but Ord Minnett will not be responsible for failure to give effect to, or for delays or errors in giving effect to, the Client's instructions.
- 5.3 Where the Client places an order by email Ord Minnett will not be responsible for any loss or liability incurred by the Client where Ord Minnett does not receive the Client's instructions or where dealing or proposed dealing is interrupted, unable to be completed or unable to take place due to failure of any computer or other electronic or technological service. In addition, Ord Minnett will not be responsible for any loss or liability incurred by the Client where Ord Minnett is unable to receive or act on the Client's instructions due to circumstances beyond Ord Minnett's reasonable control.
- 5.4 Ord Minnett is entitled to rely on any document or communication which it reasonably believes to be a notification or an oral communication under clause 5.1 without further enquiry.
- 5.5 The Client acknowledges that Ord Minnett may at any time refuse to deal in, or may limit dealings or positions in, ASX Derivative Products for the Client. Ord Minnett is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of the Exchange Rules, the Operating Rules or the Corporations Act. Ord Minnett will notify the Client of any refusal or limitation as soon as practicable. This may be done by telephone. Without limiting this clause 5.5, Ord Minnett may refuse to enter into an Exchange Transaction until it receives such funds or security as are required pursuant to this Agreement or the Exchange Rules.
- 5.6 The Client acknowledges that any failure to deliver funds or security in a timely fashion is ultimately the Client's responsibility.
- 5.7 The Client will provide Ord Minnett with contact details at which Ord Minnett can obtain the Client's instructions at all times.
- 5.8 The Client must instruct Ord Minnett if the Client wants to exercise an Option. However, the Client acknowledges that Ord Minnett will automatically exercise on expiry day any Options in the Client's Account which are \$0.01 or more in the money at expiry by reference to the reference prices disseminated by ASX Clear in the Derivatives Clearing System, unless the Client instructs Ord Minnett not to exercise prior to 4.30pm on expiry day.
- 5.9 Ord Minnett is entitled to cancel or reverse a trade and any confirmation without notice to the Client where ASX Group or ASIC has recommended or required cancellation for market integrity reasons, or where the market was operating under an error, or where the cancellation or reversal is permitted under the Exchange Rules.
- 5.10 The Client acknowledges that Ord Minnett will not maintain option accounts on a discretionary basis except where specifically authorised by the Client in a separate agreement. Where the Client has not signed an agreement authorising

discretionary trading, the Client undertakes to immediately notify Ord Minnett as soon as the Client becomes aware of any transaction on the Client's account which was undertaken without the Client's express approval and instruction. If the Client does not notify Ord Minnett of any unauthorised transactions on the Client's account within 14 days of the Client having been given written notice of such transaction, the Client will be presumed to have agreed to and accepted the transactions and will not hold Ord Minnett liable in the event of any losses arising out of these.

- 5.11 If an order which the Client has placed is only partly completed and if the Exchange Rules permit Ord Minnett to do so, the Client authorises Ord Minnett to accumulate and average prices for that order in accordance with the Exchange Rules.

#### **6. Tape recording of conversations**

The Client acknowledges that Ord Minnett may record telephone conversations between the Client and Ord Minnett. If there is a dispute between the Client and Ord Minnett, the Client has the right to listen to any recordings of those conversations which are in the possession of Ord Minnett. It is not currently Ord Minnett's practice to record telephone conversations with Clients.

#### **7. Dealing as principal**

The Client acknowledges that Ord Minnett may, in certain circumstances permitted under the Corporations Act and the Exchange Rules, take the opposite position in a transaction in ASX Derivative Products, either acting for another client or on its own account or on the account of an associate of Ord Minnett.

The Client consents to such transactions and to being charged commission on such transactions, to the extent that the Exchange Rules and Corporations Act permit it. Ord Minnett may from time to time undertake transactions on its own behalf through other Market Participants. The Client should note that in some circumstances such orders may compete with the orders of Ord Minnett's clients indirectly.

#### **8. Commissions and fees**

The Client must pay to Ord Minnett brokerage, commissions, fees, taxes and charges in connection with dealings for the Client in ASX Derivative Products at the rates determined by Ord Minnett from time to time and notified to the Client in writing.

The Client acknowledges that the Client is liable for the cost of purchases including brokerage costs, taxes, duties, administration fees and charges in respect thereof and that the Client must make good delivery in respect of sales, to enable Ord Minnett to settle by the due settlement date.

Where the Client fails to make good delivery in respect of sales or fails to meet the costs of purchases by the due settlement date, Ord Minnett is entitled to pass on all costs to the Client.

In the event that Ord Minnett does not receive payment from the Client for a purchase, Ord Minnett reserves the right to either demand payment from the Client on the settlement date or else settle the purchase in the absence of the Client's payment and either on or after the settlement date, apply any monies held by the Client in any account of the Client to which Ord Minnett (or Ord Minnett's Clearing Participant) has lawful access, in order to satisfy the Client's obligation.

#### **9. Relationship between the client, Ord Minnett and ASX Clear**

Before accepting any orders to enter into Exchange Transactions for the Client pursuant to Part A of this agreement, Ord Minnett's Clearing Participant will open an account with ASX Clear in the Client's name in accordance with the Exchange Rules.

## 10. Settlement and Margin Requirements

- 10.1 Client must pay to Ord Minnett's Clearing Participant any amount that the Clearing Participant is liable to pay to ASX Clear in connection with dealings executed by Ord Minnett on the Client's behalf in ASX Derivative Products.
- 10.2 Without limiting clause 10.1, Ord Minnett may call for payment of money or the provision of other security which Ord Minnett considers, in its absolute discretion, appropriate in connection with the obligations incurred by it in respect of Derivatives Contracts entered into for the Client's account.
- The Client acknowledges that the amount called may be in excess of the margin requirements established by ASX Clear. The call may be made by Ord Minnett and/or the Clearing Participant either by notifying the Client in writing or orally.
- 10.3 Client authorises the use of any securities held by the Client in CHESS holdings sponsored by Ord Minnett to be lodged with or otherwise made available to ASX Clear as security for deposits or margins payable to ASX Clear in respect of the Client's Account by signing a Registered Holder Collateral Cover Authorisation Form.
- 10.4 The Client acknowledges and represents and warrants for the benefit of Ord Minnett that:
- (a) the Client is legally entitled and authorised to make available any cash or securities provided to Ord Minnett as security for the Client's obligations;
  - (b) the Client is legally entitled and authorised to make securities held at any time by the Client in CHESS holdings sponsored by Ord Minnett or the Clearing Participant available to ASX Clear as security for deposits or margins payable to ASX Clear;
  - (c) any cash or security which is provided by the Client to either Ord Minnett, its related entities, Ord Minnett's Clearing Participant, or ASX Clear is, and will remain, free from any encumbrances, security interests or rights of others; and
  - (d) the Client will not be entitled to the return of any cash or security until, in the opinion of Ord Minnett, Ord Minnett has no further contingent or actual liability in connection with any Exchange Transaction entered into by Ord Minnett for the Client or contracts registered in the Client's Account.
- 10.5 The Client's liability to pay any amounts or deliver any securities in connection with any Exchange Transaction or Open Contract arises from the time of entry into the relevant Exchange Transaction and the Client's liability to pay to Ord Minnett's Clearing Participant any amount that it is liable to pay to ASX Clear or to deliver to ASX Clear any margin or deposit required by ASX Clear accrues at the time the requirement to pay comes into existence, regardless of when a call on the Client is made.

## 11. Payment and delivery

- 11.1 The Client must pay any amount and deliver any securities the Client is liable to pay or deliver in connection with Exchange Transactions entered into for the Client's benefit or contracts registered in the Client's Account within 24 hours of entry into the Exchange Transaction including paying any premium and delivering any cash or security.
- 11.2 If Ord Minnett makes a call for payment or any security at any time under clause 10.2, the Client must pay the amount, or provide the security to Ord Minnett's Clearing Participant, within 24 hours of Ord Minnett making the call unless clause 11.1 requires the payment or delivery to be made earlier. If the 24 hour period expires on a non Trading Day, the Client must make payment or provide security by 10am the next Trading Day.
- 11.3 Notwithstanding clauses 11.1 and 11.2, Ord Minnett may notify the Client orally or in writing of a shorter period for payment or delivery.

- 11.4 Time is of the essence for obligations under this clause 11.
- 11.5 The Client irrevocably directs and authorises Ord Minnett to withdraw funds from any account held by Ord Minnett or its related entities and the Clearing Participant or their related entities for the Client's benefit in order to satisfy the Client's payment obligations under Part A of this agreement including, without limitation, to pay to ASX Clear any amount which Ord Minnett's Clearing Participant is liable to pay to ASX Clear in connection with dealings for the Client in ASX Derivative Products.
- 11.6 Ord Minnett may immediately and without notice set off any amount payable by it to the Client under this agreement or otherwise against any amounts owed by the Client to Ord Minnett under this agreement or otherwise.
- 11.7 If the Client fails to pay any amount due under this agreement to Ord Minnett by the time due for payment, Ord Minnett reserves the right to charge an administrative fee of up to \$50.00 and interest on the unpaid amount at a rate equal to the business loan reference lending rate of Westpac Bank published from time to time, from the time due for payment until the unpaid amount is paid in full. These amounts will be debited to the Client's Account with Ord Minnett.
- 11.8 The Client acknowledges that this agreement does not oblige Ord Minnett to lend any money, or otherwise extend credit, to the Client.

## 12. Amounts received by Ord Minnett's Clearing Participant on the client's account

Ord Minnett's Clearing Participant will account to the Client for any amount it receives from ASX Clear in connection with dealings for the Client in ASX Derivative Products. The Client acknowledges that the Client's monies and the monies of other clients of Ord Minnett may be combined and deposited by the Clearing Participant in a trust account or clients' segregated account. The Client acknowledges that all monies credited to the clients' segregated account maintained by the Clearing Participant may be used by Ord Minnett or the Clearing Participant to meet the default of any of Ord Minnett's clients.

## 13. Settlement on Exercise of Options

The Client must make such arrangements for transfer of securities or payment of amounts on exercise or assignment of Options held on the Client's account as Ord Minnett or the Clearing Participant reasonably require and notify to the Client. In particular, the Client must by close of business on the day on which the Client is notified of the exercise or assignment of an Open Contract in respect of the Client's Account, either:

- (a) notify Ord Minnett that the Client intends to complete the transaction arising from the exercise or assignment; or
- (b) instruct Ord Minnett to take other steps to settle obligations arising from exercise, including entering into another Exchange Transaction or exercising any Open Contract.

## 14. Default

- 14.1 The Client must notify Ord Minnett immediately that the Client becomes aware that:
- (a) there is any change in control or direct or indirect beneficial ownership of the Client;
  - (b) the Client disposes of the whole or part of the Client's assets, operations or business other than in the ordinary course of business;
  - (c) the Client ceases to carry on business;
  - (d) the Client ceases to be able to pay its debts as they become due;

- (e) any step is taken by a mortgagee to take possession or dispose of the whole or part of the Client's assets, operations or business;
- (f) any step is taken to enter into any arrangement between the Client and its creditors;
- (g) any step is taken to appoint a receiver, a receiver and manager, a trustee in bankruptcy, a provisional liquidator, a liquidator, an administrator or other like person of the whole or part of the Client's assets, operations or business;
- (h) where the Client is a partnership, any step is taken to dissolve that partnership or a partner dies;
- (i) if there is a change in any of the authorisations provided pursuant to clause 2(b).

14.2 The Client appoints Ord Minnett, including its related entities, each of its officers, employees and agents (each an Attorney) to do anything which, in the opinion of the Attorney, would give effect to a right, power or remedy of Ord Minnett under this clause 14, on Ord Minnett's behalf and in the Client's name or the Attorney. The Client agrees to ratify anything done by an Attorney under this power of attorney.

14.3 An Attorney may delegate its powers (including the power to delegate) to any person for any period. The Attorney may revoke the delegation.

## 15. Termination of Agreement

15.1 Either the Client or Ord Minnett may terminate Part A of this agreement by giving notice in writing to the other. Termination will be effective when the other party receives that notice.

15.2 Termination does not affect existing rights and obligations of parties at termination. In particular, this clause 15 and clauses 2, 5.2, 5.5, 9, 10, 11, 12, 13, 14, 16, 17, 19 and 26 continue to apply after termination of the Agreement in relation to Exchange Transactions entered into before termination.

15.3 Upon termination of Part A of this agreement, Ord Minnett will close out at its absolute discretion all Open Contracts registered in the Client's Accounts, unless, in accordance with a direction from the Client, the registration of those contracts is transferred to another Clearing Participant in accordance with the Exchange Rules.

15.4 The Client acknowledges that:

- (a) where the Client chooses to transfer Open Contracts to another Participant, Ord Minnett will cease to have any control or knowledge of the transferred positions and consequently Ord Minnett will not have any responsibility or liability for losses incurred on Open Contracts after the date of transfer; and
- (b) where the Client chooses to transfer Open Contracts to Ord Minnett from another Participant, Ord Minnett will not have any liability in respect of such Open Contracts unless and until Ord Minnett provides personal securities advice in relation to such Open Contracts after the date of their transfer to Ord Minnett.

## 16. Limitation of liability and indemnity

16.1 Ord Minnett shall not be in any way be liable for damages, loss, costs, or expenses of any kind suffered or incurred by the Client as a result of or arising out of or in connection with:

- (a) any breach of this agreement, the Exchange Rules or the Corporations Act by the Client or any person purporting to act on the Client's behalf including, but not limited to, a breach in respect of which any party may exercise a right to terminate Part A of this agreement;
- (b) any misinterpretation of any information provided by Ord

Minnett relating to a transaction entered into or proposed to be entered into by the Client or Ord Minnett under this agreement;

- (c) misinterpretation of any information, directions or instructions which the Client or any person purporting to act on the Client's behalf may have given or claimed to have given to Ord Minnett in relation to any transaction;
- (d) any ASX Derivative Product or relationship established under Part A of this agreement or any conduct relating to such a contract or relationship; and
- (e) any delay or error in the transmission or execution of any order or instructions given or placed by or for the Client; except in respect and to the extent of any negligence, fraud or dishonesty by Ord Minnett or any claim which under any applicable law it is not lawful to exclude.

16.2 The Client indemnifies Ord Minnett and its employees, agents and representatives from any claim, notice, demand, action, proceeding, litigation, investigation, judgment, damage, loss, cost, expense or liability however arising, whether present, unascertained, immediate, future or contingent and whether direct or indirect arising out of any default by the Client under this agreement or from anything lawfully done by Ord Minnett pursuant to this agreement including, without limitation, any direction or request from ASX, ASX Settlement, ASX Clear or other regulatory authority.

16.3 The Client will indemnify Ord Minnett for all Payments and Fees and any taxes and charges on time. Ord Minnett may automatically charge these or deduct them from the Client's funds held with Ord Minnett or any of the Client's accounts with Ord Minnett.

16.4 Ord Minnett does not accept any duty of care or liability to any person other than the Client.

16.5 To the extent permitted by law, Ord Minnett's liability for all claims directly or indirectly connected with this agreement (whether in negligence or otherwise and whether to the Client or any other person) is limited to the brokerage paid by the Client in respect of any services provided to the Client under this agreement.

16.6 To the extent permitted by law, if Ord Minnett is liable to pay damages to the Client and if the Client or any other person (including other advisers to the Client) has contributed to the loss suffered by the Client, the damages payable by Ord Minnett shall not exceed the amount which would have been payable by Ord Minnett if:

- (a) the damages payable by us were reduced by the amount that they would be if legislation providing for the apportionment of damages in the case of contributory negligence applied to the Client's claim.
- (b) no exemption or limitation of liability applies to that person; and
- (c) the Client joined every person who as liable to pay the Client damages in respect of the Client's loss, Ord Minnett obtained an order for contribution against each of them and they paid the full amount of their contribution.

16.7 In this clause 16, Ord Minnett means Ord Minnett Limited and, unless the context requires otherwise, any related body corporate of Ord Minnett Limited and any agent, employee or representative of Ord Minnett Limited or one of its related bodies corporate.

## 17. Representations and warranties

The Client represents and warrants in favour of Ord Minnett, at the date of this agreement and at each time that the Client instructs Ord Minnett to enter into an Exchange Transaction, that:

- (a) (if a body corporate) the Client is duly incorporated and validly existing under the laws of the jurisdiction of the Client's incorporation;
- (b) the Client has power to enter into this agreement and to perform its obligations under this agreement;
- (c) the Client duly authorises each person who transacts on its behalf;
- (d) this agreement is valid, binding and enforceable against the Client;
- (e) the execution, delivery and performance of this agreement does not violate any existing law or regulation or agreement or document to which the Client is a party or which is binding on the Client or any of its assets;
- (f) the Client has obtained all authorisations required for the Client to enter into and perform this agreement, and those authorisations remain in full force and effect; and
- (g) the Client is solvent.

## 18. Notice

- 18.1 Unless Part A of this agreement otherwise provides, a party giving notice or notifying under Part A of this agreement (whether referred to as sending a document, giving a document or information, or otherwise) must do so in writing directed to the recipient's address.

The Client's addresses and facsimile numbers are set out in the Client Details. Notices to Ord Minnett should be directed to:

**Attention:** Manager, Options

**Address:** Level 18, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Facsimile: 02 8216 6311

Notice to Ord Minnett may not be given by email. Either party may amend their respective address or facsimile number by notice.

- 18.2 A notice given in accordance with clause 18.1 is taken to be received:
- (a) if hand delivered, on delivery;
  - (b) if sent by prepaid post, two Business Days after the date of posting;
  - (c) if sent by facsimile, when the recipient's facsimile system generates a message confirming successful transmission of the total number of pages of the notice. If no acknowledgment of receipt is provided by the recipient, it is the responsibility of the sender to contact the recipient and confirm it has received the notice.

## 19. Variation of Terms

- 19.1 Ord Minnett may amend Part A of this agreement by sending the Client written notice of the changes. Ord Minnett will give not less than seven Business Days' notice.
- 19.2 If ASX prescribes amended minimum terms for a Client Agreement for ASX Derivative Products for the purpose of the Exchange Rules (New Terms), to the extent of any inconsistency between Part A of this agreement and the New Terms, the New Terms will override the terms of Part A of this agreement and apply as if the parties to Part A of this agreement had entered into an agreement including the New Terms.
- 19.3 Ord Minnett will provide a copy of the New Terms to the Client as soon as practicable after ASX prescribes the New Terms.
- 19.4 If the Client has lodged a 'Professional Investor Client Agreement' with ASX Clear pursuant to the Exchange Rules, then to the extent of any inconsistency between the terms of

that agreement and Part A of this agreement, Part A of this agreement prevail.

## 20. Clients which are companies

If the Client is a company, the Client agrees that Ord Minnett can act on the Client's behalf on instructions from any director whose name appears in the Client Details as a director or secretary of the Company in addition to any persons specifically nominated in Part A of this agreement as authorised to deal on the account.

## 21. Where the Client is more than One Person

- 21.1 If the Client is constituted of more than one person then each person is jointly and severally bound by Part A of this agreement. If the client is a trustee, the trustee is bound in its capacity as trustee and personally. The Trustee's successors are bound by Part A of this agreement.
- 21.2 Ord Minnett is entitled to act on the instructions of any one of the persons constituting the Client in addition to any persons specifically nominated as authorised to deal on the account in the Client Details.

## 22. Explanatory Booklet

The Client acknowledges that the Client has received, read and understood a copy of the current explanatory booklet published by ASX in respect of each ASX Derivative Product traded by the Client.

## 23. Nature of Participant's obligations

Notwithstanding that Ord Minnett may act in accordance with the Client's instructions or for the Client's benefit, the Client acknowledges that any contract arising from any order submitted to the Market, is entered into by Ord Minnett as principal.

## 24. Client to provide information

The Client will take all reasonable steps to deliver information or documentation to Ord Minnett, or cause information or documentation to be delivered to Ord Minnett concerning Option Transactions which are requested by a person having a right to request such information or documentation. Ord Minnett is authorised to produce the information or documentation to the person making the request.

## 25. Application of Operating Rules

The Client acknowledges that each Option registered with ASX Clear is subject to the Operating Rules and the practices, directions, decisions and requirements of ASX Clear. Similarly, the Client acknowledges that each Option registered with an Alternative Clearing Facility is subject to the operating rules and the practices, directions, decisions and requirements of that facility.

## 26. Governing law and jurisdiction

- 26.1 Part A of this agreement is governed by the law applicable in New South Wales.
- 26.2 Each party submits to the nonexclusive jurisdiction of the courts of New South Wales.

## 27. Confirmations

- 27.1 Ord Minnett (through the Clearing Participant) will issue a Confirmation to the Client as a record of each transaction. Ord Minnett may issue a further Confirmation if a previous Confirmation contains any errors or omissions and, in this event, the further Confirmation shall supersede the previous one(s) in all respects.
- 27.2 Ord Minnett (through the Clearing Participant) will issue Confirmations to the Client in electronic form by default. Where the Client has already provided an electronic address ("email address") to Ord Minnett, the Client authorises Ord Minnett's Clearing Participant to dispatch electronic Confirmations to this email address in respect of all trades on the Client's account.

Where the Client has not already provided an email address, the Client will be required to do so in order to open the Client's account.

- 27.3 It is the Client's responsibility to ensure that the email address provided to Ord Minnett is operational and available for receipt of electronic Confirmations issued and to advise Ord Minnett of any change to the email address as soon as practicable after the change is made. The Client must notify Ord Minnett in writing if the Client does not wish to receive electronic Confirmations.
- 27.4 The Client further agrees that, at Ord Minnett's discretion, Ord Minnett may (through the Clearing Participant) issue paper based Confirmations to the Client's registration address in lieu of electronic Confirmations.
- 27.5 By electing to receive Confirmations by electronic delivery pursuant to this Agreement the Client agrees to the receipt of Confirmations by email. In making this election the Client confirms that the Client understands that the Confirmations dispatched electronically are under the same terms and conditions as those sent by mail.
- 27.6 In addition to those conditions stated on the electronic Confirmation, the Client also agrees to be bound by the conditions as set out below:
- (a) All transactions are subject to, and Confirmations are issued subject to, the Exchange Rules, customs and usage of ASX including those Exchange Rules which set out rights and obligations as between Ord Minnett and the Client and the corrections of errors or omissions. Confirmations issued in relation to the purchase of CHES Approved Securities, are also issued subject to the ASX Settlement Rules. Ord Minnett reserves the right to appropriate credits and all payments received for or from a client or from the buying broker on account of a client as they think fit against any debits in the client's account.
  - (b) For Purchases: payment is due as specified on the Confirmation and if payment is not received when due, Ord Minnett reserves the right to charge interest on the amount outstanding. This interest rate will be determined by Ord Minnett and will be based on the prevailing interest rate at the time of the amount outstanding.
  - (c) For Sales: credits in respect of sales are not available until settlement date as stated on the Confirmation and when securities to satisfy delivery have been received by Ord Minnett's Clearing Participant under the Exchange Rules, Ord Minnett's Clearing Participant must deliver sold securities within three business days. Failure to do so could result in a fail fee penalty being applied, which can escalate daily from the due date. Therefore the Client's securities for sale and any supporting documents must reach Ord Minnett's Clearing Participant not later than the first business day after the date of a sale contract.

## 28. Authority for someone to act on the client's behalf

By completing the document titled "Authority (for someone to act on my behalf)" the Client authorises and requests Ord Minnett to accept and act upon any instructions issued by the Signatory pursuant to the Authority and the Client undertakes to ratify whatever the Signatory shall lawfully do or cause to be done pursuant to the Authority, including but not limited to the following:

- (a) To acquire, buy, deal with, dispose of or sell any Traded Securities and Options;
- (b) To make and receive payment for any securities transactions and attendant expenses by any means whatsoever and to give good receipts and discharges for the proceeds of sales on securities and other monies;

- (c) To execute all contracts and other documents necessary or proper for the custody, dealing and transfer of securities and related matters;
- (d) To receive, hold, arrange custody of and deliver share certificates and other evidence of title to securities; and
- (e) To exercise all rights and privileges and perform all duties and obligations which may now or in the future pertain to the Client as holder of securities.

## 29. Advisory Services

29.1 Ord Minnett does not undertake to advise the Client on whether trading in ASX Derivative Products, either generally or in a particular case, is appropriate in view of the Client's investment objectives, financial situation or needs.

29.2 Ord Minnett does not undertake to advise the Client on or make a recommendation in respect of the benefits or risks associated with each ASX Derivative Product transaction that the Client undertakes. In the event that Ord Minnett does give such advice, the Client acknowledges that the suitability of that advice or that recommendation will depend on the accuracy and completeness of the information provided by the Client to Ord Minnett.

## 30. Entire Agreement

Part A of this agreement contains the entire agreement between the Client and Ord Minnett with respect to their subject matter. It sets out the only conduct relied on by the Client and Ord Minnett and supersedes all earlier conduct and prior agreements and understandings between them in connection with the subject matter.

## 31. No Fiduciary Duty

The Client acknowledges that the Client has engaged Ord Minnett as an independent contractor and not in any other capacity including as a fiduciary. Ord Minnett may, to the extent it deems appropriate, render the services hereunder through one or more of its related bodies corporate.

## 32. Definitions and Interpretation

32.1 In Part A of this agreement:

- (a) all defined terms are as defined in Part B of this agreement or otherwise as defined in the Corporations Act 2001 (Cth), the ASIC Market Integrity Rules, the ASX Clear Rules, the ASX Operating Rules and the ASX Settlement Rules as amended from time to time;
- (b) The rules of interpretation are those specified in Part B of this agreement.

## PART B – Terms of your agreement with FinClear as Clearing Participant for exchange traded options

### 1. Instructions

#### 1.1 ASX Derivative Products

The client named in this Client Application Form (Client) may from time to time instruct Ord Minnett Limited (Broker) to deal in the following kinds of derivatives which are traded on ASX:

- (a) Options Market Contracts (sometimes referred to as Exchange Traded Options); and
- (b) other kinds of derivatives traded on ASX.

but not including Futures Market Contracts (ASX Derivative Products).

FinClear Services Pty Ltd (FinClear) undertakes to act as Clearing Participant for derivatives traded by the Broker on behalf of the Client pursuant to the terms of this agreement.

#### 1.2 Authorisation of additional ASX Derivative Products

If the Client gives instructions to the Broker to deal in an ASX Derivative Product in which the Broker is not authorised to deal

under this clause, those instructions are taken to vary this agreement to authorise the Broker to deal in that ASX Derivative Product under this clause.

### 1.3 Right to refuse to deal

The Client acknowledges that:

- (a) FinClear may (and may instruct the Broker to) at any time refuse to deal in, or may limit dealings in, ASX Derivative Products for the Client. FinClear will notify the Client of any refusal or limitation as soon as practicable; and
- (b) [ASX Clear Minimum Term 4] FinClear is not required to act in accordance with the Client's instructions, where to do so would constitute a breach of the ASX Clear Rules, the ASX Operating Rules, ASIC Market Integrity Rules or the Corporations Act.

### 1.4 Authority to act on instructions

The Client authorises FinClear to accept and act without any inquiry upon instructions provided (including orders placed) by fax or e-mail which appear to FinClear to have been given by the Client, the Broker or by any other person on behalf of the Client, and indemnifies FinClear in respect of any losses or expenses that FinClear may suffer or incur as a result of so acting.

## 2. Clearing Arrangements and Relationship with ASX and ASX clear

### 2.1 Clearing Agreement between the Broker and FinClear

The Broker is a Market Participant of ASX and is a party to a Clearing Agreement with FinClear for the purposes of the ASX Operating Rules and the ASX Clear Rules.

FinClear is a Clearing Participant of ASX and a General Participant of ASX Clear.

### 2.2 Nature of FinClear's obligations [ASX Clear Minimum Term 4]

The Client acknowledges that:

- (a) notwithstanding that FinClear or the Broker may act in accordance with the instructions of, or for the benefit of, the Client, any Derivatives Contract arising from any order submitted to ASX is entered into by the Broker as principal; and
- (b) upon registration of a Derivatives Contract with ASX Clear in the name of FinClear, FinClear incurs obligations to ASX Clear as principal, even though the Derivatives Contract may have been entered into on the Client's instructions.

### 2.3 Obligations of Client owed to FinClear

On execution of a Derivatives Transaction in an ASX Derivative Product by the Broker on behalf of the Client, the Client owes obligations to FinClear in relation to that Derivative Transaction including the obligations set out in this agreement.

Where the Client owes an obligation to deliver funds, security or information to FinClear that obligation will not be satisfied by delivery to the Broker.

### 2.4 Misdirected Transactions

The Client acknowledges that, if at any time Derivatives Transactions executed by the Broker are also to be cleared through a Clearing Participant (other than FinClear):

- (a) the Broker may, incorrectly or otherwise, direct a Derivatives Transaction which it has executed on the Client's behalf to a Clearing Participant other than FinClear (Misdirected Transaction);
- (b) FinClear will not carry the settlement obligations in respect of any Misdirected Transaction; and
- (c) FinClear will not give the Client a confirmation in respect

any Misdirected Transaction.

### 2.5 Rights of Client [ASX Clear Minimum Term 4]

The Client acknowledges that any benefit or right obtained by FinClear upon registration of a Derivatives Contract with ASX Clear by novation of a contract under the ASX Clear Rules or any other legal result of registration is personal to FinClear and the benefit of that benefit, right or legal result does not pass to the Client. The Client has no rights, whether by way of subrogation or otherwise, against ASX or ASX Clear in relation to any transactions by FinClear (or the Broker or any other Market Participant or Clearing Participant) in any Derivatives Contract.

### 2.6 Appointment as agent [ASX Clear Minimum Term 10]

The Client irrevocably appoints severally ASX Clear, and every director, manager and assistant manager for the time being of ASX Clear, at the option of ASX Clear (as applicable) to do all acts and execute all documents on the Client's behalf for the purpose of exercising the powers conferred on ASX Clear under ASX Clear Rule 15 including, the power to transfer or close out Derivatives Contracts if FinClear commits an event of default.

### 2.7 Application of ASX Operating Rules and ASX Clear Rules [ASX Clear Minimum Term 1]

The Client and FinClear agree that the terms of their relationship in respect of Derivatives Contracts, and any dealings between them concerning Derivatives Contracts are subject to, and that they are bound by the Corporations Act, the ASX Operating Rules, the ASX Clear Rules and the procedures, customs, usages and practices of ASX, ASX Clear and their related entities, as amended from time to time, in so far as they apply to Derivatives Contracts.

## 3. Margin Calls and Cover

### 3.1 FinClear may call for funds or security [ASX Clear Minimum Term 6]

FinClear may call for payment of money or the provision of other security (FinClear Cover) which FinClear considers, in its absolute discretion, appropriate in connection with the obligations incurred by FinClear in respect of Derivative Contracts entered into for the account of the Client. The Client acknowledges that FinClear is entitled to call for FinClear Cover under this clause 3.1 of an amount or value which exceeds the amount of the Cover which FinClear is required to provide to ASX Clear in respect of the Derivative Contracts registered with ASX Clear in a Client Account in respect of the Client. The time by which the Client must pay any amount called or provide security is of the essence. The Client must pay the amounts, or provide the relevant security, within 24 hours of the call for payment.

### 3.2 Application of funds or financial products to satisfy calls

The Client authorises FinClear to withdraw or otherwise apply funds or financial products held on the Client's behalf to partially or fully satisfy such calls.

### 3.3 Authority to provide Cover

If the Client makes money or financial products available to FinClear as FinClear Cover (whether by delivery to FinClear or application by FinClear under this agreement), the Client:

- (a) warrants that the Client is legally entitled and authorised to do so, and that the FinClear Cover is free from all Encumbrances; and
- (b) authorises FinClear to pay the money and/or make the financial products available to ASX Clear as Cover.

### 3.4 Interest on Cover

No interest is payable on moneys or other security provided by the Client to FinClear under this clause.

### 3.5 FinClear may use moneys as Cover

FinClear may itself provide money or other financial products to ASX Clear as Cover for its Clearing Obligations and FinClear will retain any interest it receives on such moneys.

#### 4. Commissions and Fees [ASX Clear Minimum Term 8]

The Client must pay to FinClear commissions, fees, charges and taxes in connection with dealings for the Client in ASX Derivative Products at the rates determined by FinClear from time to time and notified to the Client in writing.

Commission is payable to FinClear on a contract executed by FinClear for the transfer of Underlying Financial Products following the exercise of a Derivatives Contract. FinClear will pass on part of that commission to the Broker.

Commission charged by the Broker to the Client is also collected by FinClear on behalf of the Broker. FinClear will account to the Broker for such commission after deducting fees which FinClear charges to the Broker.

#### 5. Moneys and Default

##### 5.1 Client funds and property [ASX Clear Minimum Term 15]

FinClear must deal with any money and property paid or given to FinClear in connection with the FinClear/Client relationship in accordance with the Corporations Act and the ASX Clear Rules.

##### 5.2 Combination, deposit and use of funds [ASX Clear Minimum Term 15]

(a) The Client acknowledges that the Client's monies and the monies of other clients of FinClear may under the ASX Clear Rules be combined and deposited by FinClear in a trust account or clients' segregated account. The Client acknowledges that all monies credited to the clients' segregated account maintained by FinClear may be used by FinClear to meet the default of any client of FinClear.

(b) Despite clause 5.2(a), FinClear agrees that it will only pay the Client's monies into a trust account.

##### 5.3 Set Off

FinClear is entitled to set off any monies received from the sale of financial products on the Client's behalf against any monies due to FinClear by the Client on any account.

##### 5.4 Default [ASX Clear Minimum Term 7]

If:

- (a) the Client fails to pay, or provide security for, amounts payable to FinClear or fails to perform any obligation arising pursuant to the exercise or settlement of a Derivatives Contract;
- (b) the Client becomes bankrupt or enters into a composition or arrangement for the benefit of creditors or, being a company, a liquidator is appointed to the Client or an administrator, receiver, receiver and manager or official manager is appointed over all or a part of the Client's property or an encumbrancer or its agent takes possession of all or part of the Client's property or the Client enters into any scheme of arrangement with creditors under Part 5.1 of the Corporations Act;
- (c) the Client makes any representation that is incorrect or misleading in any material way with the result that loss or damage is, or is likely to be, suffered by FinClear;
- (d) in the absence of the Client making alternative arrangements, the Client is at any time not contactable by the Broker immediately in order for FinClear to obtain instructions or call for payment of money or the provision of other security;
- (e) the conduct of the Client is such that a reasonably prudent correspondent would be of the view that the Client would be unable to comply with all the Client's obligations under this agreement, including strict compliance with any time limits;

- (f) the Client fails to complete a contract for the transfer of Underlying Financial Products following the exercise of an Derivatives Contract;
- (g) a guarantee or other security provided by the Client to FinClear is withdrawn or becomes ineffective and other replacement security acceptable to FinClear is not provided;
- (h) the Client "fails to settle" for the purpose of the terms of the Client's agreement with FinClear set out in the Disclosure Statement (if any) provided to the Client by the Broker in respect of the clearing and settlement of transactions in financial products quoted on ASX or other Market Transactions; or
- (i) any other event occurs which FinClear and the Client have agreed in this agreement constitutes a default,  
(each a default), FinClear may, in addition to any other rights which it may have against the Client, without giving prior notice to the Client, take any action, or refrain from taking action, which it considers reasonable in the circumstances in connection with Derivatives Contracts registered in the Client Account or otherwise entered into for the account of the Client (including, Derivatives Contracts arising from those contracts) and, FinClear may:
  - (j) enter into one or more transactions (whether on-market or by private contract, together or in lots for cash or credit and for a price or prices upon such terms and conditions in all respects as FinClear sees fit) to effect the close out of one or more Derivatives Contracts in accordance with the ASX Clear Rules;
  - (k) exercise one or more Derivatives Contracts in accordance with the ASX Clear Rules;
  - (l) enter into or execute any Cash Market Transaction or Derivatives Transaction (including a Futures Market Transaction) as FinClear sees fit, whether or not the Client is permitted under clause 1;
  - (m) sell or cause to be sold:
    - (i) any or all of the Client's property, including any security lodged with FinClear (whether the property or security had been lodged with FinClear in connection with this agreement or for any other reason) or held by FinClear or its Related Bodies Corporate on behalf of the Client or in a Holding in respect of which FinClear, its nominee company or a Related Body Corporate of FinClear is the Controlling Participant; and
    - (ii) any financial products held by FinClear in an account for the Client or otherwise held (including any financial products in a Holding in respect of which FinClear, its nominee company or a Related Body Corporate of FinClear is the Controlling Participant);
  - (n) exercise any other power, right or remedy which FinClear may have under this agreement or in law or equity;
  - (o) exercise or cause to be exercised any other rights conferred by the ASX Operating Rules, the ASX Clear Rules or this agreement or perform any other obligations arising under the ASX Operating Rules, the ASX Clear Rules or this agreement in respect of any Derivatives Contracts or Derivatives Transactions;
  - (p) charge an administration fee calculated by reference to the additional cost which may be incurred by FinClear as a result of the default;
  - (q) levy a default charge on the amount of up to 15% per annum;
  - (r) apply any cash held by FinClear or the Broker on the Client's account or to which they have access (including any amount held), or payments received from the Client or in reduction of the Client's liability to FinClear; or
  - (s) instruct the Broker to cancel any of the Client's unexecuted orders,

and the Client must account to FinClear as if those actions were taken on the instructions of the Client and, is liable for any deficiency and is entitled to any surplus which may result.

In relation to any of the rights exercisable for the benefit of FinClear in the event of a default, the Client authorises FinClear and each of its directors and employees as the Client's attorney to give instructions on behalf of the Client in respect of the Client's holdings of financial products in a in respect of which FinClear, its nominee company or a Related Body Corporate of FinClear is the Controlling Participant, or held by FinClear, its nominee company or by their Related Bodies Corporate in nominee holdings, and in respect of call deposit facilities or cash management trust accounts on which they are authorised to give instructions, to enable FinClear to realise those financial products or funds and apply the proceeds in reduction of the Client's liability to FinClear and to recover FinClear's costs in so acting.

The Client must pay or reimburse FinClear any such administration fees and default charges (together with any GST payable on those amounts) immediately upon demand or at FinClear's option it may deduct such administration fees and default charges (and any GST) from any proceeds of sale, or proceeds from the close out or exercise of rights in relation to a Derivatives Contract, or other amounts otherwise payable to the Client.

FinClear will not be liable to the Client for any failure by FinClear to exercise (or any delay in the exercise by FinClear of) any power under this clause, or any loss incurred by the Client as a result of FinClear not exercising any of its powers under this clause 5 immediately, or at all, following an event of default by the Client.

The Client acknowledges that FinClear, in exercising any of its rights under this clause 5.4, is entitled to act to protect its own interests and is under no obligation to subordinate the protection of its own interests to those of the Client.

#### 5.5 Effect of liquidation of contract following default

Upon close out of any Derivatives Contract in accordance with clause 5.4, the Client is liable to pay to FinClear any amount owing to FinClear in respect of that contract. If the Client fails to make that payment within the time specified by FinClear (which time is of the essence), FinClear may deal with any of the Client's money or other property held by

FinClear and apply the proceeds against that amount.

#### 5.6 Assignment to the Broker of amounts owing

If the Client has not paid any amount due to FinClear under this agreement, in addition to its rights under clause 5.4, FinClear may assign that debt to the Broker and the assigned debt will become an obligation of the Client's to the Broker.

#### 5.7 Method of Payment

Where money is payable to FinClear by the Client (for example where FinClear has called for payment of money under clause 3.1 or has notified the Client of commissions and fees in accordance with clause 4), the Client:

- (a) is not permitted to make payment in cash; and
- (b) will be entitled to make payment from a cheque or savings account by BPAY, where the relevant document provided by the Broker (such as a confirmation or notice as the case may be) bears a Biller Code. Payment by this means will only be acceptable to FinClear if the Client quotes the relevant Biller Code and its BPAY reference number.

#### 5.8 Release

In consideration of FinClear entering into this agreement with the Client, the Client releases FinClear (and its related bodies corporate and their respective directors, officers, employees and agents) (the Released Parties) in respect of all present or future

claims the Client may have against the Released Parties or any of them arising out of or in connection with the exercise by FinClear of any of its rights under this clause 5.

## 6. Acknowledgments and Warranties

### 6.1 Change of Participant [ASX Clear Minimum Term 16]

If the Client receives a Participant Change Notice from FinClear and the Participant Change Notice was received at least 20 Business Days prior to the date proposed in the Participant Change Notice for the change of Participant, the Client is under no obligation to agree to the change of Participant, and may choose to do any of the things set out below.

The Client may choose to terminate this agreement in accordance with clause 10.1 or by giving instruction to FinClear, indicating that the Client wishes to transfer its Derivatives Contracts to another Participant.

If the Client does not take any action to terminate this agreement and does not give any other instructions to FinClear which would indicate that the Client does not agree to the change of Participant then, on the Effective Date, this agreement will have been taken to be novated to the new Participant and will be binding on all parties as if on the Effective Date:

- (a) the new Participant is a party to these this agreement in substitution for FinClear;
- (b) any rights of FinClear are transferred to the new Participant; and
- (c) FinClear is released by the Client from any obligations arising on or after the Effective Date, and the Client will also be taken to have consented to and authorised:
- (d) the transfer to the new Participant of all the Client's open Derivatives Contracts as at the Effective Date so that they will be registered with ASX Clear in the new Participant's name;
- (e) the payment or transfer to the new Participant (or a Controlling Participant or nominee nominated by the new Participant) on the Effective Date of all money and other security (including all FinClear Cover) provided to FinClear under this agreement before the Effective Date to be held by the new Participant (or by the nominee or in a Holding in respect of which the new Participant (or another Controlling Participant nominated by the new Participant) is the Controlling Participant as the case may be) under clause 3 of this agreement as novated,

and, if the Client has executed before the Effective Date a Registered Holder Collateral Cover Authorisation under which the Client authorised a Controlling Participant to reserve (or withdraw) financial products registered in the Client's name in the ASX Clear Subposition as Collateral Cover for obligations in respect of Derivatives Contracts registered with ASX Clear in FinClear's name in a Client Account in respect of the Client, the Client is also taken to have appointed the new Participant and each director, secretary and officer of the new Participant for the time being as the Client's attorney to complete and execute a Registered Holder Collateral Cover Authorisation under which the Client authorises that Controlling Participant to reserve (or withdraw) financial products registered in the Client's name in the ASX Clear Subposition as Collateral Cover for obligations in respect of Derivatives Contracts registered with ASX Clear in the new Participant's name in a Client Account in respect of the Client.

The novation cannot take effect until the Client has received a notice from the new Participant confirming that the new

Participant consents to acting as the Participant for the Client. The Effective Date may as a result be later than the date set out in the Participant Change Notice.

The Client will be taken to have consented to the events referred to above by the doing of any act which is consistent with the novation of this agreement to the new Participant (for example by giving an instruction to the new Participant), on or after the Effective Date, and such consent will be taken to be given as of the Effective Date.

This agreement continues for the benefit of FinClear in respect of any rights and obligations accruing before the Effective Date and, to the extent that any law or provision of any agreement makes the novation not binding or effective on the Effective Date, then this agreement will continue for the benefit of FinClear until such time as the novation is effective, and the existing Participant will hold the benefit of this agreement on trust for the new Participant.

Nothing in this clause 6.1 will prevent the completion of Derivatives Transactions or Derivatives Contracts by FinClear where the obligation to complete those transactions or contracts arises before the Effective Date and this agreement will continue to apply to the completion of those contracts, notwithstanding the novation of this agreement to the new Participant under this clause 6.1.

#### 6.2 Explanatory Booklet and other documents [ASX Clear Minimum Term 3]

The Client has received and read a copy of the current explanatory booklet published by ASX in respect of each ASX Derivative Product. This does not apply in relation to a Client that is a Wholesale Client.

The Client acknowledges that it has read and understood the documents (if any) given to it under ASX Clear Rule 7.1.1(b).

#### 6.3 Risk and investment in ASX Derivative Products [ASX Clear Minimum Term 3]

The Client acknowledges that trading in ASX Derivative Products incurs a risk of loss as well as a potential for profit.

The Client acknowledges that it has given consideration to its objectives, financial situation and needs and has formed the opinion that dealing in ASX Derivative Products is suitable for its purposes.

#### 6.4 Dealing as Principal and FinClear taking opposite position [ASX Clear Minimum Term 5]

The Client acknowledges that FinClear may, in certain circumstances permitted under the Corporations Act and the ASIC Market Integrity Rules, or the ASX Clear Rules, take the opposite position in a Derivatives Contract, either acting for another client or on its own account.

#### 6.5 Confirmations

The Client acknowledges that any confirmation (contract note/daily statement) dispatched electronically to the Client by FinClear on its own behalf or on behalf of the Broker is subject to:

- (a) the terms and conditions of this agreement;
- (b) the ASIC Market Integrity Rules, ASX Operating Rules, directions, decisions and requirements of ASX and where relevant, the ASX Settlement Rules;
- (c) the customs and usages of the Market (as defined in the ASIC Market Integrity Rules); and
- (d) the correction of errors and omissions.

#### 6.6 Cancellation of trades

The Client authorises FinClear, and agrees that FinClear may,

without the Client's consent, cancel or amend (or request or agree to the cancellation or amendment of) any Derivatives Contract to which a confirmation relates:

- (a) if ASX exercises its power under the ASX Operating Rules to cancel or amend (or require the cancellation or amendment of) the Derivatives Transaction or Derivatives Contract; or
- (b) in the event of an Error (as defined in the ASX Operating Rules) or otherwise in the circumstances contemplated in the ASX Operating Rules.

The obligations of FinClear and the Client relating to the settlement of a transaction cease to apply in respect of a cancelled transaction from the time it is cancelled.

## 7. Information

### 7.1 Provision of Information [ASX Clear Minimum Term 2]

The Client will take all reasonable steps to deliver information or documentation to FinClear, or cause information or documentation to be delivered to FinClear concerning Derivatives Transactions which are requested by a person having a right to request such information or document. FinClear is authorised to produce the information or documentation to the person making the request.

### 7.2 Tape recording of conversations [ASX Clear Minimum Term 9]

The Client agrees that FinClear may record telephone conversations between the Client and FinClear. The Client also agrees that FinClear may use such recordings for the purposes of resolving disputes, and monitoring compliance by the Client, or the Broker with their regulatory and contractual obligations. If there is a dispute between the Client and FinClear, the Client has the right to listen to any recording of those conversations. Nothing in this agreement obliges FinClear to keep a recording longer than 90 days.

## 8. Allocation (Give Up)

### 8.1 FinClear must consent to any give up

The Client acknowledges that FinClear is obliged as principal and has the Clearing Obligations in respect of all transactions in relation to ASX Derivative Products which are executed by the Broker on behalf of the Client, unless, in relation to a specified Derivatives Contract (Allocated Trade):

- (a) the Client has consented to the allocation of the Derivatives Contract to another Participant;
- (b) FinClear has consented to the allocation of the Derivatives Contract to that other Participant;
- (c) FinClear has provided that consent prior to the Derivatives Contract being registered with ASX Clear;
- (d) that other Participant has accepted the allocation of that Derivatives Contract in accordance with the ASX Clear Rules; and
- (e) that other Participant has entered into a Client Agreement with the Client which complies with the ASX Clear Rules.

### 8.2 FinClear ceases to have Clearing Obligations following give up

Clauses 3.1 and 5.4 do not apply in relation to an Allocated Trade, where the Client directs that trades be allocated to a Participant (who is not FinClear) for registration in the relevant Client Account of that other Participant and the other Participant accepts the allocation of those trades for registration, and the trade is allocated by FinClear to the other Participant in accordance with the ASX Clear Rules.

## 9. Indemnity

The Client agrees to indemnify and keep indemnified FinClear from all claims, losses, liabilities, damages and costs (including

legal costs on a solicitor and client basis) whatever and however arising suffered or incurred by FinClear directly or indirectly arising out of or in connection with:

- (a) FinClear acting as Clearing Participant for the purposes of the ASX Operating Rules and as General Participant for the purposes of the ASX Clear Rules as contemplated by this agreement;
- (b) the performance by FinClear of its obligations under this agreement;
- (c) any failure by the Client to strictly comply with, or to perform any of its obligations under, this agreement;
- (d) any representation or warranty given by the Client under this agreement proving to be untrue or incorrect; or
- (e) any Allocated Trade.

## 10. Termination of Agreement

### 10.1 Termination by notice [ASX Clear Minimum Term 11]

Either the Client or FinClear may terminate this agreement at any time by giving notice in writing to the other. Termination will be effective upon receipt of the notice by the other party.

### 10.2 Effect of termination [ASX Clear Minimum Term 12]

Termination does not affect the existing rights and obligations of the Client or FinClear at or prior to termination. Upon termination of this agreement, FinClear will close out all Derivatives Contracts held by FinClear for the account of the Client, unless, in accordance with a direction from the Client, the registration of those contracts are transferred to another Participant in accordance with the ASX Operating Rules or ASX Clear Rules.

## 11 Amendment

### 11.1 Revised Terms prescribed by ASX Clear [ASX Clear Minimum Term 13]

If ASX Clear prescribes amended minimum terms for a Client Agreement for the purposes of the ASX Clear Rules (New Terms), to the extent of any inconsistency between this agreement and the New Terms, the New Terms will override this agreement and apply as if the Client and FinClear had entered into an agreement containing the New Terms.

### 11.2 FinClear to provide Client with copy of changes [ASX Clear Minimum Term 14]

FinClear will provide a copy of the New Terms to the Client as soon as practicable after ASX Clear or ASX prescribes the New Terms.

## 12. Set Off

Without limiting clause 5.3, FinClear may, without notice to the Client, combine any account that the Client holds at any branch or office (in Australia or elsewhere) of FinClear with, or set off any amount in any currency that is or may become owing in any currency by FinClear (or any Related Body Corporate or FinClear) to the Client against, any amount owing by the Client to FinClear (or any Related Body Corporate of FinClear). For this purpose FinClear may:

- (a) change the terms (including the repayment date) of any account or other payment obligation between the parties;
- (b) convert amounts into different currencies in accordance with FinClear's usual practice; and
- (c) do anything (including execute any document) in the name of the Client that FinClear considers necessary or desirable.

This clause 12 overrides any other document or agreement to the contrary.

## 13. Notices

Any confirmation, statement or other written notice (including

legal process) served by FinClear on the Client, or served by the Client on FinClear pursuant to this agreement will be deemed to have been duly served and received:

- (a) if given by hand, at the time left at the relevant party's last known place of residence or business;
- (b) if given by mail, 2 Business Days after it is posted where the recipient party's last known address is in Australia, and ten Business Days after it is posted by airmail where the recipient party's last known address is outside Australia;
- (c) if given by telex, upon receipt of the recipient party's answer back;
- (d) if given by telegram, six hours after dispatch to the recipient party;
- (e) if given by facsimile transmission, at the time of transmission to the recipient party's last known facsimile number, or upon acknowledgment by the recipient party; or
- (f) if given electronically, upon receipt of a confirmation of delivery by the party giving the notice of the electronic mail message to the last known electronic mail address of the recipient party.

Unless otherwise specified in this agreement, notices served by FinClear on the Client need not be in writing. In particular, a call under clause 3.1 may be made by telephone to the Client by FinClear or by the Broker on FinClear's behalf.

FinClear may arrange for any notice to be given by FinClear to the Client under this agreement or the ASX Clear Rules to be given to the Client by the Broker acting as FinClear or FinClear Nominee's agent. FinClear may also provide the Broker with a copy of any such communication or notice given to the Client by (or on behalf of) FinClear.

The Client hereby indemnifies FinClear against any liability, damage, cost or expense incurred by FinClear arising out of FinClear acting (or declining to act) upon a facsimile request or instruction received by FinClear whether directly or through a request made of an officer or employee of any Related Body Corporate of FinClear from the Client or any person purporting to be the Client or the Client's Authorised Representative or agent.

FinClear may reserve the right to refuse any instruction transmitted by facsimile.

## 14. Authority

The Client acknowledges that the Client is either:

- (a) acting as principal; or
- (b) acting as an intermediary on another's behalf and is specifically authorised to transact the ASX Derivative Products, by the terms of:
  - (i) an Australian financial services licence under the Corporations Act held by the Client;
  - (ii) a trust deed (if the Client is a trustee); or
  - (iii) an agency contract.

## 15. Representations and Warranties as to Capacity

The Client represents and warrants to FinClear that:

- (a) where the Client is a body corporate, the Client is (and will remain) duly incorporated under the laws of the place of its incorporation and has full power and authority to enter into this agreement and deal in ASX Derivative Products, and any person executing this agreement has full power and authority to execute this agreement on behalf of the Client;
- (b) where the Client is a partnership, the Client has full power and authority to enter this agreement and to deal in ASX

Derivative Products, and the person executing this agreement has full power and authority to execute this agreement on behalf of the Client;

- (c) where the Client is a natural person, the Client has legal capacity to execute this agreement; and

in any of the above cases, where the Client enters this agreement as trustee, the Client has full power and authority as such trustee to enter this agreement and to deal in ASX Derivative Products and has the right to be indemnified out of the assets of the relevant trust in respect of all and any of its obligations and liabilities under this agreement.

## 16. Instructions and Authorised Representatives

### 16.1 Powers of Authorised Representatives

The Client agrees that each of the persons stated in the application form (or otherwise notified by the Client to FinClear) to be an Authorised Representative of the Client has power for and on behalf of the Client and in the Client's name to:

- (a) give instructions to FinClear in relation to FinClear Cover of the Client or in relation to the Derivatives Transactions or Derivatives Contracts including to directing or consenting to dealing by FinClear in any FinClear Cover, Derivatives Transactions of Derivatives Contracts of the Client and any application of the proceeds of any such dealing;
- (b) request and accept drawings;
- (c) do all other acts and things (including completing, executing and delivering documents) as the Authorised Representative thinks necessary or desirable to give effect to the above powers or otherwise in connection with this agreement; and
- (d) appoint other persons (each a "Delegate") with power to exercise all or any of the powers of the Authorised Representative conferred by this clause 16.

### 16.2 Ratification of Decisions

The Client agrees to ratify and confirm anything done by the Authorised Representative or a Delegate in the exercise of the above powers.

### 16.3 Revocation of Power

The Client may revoke an Authorised Representative's powers by notice in writing to FinClear. A declaration by an Authorised Representative to the effect that his or her powers have not been revoked is conclusive evidence of that fact and binding on the Client.

### 16.4 Indemnity

The Client hereby indemnifies each of FinClear against any liability, damage, cost or expense incurred by FinClear arising out of it acting upon an oral request received by it whether directly or through a request made of an officer or employee of any Related Body Corporate of FinClear from the Client or any person purporting to be the Client or the Client's Authorised Representative or agent.

## 17. No Advice

### 17.1 FinClear does not provide financial product advice

The Client acknowledges that FinClear does not provide financial product advice, and FinClear does not accept responsibility for any financial product advice given to the Client by the Broker, and the Client must not represent to any person that FinClear has given any financial product advice to the Client.

If the Client is to trade in ASX Derivative Products on the basis of advice given to the Client by the Broker, the Client must provide the Broker with:

- (a) all information (and documentation) regarding the Client's

financial situation, investment objectives and particular needs sufficient and necessary for the Broker to give informed financial product advice;

- (b) any relevant new information (and documentation) as soon as it becomes available; and

details of or any change in the Client's financial situation, investment objectives and particular needs as soon as such change occurs.

### 17.2 Manner in which FinClear exercises its rights is not to be taken to be advice

FinClear has various rights under this agreement, including:

- (a) the right under clause 3 to require the Client to provide FinClear Cover; and
- (b) various rights under clause 5 if a default occurs in relation to the Client.

The manner in which FinClear may exercise or not exercise, or the timing of or any delay in any exercise by FinClear of, any right of FinClear under this agreement is not to be taken to be financial product advice by FinClear to the Client, and the Client must not represent to any person that it is financial product advice by FinClear.

## 18. General

### 18.1 Costs and Taxes

The Client will pay FinClear on demand all stamp duty or any other duty imposed by state or federal legislation and registration fees (if any) payable on or in connection with this agreement and any documents executed under or in connection with this agreement and all legal costs (on a solicitor and own client basis) and expenses of or in connection with the enforcement or attempted enforcement of this agreement and all costs and expenses including financial institutions duty and debits tax (whether payable directly by FinClear or payable by FinClear by way of reimbursement to the party liable to pay the same) in relation to all transactions (including payments, receipts and banking thereof) and all matters connected with or arising out of or contemplated by this agreement.

### 18.2 Entire agreement

This agreement contains the entire agreement between the parties about its subject matter. Any previous understanding, agreement, representation or warranty relating to that subject matter is replaced by this agreement and has no further effect.

### 18.3 Statements by FinClear

A statement by FinClear on any matter relating to this agreement (including any amount owing by the Client) is conclusive unless clearly wrong on its face.

### 18.4 Exercise of rights

No failure or delay on the part of FinClear in exercising any right, power or remedy under this agreement and no course of dealing between FinClear and the Client shall operate as a waiver of any breach or default by the Client nor shall any single or partial exercise of any such right, power or remedy preclude any further or other exercise of that or any other right, power or remedy.

### 18.5 Amendments

Except as provided in this agreement (including in clause 11):

- (a) this agreement may only be amended in writing;
- (b) FinClear may amend this agreement at any time by giving written notice to the Client; and
- (c) an amendment will take effect on and from the date specified by FinClear in the notice being a date not less than 10 Business Days after the date of the notice.

## 18.6 Assignment

The rights and obligations of the Client under this agreement are not capable of assignment. FinClear may assign or transfer its rights under this agreement or in relation to any FinClear Cover without the consent of the Client and free from any rights of set-off or counterclaim. Subject to the ASX Settlement Rules, FinClear may assign or transfer its rights under this agreement without the consent of the Client and free from any rights of set-off or counterclaim.

## 18.7 Giving effect to agreement

Each party must do anything (including sign or give effect to any document) that FinClear may reasonably require, to give full effect to this agreement or the transactions contemplated by this agreement (including the provisions of clause 5).

The Client appoints FinClear and each officer of FinClear for the time being (each an Attorney) jointly and each of them severally to be the attorney of the Client with power in the Client's name and on behalf of the Client to execute any document or sign any agreement on the Client's behalf necessary or to give full effect to this agreement or the transactions contemplated by this agreement.

## 18.8 Trust provisions

Where the Client enters into this agreement as trustee of a trust this agreement will bind that person both in its personal capacity and in its capacity as trustee of that trust and the Client represents and warrants to FinClear that:

- (a) it can be indemnified out of the assets of the trust for all liabilities incurred under this agreement;
- (b) it will remain the owner of the FinClear Cover unless it disposes of them in accordance with this agreement;
- (c) FinClear can be subrogated to its right of indemnity;
- (d) the transactions contemplated by this agreement are for the benefit and in the best interests of the beneficiaries of the trust; and
- (e) it has properly exercised its trust powers and has full authority under the trust to enter into the document containing this agreement.

## 18.9 Joint and several liability

If the Client constitutes more than one person then each of those persons is jointly and severally bound by this agreement and FinClear are entitled to act on the instructions of any one of those persons.

## 18.10 Supervening legislation

Any present or future legislation which operates to vary the obligations of the Client in connection with this agreement, FinClear Cover with the result that FinClear's rights, powers or remedies are adversely affected (including, by way of delay or postponement) is excluded except to the extent that its exclusion is prohibited or rendered ineffective by law.

## 18.11 No withholding

All payments to be made to FinClear must be made without deduction or withholding. If the Client is obliged by law to deduct or withhold any amount from any payment to be made under this agreement the Client will concurrently pay to FinClear such additional amount as will result in FinClear receiving the full amount which would have been received if the deduction or withholding had not been made.

## 18.12 Currency

All payments under this agreement are to be made in Australian dollars, except as FinClear otherwise agrees. If for any reason (including any judgment or order) any amount payable by the

Client under this agreement is received or recovered by FinClear in another currency which, upon conversion of the other currency into Australian dollars, is less than the amount which would have been received by FinClear if paid in Australian dollars, then the Client must as an independent obligation indemnify FinClear on demand against the deficiency.

## 18.13 Recovery of GST

If GST has application to any Supply made under or in connection with this agreement, FinClear may in addition to any amount or consideration payable to it under this agreement, recover from the Client an additional amount on account of GST, such amount to be calculated by multiplying the amount or consideration payable by the Client to it at the prevailing GST rate.

Any additional amount on account of GST recoverable from the Client under this clause shall be calculated without any deduction or set-off of any other amount and is payable by the Client upon demand of FinClear, whether such demand is by invoice or otherwise. To the extent that any party to the Terms ("the Supplier"), is or becomes liable to pay GST in connection with any Supply made under this agreement;

- (a) the Supplier may add an amount in respect of that GST to the agreed price of the supply;
- (b) any party paying consideration for the Supply will pay the agreed price plus the amount in respect of GST; and
- (c) where required by the GST Law, the Supplier will issue a tax invoice which enables the person receiving the invoice, if permitted by the GST Law, to claim an input tax credit or refund of GST.

## 18.14 Governing law

This agreement are governed by the law in force in New South Wales and the Client, FinClear submit to the non-exclusive jurisdiction of the courts of New South Wales and courts which may hear appeals from those courts.

## 19. Definitions and Interpretation

### 19.1 Definitions

In this agreement unless the contrary intention appears:

**ASIC** means the Australian Securities and Investments Commission.

**ASIC Market Integrity Rules** means the ASIC Market Integrity Rules (ASX Market) 2010.

**Allocated Trade** has the meaning given to it in clause 8.1.

**ASX** means ASX Limited ABN 98 008 624 691 or, where the context requires, the market operated by it.

**ASX Clear** means ASX Clear Pty Limited ABN 48 001 314 503.

**ASX Clear Rules** means the operating rules of ASX Clear as amended from time to time.

**ASX Derivative Product** has the meaning given to it in clause 1.

**ASX Operating Rules** means the operating rules of ASX as amended from time to time.

**ASX Settlement** means ASX Settlement Pty Ltd ABN 49 008 504 532 and its agents appointed under the ASX Settlement Rules.

**ASX Settlement Rules** means the operating rules of ASX Settlement as amended from time to time.

**Authorised Representative** means each of the persons stated in the application form (or subsequently notified by the Client to FinClear in a form acceptable to FinClear) to be an Authorised Representative of the Client.

**Banking Day** means a day (other than a Saturday or Sunday) on

which banks are open for business in Melbourne.

**Business Day** means a day that is both a Trading Day under the ASX Operating Rules and a Business Day under the ASX Clear Rules.

**Cash Market Transaction** has the meaning given to it in the ASX Operating Rules

**Clearing Participant** has the meaning given to it in the ASX Operating Rules.

**Client** means the client named in the Client Application Form.

**Controlling Participant** has the meaning ascribed to it by ASX Settlement Rules and includes a person who upon a change of Controlling Participant would be a Controlling Participant.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Derivatives Contract** means a Derivatives Market Contract or Derivatives CCP Contract (each as defined in the ASX Clear Rules) or the corresponding contract between the Broker and the Client or the Broker, as the context requires.

**Derivatives Transaction** has the meaning given to Derivatives Market Transaction in the ASX Operating Rules and where the context requires includes the sale or purchase of financial products following the exercise of a Derivatives Contract.

**Encumbrance** means any Security Interest, notice under sections 218 or 255 of the Income Tax Assessment Act 1936 (Cth) or under any similar provision of a State, Territory or Commonwealth law, profit a prendre, equity, interest, garnishee order, writ of execution, right of set-off, assignment of income or monetary claim, and any agreement to create any of them or allow them to exist.

**Futures Market Transaction** has the meaning given to it in the ASX Operating Rules.

**GST** means a goods and services tax or any similar tax imposed in Australia.

**GST Law** has the meaning given to it in the A New Tax System (Goods and Services Tax) Act 1999 (Cth).

Holding has the meaning given to it in the ASX Settlement Rules.

Order means an order or instruction in respect of a client or the Broker as principal (as the case may be) in relation to a Derivatives Transaction, and includes, without limitation, an order or instruction to:

- (a) open or close a position in relation to a Derivatives Contract;
- (b) submit an Exercise Notice to ASX Clear in relation to a Derivatives Contract; and
- (c) buy or sell an Underlying Financial Product.

FinClear Cover has the meaning given to it in clause 3.1.

Related Body Corporate has the meaning given to it in section 50 of the Corporations Act.

Security Interest means any bill of sale (as defined in any statute), mortgage, charge, lien, pledge, hypothecation, title retention arrangement, trust or power, as or in effect as security for the payment of a monetary obligation or the observance of any other obligation.

Supply has the meaning given to it in the GST Law.

Underlying Financial Product has the meaning given to it in the ASX Operating Rules.

Other words and phrases defined in the ASX Operating Rules, the ASX Clear Rules or the ASX Settlement Rules have the meaning given in the corresponding rules. The Client may inspect a copy of these rules at FinClear's offices on request.

## 19.2 Interpretation

In this agreement unless the contrary intention appears:

- (a) each gender includes the other genders;
- (b) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (c) a reference to this agreement or another agreement includes any variation or replacement of them;
- (d) the word person includes a firm, a body corporate, an unincorporated association or an authority;
- (e) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (f) a reference to any thing (including any amount and FinClear Cover) is a reference to the whole and each part of it and a reference to a group of persons (including the Client) is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
- (g) if an example is given of anything (including a right, obligation or concept), the example does not limit the scope of that thing. For example, a reference to "including" means "including without limitation"; and
- (h) the singular includes the plural and vice versa.

## 19.3 Headings

Headings are for convenience only and do not affect the interpretation of this agreement.

## 19.4 Banking Days

If any payment falls due on a non-Banking Day it will be made on the succeeding Banking Day.

## 19.5 Clients

Where the Client comprises more than one person, the obligations of those persons under this agreement shall be joint and several, a notice or demand given to one such person shall be deemed to have been given to all such persons, and, unless expressly agreed with FinClear to the contrary, each such person shall be deemed to be the agent of the others.

# Portfolio Administration and Reporting Service Agreement

When establishing a Portfolio Administration and Reporting Service Account, you may select from two different levels of service by electing to establish either a Non Discretionary Portfolio Administration and Reporting Service Account or a Managed Discretionary Account.

## 1. Non Discretionary Portfolio Administration and Reporting Service

If you elect to establish a Non Discretionary Portfolio Administration and Reporting Service Account you will authorise Ord Minnett to act on your behalf in relation to the administration of your portfolio assets, however your adviser cannot undertake any transaction on your account without your permission.

This service would suit an investor who likes to be in control of their trading but would prefer to delegate the administrative tasks to someone else.

## 2. Managed Discretionary Account Service

In addition to attending to the administration of your portfolio, our Managed Discretionary Account Service allows your adviser to make day to day investment decisions on your behalf without first consulting you.

When you open a Managed Discretionary Account your adviser will prepare an Investment Program based on your personal circumstances, as well as your financial situation, needs and objectives. We will review the Investment Program on an annual basis.

A Managed Discretionary Account Service may not be suitable for all clients. It is important that you understand the benefits and risks associated with having someone else make significant investment decisions on your behalf.

## 3. Additional Terms—Managed Discretionary Account Service

Should you elect in the Application Form to establish a Managed Discretionary Account, you agree that the following additional terms and conditions will apply:

- (a) You have received a Financial Services Guide which is a guide to our relationship with you.
- (b) You will complete, sign and return a Client Information Detailed Financial Statement (which your adviser will provide to you). This will be used to prepare an Investment Program.
- (c) In order to establish a Managed Discretionary Account, we are required to enter into a contract with you setting out the services that we will provide as well as our obligation to act honestly, fairly and in your best interests. These terms along with the Investment Program that will be issued by your adviser will constitute that contract.
- (d) The nature and scope of services and discretions that will be provided under this agreement are as follows:
  - (i) We will manage for you on a discretionary basis the portfolio of cash and investments detailed in the portfolio valuation which we will initially send to you

when you establish your account;

- (ii) subject to any instructions that you give us, we shall have full authority at our discretion and without prior reference to yourself, to enter into transactions for your account in or relating to investments of the following financial products:
  - A. securities, derivatives, debentures and deposit products;
  - B. stocks or bonds issued or proposed to be issued by a government;
  - C. bills of exchange, promissory notes or orders for the payment of money endorsed by any ADI, other negotiable instruments and any other instrument similar to those mentioned in this sub-paragraph;
  - D. units or other interests in a registered managed investment scheme or an unregistered managed investment scheme if permitted by any applicable ASIC relief or class order; and
  - E. any other investments or classes of investments specified or approved by you in writing from time to time.

We do not guarantee nor make any representation concerning the performance of your portfolio.

- (e) We may enter into transactions with you as a principal and deal with you as counterparty. If we act as a principal, this will be disclosed on the confirmation of the transaction.
- (f) If you have access to margin lending or similar credit facilities and the Investment Program specifies that such facilities may be utilised for the purposes of acquiring any of the above investments, we may on your behalf operate those facilities for the purposes of funding entry into or acquisition of such investments.
- (g) All securities purchased through us will be registered in your name and held by us although, in certain circumstances, the securities may be held in a nominee company.
- (h) Unless you advise us otherwise, we may, at our discretion, reinvest all dividends, interest payments and other rights accruing to you on investments which we hold on your behalf.
- (i) You warrant that you are and remain the beneficial owner of any investment which we hold on your behalf, that you will not deal with your investments without first notifying us in writing of your proposed dealings and that your investments are and will remain free of all encumbrances except where you specifically notify us in writing of such encumbrances. Unless we receive such notification from you, you agree to release us from, and indemnify us fully against, any loss or liability incurred by us arising out of or in connection with your investment being other than as warranted in this section.

#### 4. Administration Services

The Portfolio Administration and Reporting Service is purely an administration platform and you do not pay any additional amount for our advisory services. If you choose to establish a Portfolio Administration and Reporting Service Account (whether discretionary or otherwise) we undertake to provide at a minimum the following services:

- (a) Collection and banking of all dividends, trust distributions, interest payments and other income. All amounts collected will be placed in your nominated Ord Minnett Cash Management Trust account.
- (b) Wholesale and Retail Managed Fund Applications and Redemptions.
- (c) Corporate Actions.
- (d) General Instructions.

We may also provide other services if agreed between us.

#### 5. Portfolio Report

We will send you a portfolio report made up to 30 September, 31 December, 31 March and 30 June in each year. We will include in this investment report details of the fees charged by us, if any, for administering your portfolio during the period.

We will provide these reports to you in accordance with any applicable ASIC relief or class order.

#### 6. Confirmation Notes and CHES

We will also send you and/or your nominated third party following each transaction a Confirmation Note detailing each transaction.

We require that all of your shares within your portfolio be sponsored by us under the CHES system. This makes the management of your portfolio simpler.

#### 7. Settlement and Cash Management Account

We will settle all transactions on your behalf, subject to our holding or receiving all necessary documents or funds, and will normally do so on the usual basis for the market concerned.

You agree to open an Ord Minnett Cash Management Trust account for the purposes of settling cash transactions. We may also operate this account to deduct our fees and expenses relating to the services we provide.

#### 8. Our Obligations

- (a) In providing our services to you we will:
  - (i) act honestly;
  - (ii) exercise the degree of care and diligence that a reasonable person would exercise if they were in our position and providing the services to you;
  - (iii) act in your best interests and, if there is a conflict between your interests and our interests, give priority to your interests;
  - (iv) not use information we have about you to gain an improper advantage or cause detriment to you;
  - (v) where relevant, comply with:
    - A. an investment strategy set out in an Investment Program; and
    - B. any representations about how we will provide the services that were included in our Financial Services Guide given to you.

- (b) If we contract a third party to perform any function on

our behalf we will be responsible to compensate you for any loss arising from the acts and omissions of such third parties as if they were our acts or omissions.

#### 9. Power of Attorney

In order to provide the administrative services required of us pursuant to this Agreement, we will require you to grant a Power of Attorney which will authorise us to act on your behalf.

Where you have elected in the Application Form to establish:

- (a) A Non-Discretionary Portfolio and Reporting Service Account, you authorise us to exercise such rights as we reasonably believe are required to undertake the administration services that we will undertake on your account.
- (b) A Managed Discretionary Account you authorise us to trade on your account at our discretion and to generally undertake any transaction on your account which we believe to be in your interest.

You acknowledge that you have read and you understand the powers conferred on Ord Minnett to act on your behalf as detailed in the Application Form.

#### 10. Fees and Charges

Fees and charges will be as agreed in writing and are detailed within the Ord Minnett Financial Services Guide (or as specified in the Investment Program if you have opened a Managed Discretionary Account).

Your adviser will have completed the Management Fees section in the Application Form with the agreed Management Fee. Any alteration to fees and charges will be notified to you at least two weeks in advance of their effective date.

Fees are payable quarterly. You will have a choice in the methodology of the calculation of these fees. You will nominate between fees calculated on a daily value of your portfolio and charged in arrears or between fees calculated on the value of your portfolio at the end of the quarter and charged in advance.

Any fees and charges due to us (or agents used by us) may be deducted from any funds held or managed by us on your behalf or, at our discretion, shall be paid by you as stated in the relevant confirmation note or advice. We may also deduct fees and charges from the proceeds of the sale of your investments in accordance with this agreement. This will include any applicable duties, levies, taxes (such as GST) or other like liabilities imposed on us by Commonwealth or State legislation.

We and/or your Ord Minnett Adviser may receive remuneration from or share fees or charges with our associated companies or other third parties.

#### 11. Conflicts of Interest

When we effect a transaction, we, an associated company or some other person connected with us, may have received or may receive a commission or fee (other than from you) or any other benefit or advantage in relation to the transaction concerned or may have an interest which may reasonably be expected to be capable of influencing us in carrying out the transactions for you.

Details of any such receipt or interest will be disclosed to you when we carry out your transaction.

When we carry out a transaction for you, we or one of our associated companies could be:

- (a) dealing as principal for our own account by selling the investment concerned to you or buying it from you;
- (b) receiving benefits for giving business to the firm with which your order is placed;
- (c) matching your transaction with that of another customer by acting on that customer's behalf as well as yours;
- (d) buying or selling units in a collective investment scheme where we are, or an associated company is, the trustee, operator (or an adviser of the trustee or operator) of the scheme; or
- (e) buying investments where we are, or an associated company is, involved in a new issue, rights issue, takeover or similar transaction concerning the investment.

## 12. Non Exclusivity

We may from time to time perform similar investment services for other persons. You acknowledge that we:

- (a) have no obligation to purchase or sell for your account, any investment which we purchase or sell for our own account or for the account of another customer; and
- (b) may give advice and take action in the performance of our duties for other customers which differs from advice given and action taken in relation to your portfolio.

## 13. Privacy

You acknowledge that Ord Minnett will use personal information in accordance with the National Privacy Principles including to effect transactions on your behalf and to provide related services including settlement and sponsorship.

You consent to Ord Minnett using or disclosing your personal information:

- (a) to any agent or representative where such disclosure has been specifically authorised by you in writing; and
- (b) as obligated:
  - (i) under the Market Integrity Rules or ASX Clear Operating Rules, the Corporations Act or any other applicable law; or
  - (ii) by any regulatory authority.

We are committed to implementing and promoting a Privacy Policy, which will ensure the privacy and security of your personal information. If you wish to examine your file, we will make arrangements for you to do so.

## 14. Complaints

If you have a complaint about any aspect of your dealings with Ord Minnett, this should in the first instance be directed to the Ord Minnett Complaints Officer. Contact details for the Ord Minnett Complaints Officer are as follows:

The Complaints Officer  
Ord Minnett Limited  
Level 18, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Telephone: (02) 8216 6300

If you are dissatisfied with our response to your complaint you may contact:

The Australian Financial Complaints Authority  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Mail: GPO Box 3, Melbourne VIC 3001

## 15. Indemnity

To the extent permitted by law, you agree to release Ord Minnett Limited, its directors, officers, employees and agents, (together and severally referred to in this section as 'Ord Minnett') from, and indemnify each of them fully against, any loss or liability incurred by Ord Minnett arising out of or in connection with the relationship established by this Agreement, any conduct or omission under this Agreement or any orders or instructions given to Ord Minnett by you except insofar as any loss or liability is caused by the gross negligence, fraud, dishonesty or bad faith of Ord Minnett. The release and indemnity:

- (a) includes, without limitation, any liability for legal costs, expenses or charges on a full indemnity basis and for the costs of and liabilities involved in dealing with, negotiating, arbitrating or settling any claim or demand or any examination, investigation, inspection or proceeding; and
- (b) is for the benefit personally of each of the persons referred to as Ord Minnett, each of whom may enforce it as if they were a party to this Agreement or Ord Minnett Limited may enforce it on their behalf.

## 16. Limitation of Liability

To the extent permitted by law, any liability on the part of Ord Minnett for damages for or in respect of any claim arising out of or in connection with the relationship established by this Agreement, any conduct or omission under this Agreement or any orders or instructions given to Ord Minnett by you shall not in any event (and whether or not such liability results from or involves negligence) exceed the aggregate amount of management fees which Ord Minnett has received from you under this Agreement over the 12 month period preceding the making of the claim.

## 17. Power of Sale over your Investments

- (a) Subject to any applicable provisions of the Corporations Act and the Market Integrity Rules, we may make a withdrawal or deduction from any moneys we are holding or managing for you if the withdrawal or deduction is to:
  - (i) make a payment to you, or otherwise in accordance with your written directions;
  - (ii) defray brokerage or any other proper charge;
  - (iii) make an investment on your behalf in accordance with this agreement;
  - (iv) make a payment authorised under the Corporations Act or any other law; or
  - (v) repay to us any amount owed by you as a consequence of your default in any payment obligation which you have to us whether under this agreement or otherwise.
- (b) Paragraph (a) above does not affect a lawful claim or lien that we may have:
  - (i) against or on money held in our trust account; or
  - (ii) before money received for purchases or from the sale of securities is paid into our trust account, against or on that money.
- (c) If we withdraw from our trust account some or all of the amount of a cheque received from you that has been paid into our account and if payment of the cheque is later refused or dishonoured, you release us from, and must indemnify us fully against, any loss or liability incurred by us arising out of or in connection with the non-payment of your cheque.

## 18. Enforceability, Prohibition and Severance

Any provision of, or the application of any provision of, this Agreement which is:

- (a) prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.
- (b) void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

## 19. Termination

- (a) You may terminate these arrangements by giving us:
  - Two weeks written notice for Non-Discretionary Portfolio Administration and Reporting Service
  - Two days written notice for Managed Discretionary Account Service

However, you should note that:

- (i) if termination is within 12 months of the date of this Agreement you will be liable to pay a \$500 exit charge;
  - (ii) you will remain liable to meet all obligations which may accrue under transactions initiated before the date of receipt by us of your notice and which are at that time outstanding;
  - (iii) you may also be liable to pay us the amount accrued to the date of termination in respect of our fees and charges and any additional charges for effecting the transfer of your portfolio to a new investment adviser;
  - (iv) the termination will not affect any rights or obligations which may already have arisen or any prospective or future rights or obligations under this Agreement; and
  - (v) without limiting (iv) above the release, indemnity and limitation of damages in this Agreement survive the termination of this Agreement.
- (b) We may terminate these arrangements by giving you:
    - Two weeks written notice for Non-Discretionary Portfolio Administration and Reporting Service
    - Two days written notice for Managed Discretionary Account Service

and the obligations of each of us in such an instance will be as in (ii), (iii), (iv) and (v) above.

- (c) We reserve the right to terminate these arrangements forthwith, if:
  - (i) you become bankrupt, insolvent or unable to pay your debts as they fall due;
  - (ii) an administrator, administrative receiver or manager or other similar officer is appointed over all or part of your assets; or
  - (iii) execution or distress is levied against any or all of your assets;
- (d) This contract will be terminated if ASIC notifies us that we may not rely on an exemption relating to the MDA service.

and in each case the obligations of each of us will be as set out in (a) above.

We are required to have and maintain written policies setting out the steps we will take to ensure your portfolio assets are

properly dealt with in the event this contract is terminated. Our standard policy is that if the contract is terminated we may no longer exercise any discretion in relation to your portfolio assets but may only transact on your specific instruction.

## 20. Notices

All notices under this Agreement will be addressed in accordance with our records. A notice is regarded as being given by the sender and received by the addressee:

- (a) if by delivery in person, when delivered to the addressee;
- (b) if by post, on delivery to the addressee;
- (c) if by facsimile transmission, when legibly received by the addressee;

but if the delivery or receipt is on a day which is not a business day or is after 4.00pm (addressee's time) it is regarded as received at 9.00am on the following business day.

## 21. Governing Law

This Agreement is governed by the laws of New South Wales and the parties agree submit to the non-exclusive jurisdiction of the Courts of that State.

## 22. Definitions

In this agreement, unless the context otherwise requires:

**ADI** means an authorised deposit-taking institution within the meaning of the Banking Act 1959 (Cth);

**ASIC** means the Australian Securities and Investment Commission;

**ASX** means ASX Limited ABN 98 008 624 691;

**ASX Market Integrity Rules** means the ASIC Market Integrity Rules (ASX Market) 2010 as amended from time to time.

**ASX Market Rules** means the Market Rules, directions, decisions and requirements of ASX, the Operating Rules of ASX Clear Pty Limited and ASX Settlement Pty Limited or their successors.

**Corporations Act** means the Corporations Act 2001 (Cth);

**Derivative** has the meaning given to it by section 761D of the Corporations Act and includes futures contracts, swaps and options over issued securities;

**Deposit Product** mean any deposit-taking facility contemplated by section 764A(1) of the Corporations Act;

**Exchange Rules** means the operating rules of each Relevant Exchange and the Market Integrity Rules.

**Investment Program** is an investment program that is prepared in accordance with the requirements in Division 3 of Part 7.7 of the Corporations Act.

**Market Integrity Rules** means any market integrity rules made by ASIC in accordance with Part 7.2A of the Corporations Act, as amended from time to time, that apply to a Relevant Exchange (including the ASX Market Integrity Rules, the Cboe Market Integrity Rules and the ASIC Market Integrity Rules (Competition in Exchange Markets) 2011)

**Managed Discretionary Account** is an account established to provide Managed Discretionary Account Services in accordance with the definition of such services as set out in ASIC Regulatory Guide 179: Managed Discretionary Account Services.

**Managed Investment Scheme** has the meaning given to it by section 9 of the Corporations Act; and

**Securities** has the meaning given to it by section 761A of the Corporations Act and includes shares, debentures and options over unissued shares and debentures.

### **23. Interpretation**

In this agreement, unless the context otherwise requires:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (b) words importing the singular include the plural and vice versa;
- (c) an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate and any government agency;
- (d) a reference to a section, part or annexure is a reference to a section of, and a part and annexure to, this and a reference to this includes any annexure;
- (e) a reference to a statute or regulation includes all statutes and regulations amending, consolidating or replacing it, whether passed by the same or another government agency with legal power to do so, and a reference to a statute includes all regulations, proclamations, ordinances and by-laws issued under that statute;
- (f) a reference to a document includes all amendments or supplements to, or replacements or novations of, that document; and
- (g) a covenant or agreement on the part of 2 or more persons binds them jointly and severally.

# Fixed Interest Securities Client Agreement

## What are Fixed Interest Securities?

Fixed Interest Securities are Securities on which the holder receives a predetermined interest pattern which is referable to the value of the Security.

Fixed Interest Securities represent a diverse class of investments and can vary significantly in their risk profile.

For this reason it is important that you fully understand the characteristics of a particular Fixed Interest Security before you proceed to invest and that you have considered its suitability for your portfolio in light of your own investment needs and objectives.

Fixed Interest Securities include:

- Capital notes
- Convertible notes
- Corporate bonds
- Debentures
- Government and semi-government bonds
- Income securities
- Term deposits
- Fixed interest managed investment schemes

## Types of Fixed Interest Securities

### (a) Capital Notes

Capital notes are issued by companies to raise funds. Investments in capital notes constitute a loan to the company and in return the investor receives a fixed rate of interest. Capital Notes can be held to maturity or, if listed, sold on the Australian Securities Exchange (ASX).

Capital notes offer a steady income generally paid every 6 months at a level of risk commensurate with the security of the company and usually pay a higher rate of interest than government bonds. The risk level of a capital note depends on the credit rating and security of the company issuing the notes as well as the debt ranking of the capital note compared with other securities and loans.

### (b) Convertible Notes

Convertible Notes are issued by companies. These are a “hybrid” investment with the characteristics of both fixed interest securities and shares. They offer a fixed rate of interest paid every 6 months until they convert to ordinary shares at a known date in the future or upon the occurrence of certain events, as well as the potential for some growth and dividend income offered by shares.

Convertible Notes are usually listed on the ASX. They are usually unsecured and rank lower than other types of company debt.

### (c) Corporate Bonds

Corporate Bonds are issued by Companies and can provide for a wide range of returns, risk profiles and maturities. Bonds will pay either a fixed rate of interest or floating (a fixed margin referenced to a bank bill reference rate) until a specific date

when the bonds mature and the initial investment is repaid.

The interest rates on Corporate Bonds are generally higher than those paid on government bonds. Some corporate bonds are listed on the ASX but most are available in the ‘secondary’ or ‘over-the-counter’ (OTC) fixed income market and investment amounts of \$500,000 or more are generally required.

The risk level of a corporate bond depends on the credit rating of the issuer company as well as the ranking of the bond debt compared to other securities or debt instruments the Company has issued.

### (d) Debentures

Debentures are a loan to a company at a fixed rate of interest and for a fixed term, usually one to five years. For retail debentures, the issuer is required to appoint a trustee under a regulated trust deed. The trustee receives reports from the issuer and can force the terms of the debentures in the case of default. The debentures may also be secured by a charge held by the trustee over the Issuer.

Debentures are generally offered pursuant to a prospectus and in some cases must be held until maturity. However, some debentures are listed on the ASX and may be traded before maturity.

### (e) Government and Semi-government Bonds

Government and semi-government bonds represent a loan by investors to an Australian Federal or State government authority.

These bonds generally pay a fixed rate of interest every 6 months until maturity when the face value of the bond is returned to the investor and are considered to be a low-risk investment if held to maturity. Bonds are traded in the OTC fixed income market.

### (f) Income Securities

Income securities are issued by companies to raise funds in return for which the investor receives interest income. The interest rate is payable usually every three months at a margin above the 90-day bank bill rate. Income securities are typically listed on the ASX and can be traded.

Most income securities are issued in “perpetuity” and do not have a finite maturity date. As such they tend to pay a higher rate than corporate or government bonds.

### (g) Fixed Interest Managed Investment Schemes

Fixed interest products may be offered to investors as units in a managed investment scheme. The risk and return of each scheme can vary widely depending on the investment mandate employed by the scheme’s manager.

Managed Investment Schemes are generally unlisted. However, some scheme managers offer buy back or redemption facilities and therefore liquidity can vary broadly from scheme to scheme.

## General Risks of Fixed

## Income Ownership

An investment in Fixed Interest Securities may expose the investor to a number of risks. Some of these risks are detailed below:

- (a) **Default Risk**  
If an issuer is unable to repay interest or the face value of a bond at maturity, the issuer is said to default on its obligation. In these circumstances, it is likely that bond holders will receive less than the face value of their bonds. All bonds have varying levels of default risk, and the investor needs to make an assessment of this risk before investing. Investors should read the relevant offer document and seek advice before investing.
- (b) **Ratings Risk**  
Rating agencies (such as Standard and Poors, Moody's and Fitch) aim to assist investors to make an assessment of default risk. Whilst providing a qualitative assessment, rating agencies can and do change ratings and ratings methodology, and their assessment of risk can differ from what is priced in the market. They should be used as a guide only.
- (c) **Liquidity Risk**  
Some Fixed Interest Securities, such as bonds, trade only in the secondary or OTC markets and may be difficult to sell.  
  
Also, secondary markets may not be available to all investors and in some circumstances it may not be possible to liquidate a particular Fixed Interest Security.  
  
Conservative investors are recommended to treat such investments as 'buy to hold' investments (i.e. hold to maturity), and not to rely on the ability to sell in secondary markets.
- (d) **Price Volatility Risk**  
If investors are seeking to sell bonds in the secondary market, the price they receive can differ to the face value paid at maturity, and also between brokers who trade the security (as there is no on screen market exchange). Factors that can influence what an investor will receive for a bond in the secondary market include the following:
- (i) **Credit Spreads:** a credit spread is the extra yield an investor needs from a particular bond to compensate them for perceived default risk. Generally speaking, if the market deems that there is a higher risk of a company defaulting on its obligations, the required credit spread they need from the bond increases, and therefore the price they are willing to pay for your bond will fall (all else being equal).
  - (ii) **Changes in liquidity:** Bonds that are easily sold in the secondary market are more attractive to investors. Less liquid bonds need to pay extra yield (liquidity premium) to attract new investors to that bond. If the perceived level of liquidity of the bond reduces, the price may fall (all else being equal).
  - (iii) **Interest Rate Risk:** fixed rate bonds (bonds with a 'coupon' or interest rate that doesn't change) are additionally exposed to interest rate risk. If the overall level of interest rates in the economy increases, a bond will become less attractive than its peer group, and the price will need to fall to attract new investors to that bond (all else being equal).
  - (iv) **Maturity Considerations:** the degree to which the above three factors affect the price generally increase the longer the maturity of the bond. Bonds with shorter maturities therefore have generally lower price volatility.
- (e) **Floating Rate Note Risk**

Floating rate notes pay a known margin above the prevailing bank bill rate. As bank bill rates vary throughout the life of the note, investors do not know at the outset what their overall return will be. Investors looking for more certainty of yield outcome should consider fixed rate bonds.

- (f) **Unlisted Subordinated Debt Risk**  
Most Australian banks have issued subordinated debt to meet their prudential capital requirements. These securities generally have 10 year final maturities, but can be called (repaid by the bank) earlier (generally after 5 years).  
  
Conservative investors should therefore consider these securities as long term investments. Being subordinated in nature, they also rank below senior secured and unsecured notes, so are riskier than senior debt.
- (g) **ASX Listed Subordinated Debt Risk**  
Also known as "hybrid" securities, the securities include listed subordinated debt and convertible notes. There are a number of risks specific to these securities, including:
- (i) **Credit Risk:** hybrids are generally not secured debt. In the event of a company default, investors in hybrid securities receive their money only in the event that all secured and senior creditors are paid first.
  - (ii) **Conversion Risk:** most hybrid securities allow the issuer the right to repay principal at maturity by issuing stock rather than paying cash. There is a chance that the amount relinquished from the stock sale is less than the face value of the bond, and this is known as conversion risk.
  - (iii) **Dividend Payment Risk:** most hybrids pay preferred dividends, however the issuer is often under no obligation to pay them and has the right to forego the payment of preferred dividends if they choose.  
  
Please note the company can not pay ordinary dividends to equity shareholders until preferred dividends are paid.
  - (iv) **Tax Credit Considerations:** some hybrids pay franked dividends as an income stream portion of their yield return. An investor should fully investigate the tax implications on their personal circumstances before investing, and seek professional tax advice.

## What is this Agreement?

This Agreement sets out the relationship between you and Ord Minnett. We will act as your broker for the purposes of dealing in Fixed Income Securities. This arrangement is not a managed investment scheme and you should not expect benefits such as cost reductions or access to excluded or otherwise unavailable assets that may arise from the pooling or common enterprise features of a typical managed investment scheme.

## Whereas

The Client wishes to deal in Fixed Interest Securities using Ord Minnett as the broker. Ord Minnett agrees to provide brokerage services to the Client subject to the terms and conditions set out in this Agreement.

Accordingly, it is hereby agreed and acknowledged as follows:

### 1. Basis of Dealing

- 1.1 By instructing Ord Minnett to undertake a transaction in Securities on your behalf, you are taken to have agreed to the terms and conditions which form part of this Agreement.
- 1.2 You acknowledge that Ord Minnett will not act as principal or

agent, but acts as an independent contractor under this Agreement and not in any other capacity including as a fiduciary. Ord Minnett may, to the extent it deems appropriate, render the services hereunder through one or more of its related bodies corporate.

## 2. Use of Custodian

2.1 To facilitate the administration and settlement of transactions involving Unlisted Securities which we may buy or sell on your behalf, or that are transferred to us to be held on your behalf, such securities shall be held by us as custodian and documents of title (if any) to those Securities shall be held by us for your benefit.

2.2 In acting as custodian, it is Ord Minnett's obligation under this Agreement to:

- (a) Hold and maintain title to unlisted securities on your behalf and separate from the property of Ord Minnett or any of its associated entities.
- (b) Only deal with unlisted Securities upon your instruction or as otherwise authorised pursuant to this Agreement.
- (c) Take any action or sign any documents which in the opinion of Ord Minnett is reasonably required to facilitate the acquisition, holding, dealing with and sale of unlisted Securities on your behalf including the execution of purchase and sale contracts, security documents, finance documents and leases.
- (d) Assist with the completion of contracts for purchase of unlisted Securities and their transfer into the custody of Ord Minnett.
- (e) Not create, or permit to exist, any security interest over or in respect of unlisted Securities, except as instructed by you.
- (f) Keep and maintain proper records showing ownership of all securities held pursuant to this Agreement.
- (g) Provide reasonable access and assistance to any registered company auditor engaged to conduct an audit in respect of Ord Minnett.
- (h) On reasonable request, provide confirmation of the extent of Ord Minnett's compliance with relevant conditions of ASIC Regulatory Guide 133.

2.3 You acknowledge that Unlisted Securities may be held in accounts established by Ord Minnett with one or more entities (including any persons associated with Ord Minnett) that may be appointed from time to time by Ord Minnett to undertake its function as custodian (each a sub-custodian) and that:

- (a) Securities deposited with a sub-custodian may be held in a single account in the name of Ord Minnett for the benefit of its clients and Ord Minnett will identify in its books and records that part of the assets held by the sub-custodian which are individual client holdings.
- (b) Ord Minnett is not liable for any act or omission or for the solvency of any sub-custodian or any broker or agent which it or a sub-custodian appoints unless such appointment was made by Ord Minnett in negligence or not in good faith.
- (c) Ord Minnett must monitor the performance of obligations of a sub-custodian or any broker or agent appointed by a sub-custodian to the extent deemed reasonable by Ord Minnett to satisfy itself that the sub-custodian is complying with its contractual obligations.

2.4 You may instruct Ord Minnett in relation to Securities held on your behalf pursuant to this Agreement by speaking to your adviser or otherwise by directing your instruction in writing to Ord Minnett Limited, Level 18, Grosvenor Place, 225 George Street, Sydney New South Wales 2000.

2.5 We will notify you when we commence to hold any Securities on your behalf pursuant to this Agreement and of any subsequent dealings in or transfers of Securities.

## 3. Dealing

3.1 We will only undertake dealings on your behalf where we have confirmed that there are sufficient cleared funds available to pay for Securities as well as any other outgoings (including brokerage) pertaining to the transaction.

3.2 Whilst you may instruct us to deal on your behalf, we retain discretion as to whether to accept or decline such instructions at any time without the need to provide any reason therefore. Furthermore, we reserve the right to decline to act on your instruction where the original instruction is more than one calendar month old and you have not reconfirmed the instruction subsequently.

3.3 We will not undertake any transaction on your behalf without your specific instruction, except where authorised to do so under a separate agreement.

3.4 You undertake to immediately notify Ord Minnett upon becoming aware of any transaction which was undertaken without your express approval and instruction. You agree that Ord Minnett will not be liable for any subsequent direct or indirect losses arising out of any unauthorised transaction.

## 4. Fees and Charges

4.1 You acknowledge that if you instruct us to undertake a transaction on your behalf you will pay the transaction charges and fees agreed between you and Ord Minnett and pay all transaction charges, fees, interest and any other amounts due on demand by us in cleared funds or otherwise as required.

4.2 Fees and charges owed to Ord Minnett (or to agents used by us) may be deducted from any funds held or managed by us on your behalf or, at our discretion, shall be paid by you as stated in the relevant contract note or advice. This will include any applicable duties, levies, taxes (such as GST) or other like liabilities imposed on us by Commonwealth or State legislation.

4.3 You acknowledge that commissions as specified in the Ord Minnett Financial Services Guide and all costs relating to or resulting from acquiring and/or disposing of securities held on your behalf are payable to us and may be paid by us from any money held to your credit in any other account accessible by us, or if applicable, from money held to your credit in your Ord Minnett Cash Management Account.

4.4 Where the Client is a corporation, any persons signing this Agreement in the capacity of a Director of the Client individually and collectively indemnify Ord Minnett against any liability or loss arising from, and any costs, damages, charges and expenses incurred in connection with:

- (a) any failure by the Client to pay Ord Minnett any monies which are due and payable by the Client on any account whatsoever of the Client; and
- (b) any failure by the Client to fulfil its obligations to Ord Minnett pursuant to this Agreement.

Indemnity shall be a principal and continuing obligation which shall terminate upon seven days' notice in writing to Ord Minnett provided that such revocation will not affect the liability of such Directors or Officers with respect to any loss, liability, costs,

damages, charges or expenses incurred by Ord Minnett pursuant to, or in connection with, any dealing made by Ord Minnett on behalf of the Client prior to receipt by Ord Minnett of the notice of revocation.

## 5. Confirmations

- 5.1 Ord Minnett will issue a Confirmation to you as a record of each transaction within 24 hours of execution.
- 5.2 Where you have already provided an address (whether electronic or otherwise) to which we have been instructed to forward Confirmations of transactions undertaken on the Australian Securities Exchange, we will also dispatch Confirmations of transactions in Unlisted Securities to this address.
- 5.3 Where you have not already provided an address for Confirmations, we will forward confirmations to the Registration Address set out in this Application or such other address as notified by you in writing from time to time.

## 6. Representations

- 6.1 You represent and warrant to Ord Minnett that:
  - (a) You are of full age and sound mind and legally competent and no bankruptcy notice has been issued against you.
  - (b) Where the Client is a corporation, the Client has been and is duly formed under the laws of the place of its formation, and no resolution has been passed and no petition has been presented or order made for the winding up or liquidation or the appointment of a receiver or an administrator or other insolvency official to the Client or any of its assets.
  - (c) You have taken such independent legal, financial, tax and other advice as you consider necessary prior to executing this Agreement.
  - (d) You have the power and authority to enter into and perform your obligations under this Agreement.
  - (e) in executing and in giving effect to this Agreement you will not infringe:
    - i a provision of any deed or other document or agreement to which you are a party; or
    - ii a law or treaty or any judgment, ruling, order or decree of any governmental agency binding on you.
  - (f) all information you have provided to us in relation to this Agreement was true and accurate in all material respects as at the date when the information was provided and there are no facts or circumstances which, if disclosed, might reasonably be expected adversely to affect the decision of a reasonably prudent financial services licensee whether to enter this Agreement.

## 7. Authorised Persons

- 7.1 Where you have authorised another person to undertake transactions on your behalf pursuant to the terms and conditions of another Client Account Application Form you agree that such persons are also authorised to instruct Ord Minnett to undertake transactions in Fixed Interest Securities pursuant to this Agreement.

## 8. Amendment and Termination

- 8.1 Ord Minnett may from time to time amend, alter, modify, substitute or supplement the terms of this Agreement by notifying you of such change in writing. No such amendment will affect any outstanding order or transaction or any legal rights or obligations which may already have arisen.

- 8.2 This Agreement continues unless and until a notice of termination is received by either party. The party wishing to terminate this Agreement must give not less than 2 Business Days' notice of termination and the termination takes effect on the expiry of the notice period. Termination shall not release either party from any existing obligations or from any liabilities for any antecedent breach of any terms of this Agreement.

- 8.3 Upon termination of this Agreement:

- (a) Ord Minnett will undertake whatever action is reasonably required to transfer registration of Securities into your direct ownership or to any custodian nominated by you;
- (b) you will remain liable to meet any obligations which may accrue under transactions initiated before the date of our receipt of notice and which are at that time outstanding;
- (c) you will also be liable to pay us the amount accrued to the date of termination in respect of our fees and charges and any additional charges for effecting the transfer of your portfolio to a new investment adviser;
- (d) the termination will not affect any rights or obligations which may already have arisen or any prospective or future rights or obligations under this agreement; and
- (e) without limiting (d) above the release, indemnity and limitation of damages in this agreement survive the termination of this agreement.

## 9. Indemnities and Limitation of Liability

- 9.1 You agree to be liable for and to indemnify, keep indemnified and hold harmless Ord Minnett and its directors, officers, employees and agents from all claims, losses, actions, demands, amounts, proceedings, liabilities, damages and costs (including legal costs on a solicitor and client basis) whatsoever and howsoever arising, paid, suffered or incurred directly or indirectly arising out of or in connection with:
  - (a) the provision of services under this Agreement.
  - (b) any liability for taxes of any nature relating to the custodial service provided under this Agreement.
- 9.2 Neither Ord Minnett nor any of its directors, officers, employees or agents shall be under any personal liability nor shall resort be had to any of Ord Minnett's private property for the satisfaction of any obligation or claim arising out of or in connection with any contract or other obligation entered into or incurred by Ord Minnett by or on behalf of you pursuant to this Agreement.
- 9.3 If contrary to the provisions of this Agreement, Ord Minnett or any of its directors, officers, employees or agents are held liable to any other person in respect of any debt, liability or obligation incurred by or on behalf of you, or any action taken or omitted in connection with Securities held on your behalf, then Ord Minnett shall be entitled to full indemnity and reimbursement from you forthwith upon demand.

## 10. Limitation of Liability

- 10.1 You agree that in entering into any transaction pursuant to this Agreement, you will rely only upon your own judgement and, to the extent permitted by law, in the absence of negligence, fraud or dishonesty by Ord Minnett or any of its employees, agents and representatives, Ord Minnett shall have no responsibility or liability of any kind in respect of any advice or recommendation given or views expressed nor in respect of any loss incurred by you in connection with services provided pursuant to this Agreement.
- 10.2 To the extent permitted by law, in the absence of negligence, fraud or dishonesty by Ord Minnett or any of its employees, agents and representatives, Ord Minnett will have no

responsibility or liability of any kind for any loss or damage whatsoever incurred as a result of any delay in transmitting or failure to transmit funds caused by reasons beyond Ord Minnett's control or as a result of Ord Minnett's failure to timely execute orders placed with it or to transact business for reasons beyond its control and you indemnify and agree to keep indemnified Ord Minnett and its employees, agents and representatives from and against all sums of money, actions, proceedings, suits, claims, demands, damages, costs, expenses and other amounts whatsoever arising in respect of any such loss or damage.

10.3 Ord Minnett shall be liable for any loss arising out of wilful default or other breach of any obligations owed to you under this Agreement, but otherwise will not be liable to you as a result of providing services under this Agreement.

10.4 To the extent permitted by law, the Ord Minnett's liability to any party for damages or in respect of any claim arising out of or in connection with the relationship established by this Agreement or any conduct or omission under this agreement, shall not in any event (and whether or not such liability results from or involves negligence) exceed the aggregate amount of fees which Ord Minnett has received under this agreement over the 12 month period preceding the making of the claim or the cost of supplying the goods and services again.

## 11. Privacy

11.1 You acknowledge that Ord Minnett will use your personal information in accordance with the National Privacy Principles including to assess your application and to undertake and settle transactions on your behalf.

11.2 You consent to Ord Minnett using or disclosing your personal information in accordance with the National Privacy Principles which may involve Ord Minnett using or disclosing personal information where required by any regulatory authority or under any applicable law.

## 12. Complaints

12.1 Complaints must be notified in writing to the Compliance Manager (Ord Minnett, Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000) whereupon the dispute shall be handled in accordance with our Complaints Handling Policy as detailed in Ord Minnett's Financial Services Guide.

## 13. Interpretation and Jurisdiction

13.1 This agreement is governed by the laws of New South Wales.

13.2 Unless the context otherwise requires, in the Terms and Conditions herein:

- (a) the words "we," "us" and "our" refer to Ord Minnett and any other associated entity and the words "you" or "your" refer to the signatories to this Agreement.
- (b) the Ord Minnett Cash Management Account refers to an account with the Ord Minnett Cash Management Trust (ARSN 090714588) units of which are issued by Ord Minnett Management Limited (AFS Licence 237123, ABN 55 002 262 240), Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000.
- (c) a reference to you as our client refers to not only yourself, but where appropriate to any other person(s) who you have advised us are authorised to act on your behalf.
- (d) a reference to Fixed Interest Securities includes Securities, stocks, bonds, tradable contracts and other negotiable instruments and securities in Australia and overseas.
- (e) the singular includes the plural and vice versa.

- (f) a reference to a gender includes a reference to each other gender.
- (g) a reference to a person includes a reference to a firm, trustee, a corporation or other corporate body.
- (h) all words and expressions given a particular meaning in the Corporations Act shall have respectively the same meaning when used in the Terms and Conditions in this Agreement.
- (i) "Client Account Application Form" refers to the Ord Minnett Limited Client Agreement Form as amended from time to time.
- (j) "Unlisted Securities" means stocks and bonds not listed on a national or regional stock exchange and which are traded in the over-the-counter market.
- (k) "Ord Minnett" means Ord Minnett Limited (AFS Licence 237121, ABN 86 002 733 048) of Level 18, Grosvenor Place, 225 George Street, Sydney New South Wales 2000.
- (l) "Business Day" means a day other than a Saturday, a Sunday or a public holiday in the place concerned.
- (m) "Director" means any person who is appointed to the position of a director; or is appointed to the position of an alternate director and is acting in that capacity; regardless of the name that is given to their position.
- (n) "Securities" has the meaning given by section 92 of the Corporation Act 2001.

## 14. Enforceability, prohibition and severance

14.1 Any provision of, or the application of any provision of this agreement which is prohibited in any jurisdiction is, in that jurisdiction, ineffective only to the extent of that prohibition.

14.2 Any provision of, or the application of any provision of, this agreement which is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions in that or any other jurisdiction.

## 15. Other Agreements

15.1 The terms and conditions set out in this Agreement are additional to and should be read in conjunction with the terms of any Client Account Application Forms completed by you, however where there is conflict, the terms and conditions of this Agreement will prevail.

# Cash Management Trust

## Product Disclosure Statement

This Product Disclosure Statement (PDS) is issued by Ord Minnett Management Limited ABN 55 002 262 240, AFSL 237123 (in this PDS 'Ord Minnett Management', 'we', 'us' or 'our'), the responsible entity of the Ord Minnett Cash Management Trust ARSN 090 714 588 (Fund). This PDS is dated 22 June 2012.

### Contents

- 1 About Ord Minnett Management
- 2 How the Fund works
- 3 Benefits of investing in the Fund
- 4 Risks of managed investment schemes
- 5 How we invest your money
- 6 Fees and costs
- 7 How managed investment schemes are taxed
- 8 How to apply

This PDS is a summary of significant information and contains a number of references to important information that is taken to also form part of this PDS ('incorporated information'). You should consider this PDS (including the incorporated information before making a decision about the Fund).

The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should therefore obtain financial advice that is tailored to your personal financial situation or needs.

Information in this PDS may change from time to time and where the changes are not materially adverse to investors, the information may be updated on the Ord Minnett website at [www.ords.com.au](http://www.ords.com.au). A paper copy of any updated information is available free of charge on request.

All dollar amounts are in Australian dollars.

No member of the Ord Minnett group, or any of their related entities, directors or officers guarantee the repayment of capital or the performance of the Fund. Members of the Ord Minnett group may invest in, lend to or provide other services to the Fund.

Subject to the terms set out in this PDS it is proposed to issue and distribute this PDS in both printed and electronic form within Australia. This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

The distribution of this PDS (including its accessibility on any computer network) in jurisdictions outside Australia may be subject to legal restrictions. Any person who resides outside Australia and who receives or gains access to this PDS should comply with any such restrictions as failure to do so may constitute a violation of securities laws.

If you would like to request a printed copy of this PDS or any of the other important information that forms part of this PDS, please contact us on 1800 700 713.

### 1. About Ord Minnett Management

Ord Minnett Management is the responsible entity of the Fund. It is responsible for the investment management, operation and administration of the Fund including all investment decisions. As the Fund is legally organised as a unit trust, Ord Minnett Management is also the trustee of the Fund. The duties, rights and obligations of Ord Minnett Management are set out in the Fund's constitution and the Corporations Act.

We have been managing retail funds since 1982 and have approximately \$450 million of funds under management as at 1 April 2012.

We are a wholly owned subsidiary of Ord Minnett Holdings Pty Limited (Ord Minnett). Ord Minnett is one of Australia's leading wealth advisory and stockbroking firms, catering to private clients, corporations and institutions.

### 2. How the Fund works

The Fund is a registered managed investment scheme, organised as a unit trust. When you contribute money to a registered managed investment scheme, your money is pooled together with other investors' money and you are issued with units. The units are a measure of your beneficial interest in the Fund and the Fund assets as a whole. We may issue units in different classes.

We invest the pooled money and manage the assets of the Fund on behalf of all scheme members (**unit holders**). We hold the assets in our own name (on behalf of unit holders) but may appoint a custodian to do this.

The Fund is governed by a constitution (**Constitution**). Together with the Corporations Act, the Constitution sets out the rules and procedures under which the Fund operates and our rights, responsibilities and duties as responsible entity, as well as those of investors. A copy of the Constitution can be inspected or provided free of charge upon request.

#### Applications and withdrawals

The application and withdrawal price is fixed at \$1 per Unit. With a typical share or fixed interest fund, the unit price varies as the market price of the relevant fund's assets rises or falls. The unit price for the Fund does not vary given the nature of the Fund's investments and the terms of its Constitution.

The minimum investment, withdrawal and account balance amounts are set out below.

Initial investment	\$100 minimum
Additional investment	\$100 minimum
Withdrawal	\$10 minimum
Account Balance	\$100 minimum

We may accept lesser amounts at our discretion.

Subject to the minimum requirements in the table above, you can increase your investment at any time by buying more units and decrease your investment by withdrawing or transferring some of your units.

Application requests must be received before 3pm Sydney Time on a Business Day for the application to be processed and begin to earn income from that day. For withdrawals the relevant cut off time is 11am Sydney Time on a Business Day.

If we receive your withdrawal request by 11.00am Sydney time on a Business Day, it will be processed on that day. If we receive it after this time, your withdrawal request will be processed on the following Business Day. In this PDS "Business Day" means a day on which banks are commonly open for business in Sydney, excluding a Saturday, a Sunday or a public holiday.

*You should read the important information about applications, withdrawals and transfers in the Ord Minnett Funds Additional Information Guide before making a decision. Go to section 2 of that guide available from <http://www.ords.com.au/document-repository>. That material may change between the time you read this PDS and the day when you acquire the units.*

### Income distributions

Net income of the Fund is calculated on a daily basis by adding together all interest and other income on investments plus net realised capital gains (if any) and subtracting Fund fees and expenses (see section 6). The net income is then paid to you on a quarterly basis. Income distributions are typically paid on the first Business Day following the end of the distribution period. However under the Constitution we may take longer to pay distributions. The distribution period normally ends on 31 March, 30 June, 30 September and 31 December each year, although we may change this from time to time.

The amount of income will vary from period to period. Distributions are calculated on a per unit basis. For example, if total net income is \$5 and there are 100 units on issue, then income per unit will be \$0.05. Please note this is an example provided for illustrative purposes and it is not a forecast or projection. Please contact us for information about the Fund's income returns.

You can choose to have your distributions of income:

- reinvested into your CMT account; or
- paid by electronic credit to your nominated Australian bank, building society, other Ord Minnett CMT, or credit union account.

If you don't make a choice, we will automatically reinvest your distribution into your Cash Management Trust account. In the event of the death of an investor, the investor or their representative will be deemed to have directed the reinvestment of distributions even if the investor had previously requested, or the investor's representative requests, the distributions to be credited to a bank account. You may change your choice for distribution payments by notifying us in writing at least 5 Business Days before the end of the distribution period, and this will apply to all subsequent distributions.

### 3. Benefits of investing in the Fund

The Fund makes investments in accordance with its investment strategy with the objective of delivering a competitive level of regular income.

Benefits of investing in the Fund include easy access to funds, capital stability and liquidity while enjoying higher returns than most traditional 'at call' bank accounts, access to a portfolio of bank deposits and interest bearing securities selected by a professional investment manager, regular reporting and online access to account information and access to assistance provided by our Client Services Team.

As a disclosing entity under the Corporations Act, the Fund is subject to certain regular reporting and disclosure obligations. Copies of documents lodged with the Australian Securities and Investments Commission (ASIC) may be obtained from, or inspected at, an ASIC office. You may obtain a copy of the following documents from us: the annual financial report most recently lodged with ASIC by the Fund, any half year financial report lodged with ASIC by the Fund after the lodgement of that annual financial report and before the date of the

PDS; and any continuous disclosure notices given by the Fund after the lodgement of that annual report and before the date of the PDS.

*You should read the important information about other benefits of investing in the Ord Minnett Funds Additional Information Guide before making a decision. Go to section 3 of that guide available from <http://www.ords.com.au/document-repository>. That material may change between the time you read this PDS and the day when you acquire the units.*

### 4. Risks of managed investment schemes

#### (a) Investing generally and investing through a managed fund

All investments carry risk. Different investment strategies carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

The value of investments and the level of returns will vary (that is, go up or down). Future returns may differ from past returns. Returns are not guaranteed, and you may lose some of your money. The level of risk for each person will vary depending on a range of factors, including age, investment time frames, where other parts of the investor's wealth are invested, and the investor's risk tolerance. Additionally, laws affecting registered managed investment schemes may change in the future.

#### (b) Summary of significant risks of investing in the Fund

There is no guarantee that the value of your initial investment will be maintained. In other words, the value of your investment may rise or fall. Significant investment risks include:

**Market risk** – Economic, technological, political, or regulatory factors and market sentiment can change and may affect the value of investment markets and the Fund's investments. We regularly monitor market risk.

**Asset specific risk** – Individual Fund investments may perform poorly as a result of market factors or factors specific to the investment or its issuer. We aim to minimise this risk through diversification across assets that meet the investment parameters for the Fund.

**Liquidity risk** – This is the risk that an investment cannot be sold quickly enough to prevent or minimise a loss. Break costs are sometimes incurred when investments are terminated or withdrawn prior to their maturity. A lack of liquidity may also affect the amount of time it takes us to satisfy withdrawal requests. We aim to minimise this risk by actively monitoring the cash levels of the Fund and the markets in which it invests.

**Credit or counterparty risk** – The issuer of fixed interest or debt securities may fail to pay interest and principal in a timely manner or at all, or negative perceptions of the issuer's ability to make such payments may cause the price, and therefore value, of those securities to decline. We aim to minimise this risk by carefully selecting Fund counterparties.

**Outsourcing risk** – The payment facilities provided by us in connection with the Fund may involve us entering into support arrangements with outsourced service providers. Such a provider may default in its obligations and cause loss to you, us, or the Fund. We manage this risk by only entering into such arrangements with reputable counterparties, and by regularly monitoring the performance of their obligations.

**Interest rate risk** – the secondary market price of interest style securities can differ to the initial purchase price, and may be lower than the original and accrued investment value, particularly in a rising interest rate environment.

**Manager risk** – Investment returns depend on our ability to manage the portfolio of Fund assets successfully. There is a risk the selected investments will not perform to the Fund's investment objective.

## 5. How we invest your money

Warning – in deciding whether to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe. The Fund does not offer a choice of investment options. As a result, you are not able to switch between options.

<b>Ord Minnett Cash Management Trust</b>	The Fund invests in cash and cash like investments and may be suitable for investors who want easy access to their money, capital stability and liquidity, whilst enjoying potentially higher returns than most traditional at call bank accounts.
<b>Investment return objective</b>	The investment return objective for the Fund is to deliver a competitive level of regular income.
<b>Asset classes and strategic allocation</b>	<p>The Fund will be fully invested in cash and cash like investments, which include bank deposits, bank issued and bank endorsed securities, qualifying corporate securities and government issued and government guaranteed securities.</p> <p>The Fund does not propose to enter into any long term borrowing arrangements. However, short term borrowing may occur in relation to the daily management of liquidity. The Responsible Entity may not borrow a total amount that at any one time exceeds 10% of the total value of all investments and cash comprising the Fund.</p>
<b>Minimum suggested investment timeframe</b>	Short term.
<b>Summary risk level</b>	Low. Risk is relatively low when compared to an investment in asset classes such as shares, property and longer dated fixed interest securities. However, it is possible that the returns on your investment may be less than the rate of inflation.

We may from time to time vary the investment objective and/or asset classes and strategic allocation. We will notify you of any such changes. We do not take into account labour standards, environmental, social or ethical considerations when selecting, retaining or realising investments in the Fund.

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features, such as superior investment performance or the provision of better member services, justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website <http://www.fido.asic.gov.au> has a managed investment fee calculator to help you check out different fee options.

### Fees and costs of the Fund

The following table shows the fees and costs you may be charged for investing in the Fund. This information can be used to compare costs between different simple managed investment schemes. The fees and costs may be deducted from your account balance or deducted from the returns on your investment.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment	1.03% p.a. of the value of the Fund

The management costs for the Fund incorporate goods and services tax (**GST**) after taking into account any expected reduced input tax credits. All fees can change without the investor's consent,

subject to the maximum fee amounts specified in the Constitution. At least 30 days prior notice will be given to unit holders before any fee increase or the introduction of a new fee takes effect.

*Warning:* additional fees may be payable to a financial advisor if one is consulted. Please check the relevant statement of advice for details of these fees.

ASIC provides a calculator on its MoneySmart website which can be used to calculate the effect of fees and costs on your investment and your returns.

### Example of annual fees and costs

The following table provides an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this Fund with other simple managed investment schemes.

### EXAMPLE

The Fund		Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	Nil	For every \$5,000 you put in, you will be charged \$0.
PLUS management costs	1.03% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$515 each year.

EQUALS cost of Fund	If you had an investment of \$50,000 at the beginning of the year and you put in \$5,000 during that year you will be charged fees of \$515. What it costs you will depend on the fees you negotiate with us.^
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\* **Additional fees may apply. Establishment fee – \$Nil,**

**And,** if you leave the Fund early, you may also be charged withdrawal fees of \$Nil.

^ Please note that this example is very simplistic. For illustrative purposes, the above example assumes that management costs were calculated on a balance of \$50,000, invested for a full year. It does not take into account any management costs that would be charged on the additional \$5,000 contributed during the year. For example, if the additional \$5,000 contribution was invested for only 6 months, then you would be charged approximately \$609 for the year.

*You should read the important information about fees and costs in the Ord Minnett Funds Additional Information Guide before making a decision. Go to section 4 of that guide available from <http://www.ords.com.au/document-repository>. That material may change between the time you read this PDS and the day when you acquire the units.*

## 7. How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

Registered managed investment schemes do not pay tax on behalf of investors. Investors will be assessed for tax on their share of the net taxable income of the Fund (both income and capital gains) in the financial year to which their entitlement relates, regardless of whether the income is reinvested in additional units.

*You should read the important information about taxation in the Ord Minnett Funds Additional Information Guide before making a decision. Go to section 5 of that guide available from <http://www.ords.com.au/document-repository>. That material may change between the time you read this PDS and the day when you acquire the units.*

## 8. How to apply

To invest in the Fund you should:

1. Read this PDS, including the important incorporated information in the Ord Minnett Funds Additional Information Guide.
2. Complete all sections of the application form that accompanies the Additional Information Guide (**Application Form**) and read and sign the declaration in the Application Form.

Your original Application Form, supporting identification, additional documentation as required, and cheque must be posted to Ord Minnett Management Ltd, GPO Box 2613, Sydney NSW 2001. Alternative payments methods are described in the Application Form.

### Cooling Off

A 14 day cooling-off period applies during which you may change your mind about your application for units and request the return of your money in writing. Generally, the cooling-off period runs for 14 days from the earlier of the time your application is confirmed, or the end of the fifth Business Day after your units are issued. Cooling-off rights will not apply to additional applications, reinvested distributions or where an investment is made through a master fund or wrap account. The amount refunded to you may be less than your investment amount due to adjustments for any expenses, applicable taxes or transaction costs incurred between the date of the application and the date of withdrawal.

### Complaints

If you have a complaint or other concern, you should first contact our Client Service Team on 1800 700 713 and discuss your complaint or concerns. If your concerns are not resolved to your satisfaction then please write to the Compliance Manager of Ord Minnett Management Limited, Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000 (or GPO Box 2613, Sydney NSW 2001).

If you are still dissatisfied you may write to:

The Australian Financial Complaints Authority  
Telephone: 1800 931 678  
Website: [www.afca.org.au](http://www.afca.org.au)  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Mail: GPO Box 3, Melbourne VIC 3001

The Australian Financial Complaints Authority will adjudicate and may issue a determination which will be binding on us. If you are still not satisfied with the outcome you may wish to obtain independent legal advice to consider your further options.



# Ord Minnett Offices

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## **Sydney (Head Office)**

Level 18, Grosvenor Place  
225 George Street  
Sydney NSW 2000  
Tel: (02) 8216 6300

## **Adelaide**

Level 5  
100 Pirie Street  
Adelaide SA 5000  
Tel: (08) 8203 2500

## **Brisbane**

Level 31  
10 Eagle St  
Brisbane QLD 4000  
Tel: (07) 3214 5555

## **Buderim, Sunshine Coast**

Burnett House  
1/99 Burnett Street  
Buderim QLD 4556  
Tel: (07) 5430 4444

## **Canberra**

101 Northbourne Avenue  
Canberra ACT 2600  
Tel: (02) 6206 1700

## **Gold Coast**

Level 7  
50 Appel Street  
Surfers Paradise QLD 4217  
Tel: (07) 5557 3333

## **Hobart**

Ground Floor  
85 Macquarie Street  
Hobart TAS 7000  
Tel: 1800 865 095

## **Mackay**

45 Gordon Street  
Mackay QLD 4740  
Tel: (07) 4969 4888

## **Melbourne**

Level 22, 35 Collins Street,  
Melbourne VIC 3000  
Tel: (03) 9608 4111

## **Newcastle**

426 King Street  
Newcastle NSW 2300  
Tel: (02) 4910 2400

## **Perth**

Level 27  
108 St Georges Terrace  
Perth WA 6000  
Tel: 1800 517 411

## **Hong Kong (International)**

1801 Ruttonjee House  
11 Duddell Street  
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[www.ords.com.hk](http://www.ords.com.hk)

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